

EMPLOYEES MOTIVATION AND ITS IMPACT ON PRODUCTIVITY

M.Ramarajan ^{*1}, Dr. S.Saravana Kumar²

¹Ph.D Research Scholar Dept. Of Business Administration

E-Mail: Ramarajan.M6960@Gmail.Com Roll No: 1911130094

²Research Supervisors Assistant Professor Dept. Of Business Administration Annamalai

University. E-Mail: Sensara79@Gmail.Com

Keywords:	Abstract
Motivation, Productivity, Theories, Financial and non-financial rewards.	<p>There are many reasons organizations need highly motivated employees. Highly motivated employees are highly engaged employees, and engagement is essential for sustainable success. Highly motivated employees are also more likely to stay at an organization, which helps organizations avoid the high costs associated with turnover. One of the most important ways highly motivated employees support a healthy bottom line is by being more productive than their disengaged co-workers.</p> <p>Employee motivation impacts productivity because motivated employees perform better and consistently produce quality work. Leaders can boost productivity in their organizations with strategies that help employees stay engaged in their jobs, committed to the vision, and motivated to do great work.</p> <p>To achieve this, the paper conducted a review of some of the key theories and empirical studies on motivation and its impact on employee productivity drawing experiences from diverse organizational settings in Chennai, Tamil Nadu. The study revealed that there are different factors to consider in motivating employees, some monetary or financial such as pay and others are non-financial like recognition and challenging jobs. Important implications are presented for managerial practice.</p>

Introduction:

Either in prosperous or challenging times of health, social, and economic changes, business managers turn their attention towards the most important organizational resource: employees. A good performing team of workers translates directly to a stronger financial outcome. If employees do not feel involved and committed to work, it is hard for them to perform well and identify with the organization. The affinity of the employees with the company would lead to a better employee job performance and better interpersonal relationships. Within an effective and successful institution, its employees can collaborate and be productive out of the common interests and benefits. The affinity of an employee with the company depends on several factors, and researchers have worked for a long time to identify them. Some of these factors include company culture, working conditions, availability and use of resources, reward system, and so on. Studies consistently show that motivation is a strong predictor of job performance and productivity (Jalagat, 2016). The more motivated the employees, the better performance and higher productivity they will demonstrate (Anwar, 2021).

Motivation results from the interaction of cognition-related factors, such as the intensity of will, incentive value of the goal, and individuals' and others' expectations

. Motivation has long been studied by philosophers and recently researchers argued that motivational theories should come from the foundations of psychology. Moreover, the construction of these theories should not be based only on the operational aspect of humans, but also on the principles of the functioning of the brain, thus including elements of neuroscience.

Motivation makes most of the employees feel good about their jobs and perform better, which leads them toward organizational commitment. Employees become motivated through different pathways that include financial incentives for some, and recognition and appraisal by others. People who are motivated and enthusiastic about the work they do perform to the best they can, and productivity increases as well. As such, labour productivity combined with economic performance may lead to corporate sustainability in the context of a highly competitive business environment. Incentives, which are influential motivators that drive a certain behavior, are extensively used by the employers. They may take different forms, such as paid leave, bonuses, and cash. Employees need incentives and rewards from their employers to work productively.

Implementing a reward system and recognizing the employees help the employers identify hard-working and successful employees. As such, employees feel good and encouraged to do quality work. Employees have many reasons to be motivated, which can be classified in two major sets: those related to personal goals and others related to organizational goals. Most of the employees are motivated through the feeling of enthusiasm to successfully accomplish good work for attaining their own personal and organizational goals. Others prefer to be motivated by being acknowledged or recognized by the managers in front of the colleagues who might look at the employee as a role model in the workplace.

Given the fact that employees' motivation impacts both their performance and productivity, this study will contribute to better understand the underlying factors that drive employees' motivation and why it is important for companies to motivate and keep their workers committed and attached to their jobs. A secondary purpose of this study was to conduct an exploratory analysis of this matter in an Albanian sample of employees working in different companies and fill in a gap in the literature focusing on employees motivation at work in developing countries of the Western Balkans from the employees perspective. Exploring perceptions and attitudes that employees have about the factors that motivate them at work is very crucial for employers to develop effective strategies to keep them motivated. Based on the analysis of the data, recommendations for human resource unit managers are provided.

Research in the relationship between motivation and productivity is justified on at least two grounds. The first justification is the rapidly changing workplace environment and its meaning to the young generation of employees in high paying jobs in the oil and gas and other high technology related organizations who do not accept the traditional approach to employee motivation. Who, do not accept the status quo, and have moved from obedience to questioning; and who assess work in terms of its significance in human life and human nature. It is argued that motivation is the key to economic recovery in the State. A review of theories and empirical evidence on the central issues at stake on how to boost motivation therefore becomes timely.

