Journal of Advances and Scholarly Researches in Allied Education
Vol. 13, Issue No. 2, July-2017, ISSN 2230-7540

Study of Motivation on Employees in Achieving Organizations Goals

Divya Shukla*

Research Scholar

Abstract – Organizations develop strategies to compete in highly competitive markets and to increase their performance. Nevertheless, just a few organizations consider the human capital as being their main asset, capable of leading them to success or if not managed properly, to decline. If the employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goals, the organization cannot attain success. People have many needs that are continuously competing one with another.

The present study was conducted on the Impact of Motivational Incentives on Employees' Performance. The main objective of the study was to find out level of motivational incentives and to analyze the impact of those incentives on the performance of employees. The variables, which were the focus of the study, were level of job Satisfaction, level of performance, efficiency, organizational productivity, employees' loyalty and professionalism

Keywords: Motivational Incentives, Organizations, and Performance

- X -

1. INTRODUCTION

The success and promotion of any company or organization can be evaluated in terms and conditions of various things, such as well planning, better administrative system, system of working of employees, follow up rules and regulations, management of resources and many others. These are the some of the basic tips for the promotion of any company. But there are some other components must to be keeping in mind that is concern to human resource management (H.R.M) an organization is majorly depended upon the human resources' available to it. Human resources are everything for any company /organization, although a company needs many other resources for its promotion and success but without human resources they are useless. It is the man who operates the machines and utilizes other resources for development.

Every person has his own wants and desires, for that purpose he/she works to get fulfill them. It is not enough for an employee to be satisfied materially but non-material aspects are as essential as material aspects, an employee need both to be fulfilled. Material means his salary, bonuses, allowances, job security and other facilities. While non-material aspect includes leaves, excellent working environment, good understanding among other fellow workers and top management, all these elements have much to do with motivation of employee. Employees play very important part in the daily operations of any organization especially where the markets are very competitive and have ever-changing environment, which is supported by majority of the theorists. Its employees usually determine the fate of an organization so it sounds logical to understand how employees can be motivated. As far as the employee's motivation is concerned, employee motivational incentive programs have been found to be the most commonly adopted technique among organizations. The purpose of the program is to reward productive performance, reinforce positive behavior and stir interest in employee. Performance and how it could it could be enhanced is central to the concern of industries and organizations, therefore many organizational scientists, are very much interested in different schemes and techniques related to performance and its growth incentives are one of those techniques used in workplaces to stimulate employees in order to get desired performance.

Motivation can be defined as the willingness to exerthigh levels of effort toward organizational goals, conditions by the effort ability tosatisfy some individual needs. We will narrow our focus to organizational goals inorder to reflect our singular interest in work related behavior. The three keyelements in our definitions are effort, organization goal and individual.

Nowadays the key tool used by manager to get desired behavior from employee isthe incentive program in which they identify the key need, want of demand ofemployee and satisfy them by providing relevant incentives.All organizations want to be successful, even in current environment, which is highly competitive. Therefore, companies irrespective of size and market strive to retain the best employees, acknowledging their important role and influence on organizational effectiveness. In order to overcome these challenges, companies should create a strong and positive relationship with its employees and direct them towards task fulfillment. In order to achieve their goals and objectives, organizations develop strategies to compete in highly competitive markets and to increase their performance. Nevertheless, just a few organizations consider the human capital as being their main asset, capable of leading them to success or if not managed properly, to decline. If the employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goals, the organization cannot attain success. People have many needs that are continuously competing one with another. Each person has a different mixture and strength of needs, as some people are driven by achievement while others are focusing on security. If the managers are able to understand, predict and control employee behavior, they should also know what the employees want from their jobs. Therefore, it is essential for a manager to understand what really motives employees, without making just an assumption. Asking an employee how he feels about a particular situation does not provide an accurate evaluation of his needs, as the interpretation could distort the reality itself. The closer one gets his perception to a given reality, the higher is the possibility to influence that specific realty. Thus, managers can increase their effectiveness by getting a better grasp on the real needs of the employees.