Employees' motivational factors

Employee motivation has been a topic of interest of past studies for almost a century dating back to the 1940s when scientists were seeking answers to the question, "Why do workers work?" If a business organization is aware of what drives employees to work, it is easier to motivate them to be productive. The way employees feel about their job and the working environment determines how motivated they are. It has been well documented in the literature that there is a positive association between job satisfaction, productivity and work performance. The more satisfied the workers are, the more motivated they feel, the better they perform, thus leading to higher productivity.

Griffin (1990) indicated that the strongest determinants of employee performance appear to be as follows: i) ability, ii) the work environment, and iii) motivation. The first two

can be easily resolved whenever a problem arises, but when it comes to motivation, that is a more complex one, which is more dependent on the employees who should report motivational problems. As such, employers can modify certain factors, such as work conditions, monthly payments, or recognition strategies towards employees.

Factors such as high salaries, positive working climate, and good interpersonal relationships are not among the strongest determinants of staff motivation, but their lack leads to employee dissatisfaction, which negatively influences motivation. Other scholars indicate that true motivation comes from having a sense of belonging to the organization and the desire to have high achievement and responsibility. Employers should be aware of whether they are creating a motivational climate and, if needed, how they can improve it. Both employees and managers should collaboratively contribute to the creation of an atmosphere characterized by good organizational communication.

Objective of the Study

The ultimate objective of the study would be to demonstrate a direct link between motivation and human resource procedure, resulting in the practical enhancement of an organization's business or production

- This study looks at the direct relationship between employee motivation and productivity.

- Examine the effects of various human resource management practices on employees' motivation levels

- To knowing the particular elements of financial incentives, job satisfaction, autonomy, and personal development inspire workers in contemporary environments.

Empirical Studies on Motivation

Almost all the theories discussed above have been tested empirically. One of the early empirical studies on Maslow's hierarchy of needs theory tried to test whether the list of needs derived from American culture by Maslow is applicable to other cultures. The study found that managers had these needs and that they were important. However, although these needs may be universally accepted the importance attached to the satisfaction of different needs varies from culture to culture (Haire, et. al., 1963).

A survey conducted by Velnampy (2007) to test Maslow's hierarchy of needs theory reveals that consciously or unconsciously lower level employees in both public and private sector organizations of Sri Lanka attach more importance to lower level needs and higher level employees emphasize higher level needs.

Review of Literature

Bhattacharyya (2009), notes that motivation is also described by different theorists as a process that governs choice and that the motivation process starts with a physiological or psychological deficiency or need that activates behaviour, or a drive that is aimed at a goal.

Robbins et al. (2009), productivity indicates a concern for both effectiveness and efficiency, whereas motivation is defined as the processes that account for an individual's intensity, direction, and persistence of effort towards accomplishing a goal. A fundamental part of a motivation strategy is that the process of achieving the goal is itself motivational. Employees are therefore driven to accomplish their goals through motivation factors which may be driven by an internal or external force that pushes them towards delivering on their set goals. Motivation can therefore be classified as either intrinsic or extrinsic motivation indicating that different stimuli will have a different impact on employee motivation and work productivity.

Hussain et al. (2019) contend that some workers may need to pay more attention to their long-term growth and development to achieve immediate objectives. Employees motivated solely by the possibility of receiving rewards and acknowledgement may devote less time and effort to achieving long-term objectives, which may require more time and effort. Secondly, there may be unforeseen results from giving and receiving praise and awards. For instance, they might foster an atmosphere of rivalry and anger among workers who believe they

are not fairly compensated or acknowledged. The result might be a decrease in morale and teamwork at work. Lastly, it might harm workers' intrinsic motivation to receive external incentives for work they would otherwise accomplish because it is inherently satisfying. However, if workers are just interested in the payoff, they may become disengaged and less productive.

Bawa (2017), one of the early empirical studies on Maslow's hierarchy of needs theory tried to test whether the list of needs derived from American culture by Maslow is applicable to other cultures and the study found that managers had these needs and that they were important. In the study undertaken, the findings show that if job engagement is an organisational goal towards which the organisation is striving, then the respective managers in that organisation need to enhance their employees work motivation, such as offering more rewards or challenges, which in turn increases the employees' propensity for translating that motivation into actual heavy work investment or on the job engagement.

Maslow, (1954) and Jerome, (2013) stated that, the hierarchy, people are motivated to fulfill their needs starting from the most basic need to the direst ones. The basic needs are physiological and safety-related, which every organization strives to ensure. The more vital needs consist of more social ones that are related to different roles and responsibilities the organization assigns to the employees. Positive relationships established between the organization and the workers foster dire needs such as self-esteem and self-actualization among the employees. As the organization performance improves and the objectives are met, those lead to a higher employees' job satisfaction.