The success and promotion of any company or organization can be evaluated in terms and conditions of various things, such as well planning, better administrative system, system of working of employees, follow up rules and regulations, management of resources and many others. These are the some of the basic tips for the promotion of any company. But there are some other components must to be keeping in mind that is concern to human resource management (H.R.M) an organization is majorly depended upon the human resources' available to it. Human resources are everything for any company /organization, although a company needs many other resources for its promotion and success but without human resources they are useless. It is the man who operates the machines and utilizes other resources for development. (Hitt, Miller, &Colella, 2006, pp. 524-526). Every person has his own wants and desires, for that purpose he/she works to get fulfill them. It is not enough for an employee to be satisfied materially but non material aspects are as essential as material aspects, an employee need both to be fulfilled. Material means his salary, bonuses, allowances, job security and other facilities. While non-material aspect includes leaves, excellent working environment, good understanding among other fellow workers and top management, all these elements have much to do with motivation of employee. Employees play very important part in the daily operations of any organization especially where the markets are very competitive and have ever-changing environment, which is supported by majority of the theorists. Its employees usually determine the fate of an organization so it sounds logical to understand how employees can be motivated. As far as the employee's motivation is concerned, employee motivational incentive programs have been found to be the most commonly adopted technique among organizations. The purpose of the program is to reward productive performance, reinforce positive behavior and stir interest in employee. Performance and how it could it could be enhanced is central to the concern of industries and organizations, therefore many organizational scientists, are very much interested in different schemes and techniques related to performance and its growth incentives are one of those techniques used in workplaces to stimulate employees in order to get desired performance. Money is considered to be the universal motivator although other financial and non-financial incentives and benefits create a very special relationship between organization and employees. Employees preform certain tasks; fulfill goals in exchange of money and other incentives packages. Some types of incentive plans are available in industries in which bonuses, conveyance allowance, medical allowance, increase salary, monthly leaves, promotion, recognition are included. These incentives encourage the employees and hence productivity enhances by affecting the performance, efficiency, satisfaction, responsibility, effectiveness and commitment of employees.

2. REVIEW OF LITERATURE

Nawab & Bhatti (2011) conducted research on influence of employee compensation on organizational commitment and job. In their research attention was drawn on the role of each component of financial & non-financial reward towards organizational commitment, which they can implement and increase their practices to maximize the employees contribution and production. They also revealed in their research study that organizational setups in Pakistan normally focus on increasing the productivity without paying attention toward compensation and its significance. After highlighting the drawback they suggested to concentrate over different compensation plans to increase or decrease the size of both financial and non-financial rewards to achieve the desired result from work force.

As Kalimullah (2010) suggested, a motivated employee has his/her goals aligned with those of the organization and directs his/her efforts in that direction. In addition, these organizations are more successful, as their employees continuously look for ways to improve their work. Getting the employees to reach their full potential at work under stressful conditions is a tough challenge, but this can be achieved by motivating them. On the other hand, Mary (1996) explains organizational effectiveness as the extent to which an organization fulfills its objectives, by using certain resources and without placing strain on its members. The goal model defines organizational effectiveness referring to the extent to which an organization attains its objectives (Zammuto, 1982), while the system resource model defines it in terms of the bargaining power of the organization and its ability to exploit the environment when acquiring valuable resources (Yuchtman, 1987).

Bartol and Martin (1998) consider motivation a powerful tool that reinforces behavior and triggers the tendency to continue. In other words, motivation is an internal drive to satisfy an unsatisfied need and to achieve a certain goal. It is also a procedure that begins through a physiological or psychological need that stimulates a performance set by an objective. As compared to financial resources, human resources have the capability to create competitive advantage for their organizations. Generally speaking, employee performance depends on a large number of factors, such as motivation, appraisals, job satisfaction, training and development and so on, but this paper focuses only on employee motivation, as it has been shown to influence to a significant degree the organizational performance.

Compelling evidences have been found in the literature about the significance of the relationship between compensation & reward and the employee behavior and organizational performance. Pritchard et al, (1988) study indicated that group-level feedback increased productivity an average of 50% over baseline, group goal setting increased productivity 75% over baseline, and group incentives increased productivity 76% over baseline.. In addition, work attitudes such as job satisfaction, turnover intentions, and morale were better after the interventions. Jenkins et al, (1990) studied whether financial incentives were related to quality and quantity of performance or not. Results showed that financial incentives were not related to the quality of performance rather it had a correlation with quantity of performance. Bonner et al (2000) findings suggested that the type of task being performed and the type of incentive scheme being employed affected the efficacy of financial incentives and therefore influenced the design of management accounting and control systems. The results of the study conducted by Stajkovic & Luthans (2001) showed that the money intervention based on the O.B. Model outperformed routine pay for performance (performance increase = 37% vs. 11%) and also had stronger effects on performance than social recognition (24%) and performance feedback (20%). Condly et al (2003) studies 600 studies which revealed that the overall average effect of all incentive programs in all work settings and on all work tasks were a 22% gain in performance. Milne (2007) research results revealed that reward and recognition programs had positive effects on motivation, performance and interest within an organization. Weibel et al (2009) study demonstrated

(a) Motivation was the key influence on the effect of performance related pay on performance, and

(b) Pay for performance was generally more costly as it appeared to have hidden costs of rewards.