From the preceding section, it becomes clear that each manager or supervisor needs to study his workers individually and generally in order to come up with adequate measures of motivation. This calls for a basket of measures to motivate workers. One single measure of motivation is not likely to work in the diverse circumstances in which we live. Against this background, the paper provides a selected menu of how to motivate workers to work harder in order to raise productivity in the work place.

The first far reaching practical implication for management practice is the application of Maslow's theory by using employee expectations and lifestyles. It is established that significant difference exists between lower level needs and higher level needs of employees. According to Maslow, physiological needs for food, clothing and shelter are the most dominating in a person while an employee is just starting his career. At this stage if you want to motivate the person, pay him on time. This is because it is quite clear that at this stage the basic form of motivation is salary. An average Indian employees is motivated when he receives salary alerts especially if he is expecting some arrears. If that is guaranteed, Management can also consider additional monetary reward (e.g., productivity bonus) and this can motivate him to increase his productivity. Another man who has reasonably satisfied the first need but who is now afraid of losing his job, can be motivated to put on more effort and increase productivity on account of that fear. But a person who has reasonably satisfied the second need now wants acceptance, to love and be loved; you can motivate him to work harder and increase productivity by providing him with a Staff Club as an easy avenue to make friends or facilitate membership of social and professional associations subsidized by the employer.

A man who satisfied this need for love is now looking for esteem which is bred by accomplishments. The man can be motivated by giving him recognition. A man who has satisfied this need now needs self-actualization. He aspires to reach his highest potential. This man can be motivated by giving him assignments that praises his worth, opportunity for career growth such as promotion, etc.

Research Methodology

Sample and data collection procedure

The total number of participants was N=110, including employees working in different companies mainly located in Chennai, Tamil Nadu.

A convenient sampling technique was used to recruit the participants in this study. They reported a work experience ranging from one to twenty years. In total, there were $n=38$ males (34.5%) and $n=72$ females (65.5%). The data were collected during Nov and Dec 2024.

The questionnaire used in this study was implemented on Google forms and the link was electronically distributed to the participants to obtain information about their perceptions on the work needs, their common problems at work, and motivational factors. Participants were free to answer all the questions, while they were assured about the anonymity and confidentiality of the data.

Measurement tool

In this study, a quantitative research design was employed. The survey aimed at obtaining information about the current situation related to the employees' motivational factors, their needs at work and perceptions about the role of an input and output of psychologist in the company. The survey consisted of two parts. The first part of the questionnaire included demographic questions, and the second part included questions about motivation at work, work conditions, the voice of the employees in the decision-making process and other needs.

The survey included items on a Likert-type scale (ranging from 1 "never" to 5 "always") and close-ended questions with options "yes" or "no".

Measures

Employee's motivational factors at workplace. This scale included four questions. These items were on a Likert-type scale (ranging from 1 "never" to 5 "always"). The scale reliability analysis provided a Cronbach alpha, $\alpha=.90$. Employees' needs at work. This variable was measured by asking the respondents three questions. The items were on a Likert-type scale (ranging from 1 "never" to 5 "always"). The reliability analysis was conducted and it revealed a Cronbach alpha equal to 0.74. Employees' knowledge about the role of an organizational psychologist at the company. This measure consisted of close-ended questions that could be answered with a "yes" or "no" such as: "Does your company have an organizational psychologist?" or "Is there a human resources unit in your company?" Some companies are part of holding companies and the human resources services are controlled by units out of individual companies.

Interview questions were open-ended questions used to obtain information related to their opinions about different factors related to their experience with the company.

The data were validated by conducting a principal axis factor analysis to check whether they fit into the two constructs to confirm the support for the construct validity of the two scale measures in this sample. Two factors were requested where the items were designed to index two constructs: motivational factors and needs at work. After rotation, the first factor accounted for 41.4% of the variance, and the second factor accounted for 22.8%. The first factor, which seems to index employees' motivational factors, has strong loadings above .70 on the first four items. The second factor, which seemed to index employees' needs at work, had high loadings above .55 on the next three items. A test of normality was conducted for all study variables where the descriptive statistics showed that the skewness values range between -1 and 1. This analysis indicates that the variables are at least approximately normally distributed.

Data analysis

Data was analyzed by using the Statistical Program for Social Sciences (SPSS). The reliability statistics were used to assess the internal consistency reliability with Cronbach's alpha for the items of each scale of the study variables. Then, an exploratory factor analysis was conducted to indicate the construct validity of the questionnaire used for the aim of this study. Frequency distributions and descriptive analysis were used to explore employees' motivational factors, their basic needs at work, and perceptions about the role of an I-O psychologist in the company. Then, the Bivariate Pearson Correlation analysis was used to investigate the relationship between the employees' motivation and the success of the company.

Table 1. Employees' Motivational Factors.

Variable	M (SD)	Range	Skewness	Kurtosis
1. Employees' voice heard	3.49(1.21)	1-5	-0.42	-0.81
2. Freedom to express opinion	3.77(1.20)	1-5	-0.65	-0.61
3. Employees' safety at work	3.76(1.20)	1-5	-0.61	-0.62
4. Employees feeling appreciated	3.69(1.18)	1-5	-0.67	-0.44

Source: Primary Data computed

As shown in Table 1, descriptive analysis revealed the means, standard deviations, range, skewness and kurtosis for all the items included in that scale. To investigate employees' perceptions about the motivational factors, descriptive analysis was conducted where the values of skewness and kurtosis indicate that the items of this scale are normally distributed. They have means ranging from 3.49 to 3.77 with a standard deviation of 1.20.

Referring to the minimum and the maximum values of this variable, on average most of the employees have reported that their voices were heard, they feel free to express their opinion, they feel safe at work and they feel appreciated by their bosses at a moderate level.

Table 2. Employees' basic needs at workplace

Variable	M (SD)	Range	Skewness	Kurtosis
1. Better Work Conditions	3.15(0.88)	1-4	-0.79	-0.12
2. More Advanced Tech.	3.77(1.20)	1-4	0.10	-0.84
3. More appreciation from supervisors	3.76(1.20)	1-4	-0.94	-0.06

Table 2. shows that regarding the employees' basic needs at the workplace, most of the participants reported (ranging from 1 - "Not agree at all" to 4 - "Totally agree") that among the most basic needs of the Albanian employees are: 1. Better work conditions; 2. More advanced technology; and 3. More appreciation from the supervisors. Descriptive analysis shows the values of the means and standard deviations and it indicates that the data are normally distributed.

Table 3. Intercorrelation between two main study variables.

Variable	1	2
1. Employees' Motivation	..	0.28*
2. Company's success
*p<.001		

Table 3. shows Then, the Bivariate Pearson Correlation analysis showed that there is a significant positive correlation between employees' motivation and their perceptions about the role of employees' motivation on the success of the company, $r(110) = .28$, $p < .001$, which is considered a medium effect size (Cohen, 1988).

Results from the interview questions

Based on the interviews conducted with the participants, it was observed that the most important concerns in their companies were low wages, extended working hours, delays in monthly payments, and lack of job description and proper coordination. These results are in line with common expectations of the authors and also with the previous reports in the literature. Their comparisons were mainly with the working conditions. The participants reported different motivational methods used by their companies. Some companies accomplish this by: increasing the wage, offering appropriate trainings for their professional development, providing periodic rewards and promoting to higher positions. Among the different motivational strategies initiated by the companies, the least reported one was the organization of trainings and workshops. Finally, the participants reported that their productivity was higher when they were

motivated in their workplace and this has directly affected the companies' overall financial performance.

Discussion and Conclusions

The findings reported here add more by contributing to a gap in the existing literature on the motivational factors and needs of the employees working in companies in developing countries. The fact that the data collection was conducted during a global economic downturn should point to conclusions that are specific only to times associated with extreme financial difficulties. Similar to many countries around the world and in the the unexpected circumstances have created a traumatic situation. Moreover, the weaker national economic power, when compared to many European Union countries, has pushed many private companies to unprecedented measures including layoffs, pay cuts, and delayed wages. Small glimpses of hope following the government promises at the beginning of the pandemic could not survive the unexpected length of the lockdown.

In these conditions, the responses of the participants would unexpectedly be leaning more toward the financial aspect of motivation. These findings support and expand on existing hypotheses regarding the importance of employee motivation to increase business productivity and job performance.

The results showed that the employees were satisfied at an average level in terms of the four major factors analyzed here. The 'employee's voice heard' was reported as the weakest factor whereas the 'employee's safety at work' and 'freedom to express opinion were reported as the strongest motivational factors. Based on this result, the companies could improve further by having the employee's voices heard more as this would create a positive and supportive atmosphere at the workplace. In this type of atmosphere, the employees feel more motivated and productive.

The analysis of the qualitative data found out that employees feel satisfied and motivated when they receive extra bonuses, when they are promoted in their role and responsibilities, and when they feel appreciated by others and especially by their supervisors. These findings are in line with the work conducted by David et al (2004), who agreed that assigning new roles and responsibilities to people leads them to be motivated to work harder. The finding that pay raise constitutes an important factor of motivation for the employees is also supported by the literature showing that salary is an important indicator of employees' satisfaction and performance and hence, business productivity.

This study suggests that more research needs to be conducted to explore other motivational factors and links between other variables related to motivation and employees' productivity. Future studies should focus on understanding the most important needs and factors, which may influence not only business productivity, but also employees' working skills. Considering that the motivational factors identified by the employees can be explained by the need theory and expectancy theory, research should focus on models that are based on these two theories. These models should also include variables related to social behavior.

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