Hameed& et al (2013) conducted their research on impact of motivators on employees' performance. They developed a model explaining the association between incentive motivators, organization-based self-esteem and employee performance in private banking sector of Pakistan. The outcomes revealed positive and significant impact of incentive motivators and organization based self-esteem on employees' performance. Khan & et al (2013) investigated different factors determining intrinsic and extrinsic rewards in the light of Herzberg's two factor theory and their impact on banking employees' job satisfaction and job performance and endeavors to influence overall performance of the commercial banks of Pakistan. The study revealed that both intrinsic and extrinsic rewards had significant impact on employees' performance. Hameed & et al (2014) studied the impact of compensation on employee performance in private banking sector of Pakistan. It was revealed in the study's results that Compensation had progressive impact on employee performance. It was proved from correlation analysis that indirect compensations (non-monetary) had weak relationship to performance whereas monetary compensations had significant and positive impact on employee performance. Gichuru (2015) paper showed relationship between motivational incentives and employee performance. The study highlighted that motivation improved level of efficiency of employees where the level of a subordinate or an employee did not only depend upon his qualifications and abilities. The findings further suggested that motivational incentives affected employee performance in an organization in various ways as increased output, boosting employee morale, improved participation and improved employee relations.

3. IMPACTS OF INCENTIVES ON EMPLOYEES IN ACHIEVING ORGANIZATIONS GOALS

"Incentive" may be defined as a stimulus or encouragement for grater action. When used in terms of wage policies, it usually refers to additional remuneration paid to an employee, if thework units produced by him exceed an established standard. Incentives are offered to employeesto encourage them to greater effort in production than would normally be expected.

Varma and Agarwal (1994) defined; rewards are the payments made to the employees ascompensation for the services rendered by them to the organization. Compensation orremuneration is what employees receive in exchange for their work in the enterprise, and Criffeth, Hom (2001) defined that compensation is the benefits made to employees by employerfor attracting and retaining personnel in the organization. Thus the concept of incentives / rewards implies increased willingness or motivation to work.

Reward strategy is the deliberate utilization of the pay system as an essential integratingmechanism through which the efforts of various sub units and individuals are directed towards the achievement of an organization strategic objective, subject to internal or external constraints.

Contemporary compensation administration frequently embraces a strategic approach where the mix and level of direct pay and benefits are chosen to reinforce the organization's overall strategic objectives (Gomez-mejia, 1992). Integration among four basis policy decisions is required in the design of a consistent compensation system (Milkovich and Newman, 1993).

These decisions involve:

1. The comparison of jobs within an organization (Internal equity/internal consistency).

2. Setting pay levels relative to competitors (External equity/External competitiveness).

3. Adjusting pay for individual employees (pay for performance, rewards systems, skill based pay design).

4. The administration of the compensation function (benefits administration and benefits communication)

It is generally recognized that people may receive two major categories of rewards from work. One is intrinsic reward, which are rewards that are internal to workers and which they give themselves. Intrinsic rewards include self-esteem, a sense of accomplishment, and a feeling of growth or development of special skills and talents. Many of these rewards are desired from the work itself. Intrinsic rewards are related to the worker's perception of the job and, hence, are affected by job design, intrinsic rewards may be called as "non-financial/non-monetary rewards.

A second category is extrinsic rewards, which are external to workers and are given by the organization or someone else. Extrinsic rewards include direct and indirect compensation. Direct incentives are those rewards, which are directly involved with the money as wages and salaries, bonus, commission, individual and group incentives, profit sharing and stock options. Indirect incentives are those rewards, which are related to employees' benefits or perquisites. It consists of protection programmes, paid time off, health insurance plans, childcare benefits and employee discounts.

4. REWARDS AND MOTIVATION TO ACHIEVE ORGANIZATIONS SUCCESS

Motivation is the economical stimulus that causes us to act. The stimulus may be a need or a drive that energizes certain behaviors. At work, motivation is a combination of all factors in our working environment that lead to positive or negative efforts. If we understand what motivates us, we are more likely to achieve our personal and professional goals. Likewise, if organizations know how to motivate employees, they can increase productivity. This ability to boost production is increasingly important as organizations compete in the global market. While all companies make some efforts to motivate employees, a growing number of organizations are introducing new strategies including different compensation packages, as a means of motivating today's workers (Dalton, Hoyle and Watts, 2003). Thus rewards and motivation are interrelated. Money as a major motivating factor was endorsed by Taylor (1947), the founder of scientific management. People were seen to be motivated by self-interest and were keen to accept the challenge to maximize their income. The "economic man" school of thought gave way to the human relations perspective expounded by Mayo (1949). Following a series of experiments on the social and environmental conditions at work, the importance of recognition and good social relationship at work as motivational factors contributing to morale and productivity was heavily underlined.

Herzberg claimed that money is a so called "hygiene factor" which serves as a potential dissatisfied if not present in appropriate amounts, but not as a potential satisfier or positive motivation. Lawler and Porter (1967) suggested that performance increases satisfactions through the intermediate effect of rewards. In order to motivate employees for better organizational performance, it would be necessary to provide incentives and situational factors in such a way that their personal needs are integrated with organizational goals. The strength of motivation varies depending on the variables such as motive, expectancy and incentives which can be shown in the following equation (Atkinson, 1958).

Equity theory (Adams) revealed that satisfaction with pay is related to perceptions about the ratio between what one receives from the job (outcomes in the from of pay) to what one puts into it (inputs in the form of efforts and skill) compounded with the ratios obtained by others. Argyris (1957) and McGregor (1960) indicated that a man is striving for self actualization through work. The emphasis shifted from extrinsic rewards through accomplishment, use of creativity and other potentialities at work. Behaviorist theories of motivation are characterized as more properly a concern with psychological incentives managements in its current socio-historic institutionalized form as a process of social domination and work as a social experience of domination (Jackson, Vincent, 1986). But monetary incentives increase employee productivity and directly rational to the achievements of the productivity objectives of organizations (Dehigama Nayana 1996). Thus financial and non-financial motivation process has an equally important part to play in reward management.

CONCLUSION

An organization should identify the most important factors which is perceived bythe employees, then should concerned with these factors and the organizations shouldprovide a reasonable and maximum salaries /wages to the workers, because wages andsalaries are the most significant factor in motivating employees. The employees should be given higher responsibility for the operations of the tasksassigned to them. This would enhance the employee's motivation. The organizations should perceive the type of needs in hierarchy preferred by theworkers and then should be adopted appropriate rewards system. For example, monetaryrewards may be applicable to lower level employees, where as non-monetary rewardsapplicable to high-level executives. Since, employees should also be accountable to their performance which increasetheir sense of awareness and involvement in their job, it is better to provide theperformance related pay which will lead to motivate them, for this purpose, themanagement must periodically review their level of performance and they should beidentified and recognized on the basis of their performance, then they should be awardedwith monetary benefits. Some organizations adopt this system.

REFERENCES

Argyris, C. (1980) Some Limitations of the Case Method: Experiences in a Management Development Program. Academy of Management Review 5(2): pp. 291–298.

Bagraim J., Cunnington P., Portgieter T., Viedge C. (2007). Organizational Behavior a contemporary South African Perspective. Pretoria: Vanschaik Publishers.

Baldoni, J., (2005). Motivation Secrets. Great Motivation Secrets of Great Leaders. [Online] http://govleaders.org/motivation_secrets.htm

Bartol, K. M., Martin, D. C. (1998). Management, McGraw Hill

Bennis, W. (1989). On becoming a leader. New York: Addison-Wesley Publishing Company

Boldman, L. G & Deal, T. E. (2003). Reframing Organization: Artistry, Choice, and Leadership, 3rd Edition, Jossey-Bass Press, San Francisco, U.S.

Bonner, S. E. & Sprinkle, G. B. (2002). The effects of monetary incentives on effort and task performance: theories, evidence, and a framework for research. Accounting, Organizations and Society, 27(4), pp. 303-345.

Bonner, S. E., Hastie, R., Sprinkle, G. B., & Young, S. M. (2000). A review of the effects of financial incentives on performance in laboratory tasks: Implications for management accounting. Journal of Management Accounting Research, 12(1), 1964.

Campbell, J.P., et al. (1970). Managerial Behaviour, Performance and Effectiveness. New York: McGraw Hill

Condly, S. J., Clark, R. E., &Stolovitch, H. D. (2003). The Effects of Incentives on Workplace Performance: A Meta-analytic Review of Research Studies. Performance Improvement Quarterly, 16(3), pp. 46-63.

Criffeth, R.W. and Hom. P.W. (2001). Compensation and rewards: retaining valuedemployees, London International (educational) professional publishers.

Dessler, G. (2011). Human Resource Management, 12th Edition. USA: Pearson Education,Inc.

Etzioni, A. (1965). Modern Organizations, New Jersey, Prentice Hall.

Gichuru, C. (2015). Effects of Motivational Incentives on Employee Performance in Small and Medium Enterprises in Kenya: A Case Study of Family Bank, School of Business and Management Studies, Technical University of Kenya.

Gomez-mejia, L.R. and Balkin, D.B. (1992). Compensation, organizational strategy,and firm performance, cincinnati, OH; south-western publishing.

Kapur, S. K. and Punia B. K. (1996). Personnel Management and industrial relations,New Delhi: S.K. Publishers.

Varma and Agarwel (1994). Personal Management; A human resource systemsapproach, New Delhi: forward book dept educational publications.

Corresponding Author

Divya Shukla*

Research Scholar

E-Mail – divyashuklatripathi@gmail.com