

## **1.0 Introduction:**

Motivation in the context of business management can be expressed as the interest evinced by or the desire demonstrated by the employees in an organization to deliver performance to meet the set objectives of the organization.

## **2.0 Literature Survey**

### **2.1. What is Motivation?**

There is a host of literature on Motivation in Work Place. A brief look at the literature reveals that

aa) According Shanks<sup>1</sup>, *Webster's New Collegiate Dictionary*, defines a motive as “something (a need or desire) that causes a person to act.” **Motivate**, in turn, means “to provide with a motive,” and motivation is defined as “the act or process of motivating.” Thus, **motivation** is the act or process of providing a motive that causes a person to take some action. In most cases motivation comes from some need that leads to behavior that results in some type of reward when the need is fulfilled.

bb) Guay<sup>2</sup> et al refers Motivation as “the reasons underlying behavior”.

cc) Deci<sup>3</sup> et al. define, “(intrinsic) motivation energizes and sustains activities through the spontaneous satisfactions inherent in effective volitional action. It is manifest in behaviors such as play, exploration, and challenge seeking that people often do for external rewards”

dd) Mullins<sup>4</sup> observes that “Motivation is therefore about what a person wants and about his emotional state, which drives him in the direction of achieving what he wants.”

### **2.2. Theories of Motivation**

We enumerate here some of the various theories of motivation culled out from literature on studies on motivation.

The earliest theory for Motivation was enunciated by Abraham Maslow<sup>5</sup> in 1954 through his hierarchy of needs.

In 1972 Alderfer<sup>6</sup> built up on the Maslow's hierarchy of needs and advocated his ERG (Existence, Relatedness and Growth) theory wherein he reduced the 5 stages of Maslow to 3 stages.

In 2003 (earlier in 1959) Herzberg<sup>7</sup> further reduced the area of needs of motivators to two factors (and hence called the two factor theory of Herzberg) *viz.* Hygiene factor and Motivator factor.

McClelland<sup>8</sup> (1961, 1975, 1985) noted that individuals acquire needs over their life time. His theory refers to three needs - Need for Achievement (nAch), Need for Affiliation (nAffil) and Need for Power (nPow).

Skinner<sup>9</sup> (1953) proposed that human behavior gets motivated when their behavior gets reinforced. Skinner identifies 4 types of reinforcement viz. (1) Positive reinforcement and (2) negative reinforcement (or avoidance learning) to improve desirable behavior and (3) Punishment and (4) Extinction to reduce undesirable behavior.

Adams<sup>10</sup> (1963) outlined in his Equity theory that individuals get motivated when they perceive that they are getting equitable treatment from the organization.

Vroom<sup>11</sup> (1964) in his Expectancy Theory expounded that employees are motivated by their performance and the expected outcome (expectancy) of their behavior.

Frederic Winslow Taylor<sup>12</sup> (1911), the father of modern scientific management enunciated that people are motivated when they are paid according to the quantity and quality of their produce.

According to Locke<sup>13</sup> (1979), people are motivated to achieve set goals when the goals are fixed for them. Locke named this approach as “Goal Setting Theory”

According to McGregor's<sup>14</sup> (1960) theory of Theory X and Theory Y, managers can be classified to be working under Theory X – concentrating on Herzberg's Hygiene factors or as managers working under Theory Y concentrating on the motivator factors.

Ouchi<sup>15</sup> (1981) in his Theory Z says that people who are committed to the organization will be motivated for work.

## **2.3 Motivating Factors**

**2.3.1** According to Shanks the motivating factors are:

Extrinsic:

Money – in the form of Pay, Bonus etc., Benefits like Health Insurance, vacation, Sick leave, Flexible schedules, Job responsibilities and duties, Promotions, Change in status, Supervision of others, Praise and feedback, A good boss, A strong leader, Other inspirational people and A nurturing organizational culture

Intrinsic:

Healthy relationship, Meaningful work, Competence, Choice, and progress

**2.3.2** According to the Study done by Gichure<sup>16</sup> (2014), the factors that influence employee motivation are:

Extrinsic:

Monetary Compensation/Salary Structure, Leadership Style, Job Enrichment, Organizational Information Management, Quality of the Work Environment, Effective Dissemination of Information, Employee-Management Relationship, Availability of Promotion Opportunities, Co-Workers Influence, Nature of Job,

Intrinsic

Appreciation by the Organization, Skill Requirement, Influence of the Employee View, Trust Exhibited at the Workplace, Feedback on Employee Performance, Employee Responsibilities, Fairness in Treatment, Perception on Skill Development, Perception about Contributing to Firm's Growth, Empowerment and Autonomy,

Other Factors:

Accessibility to incentives, Availability of training opportunities and employer benefits cover, Confidentiality of employee information, Delegation of jobs, Dynamic organization with an opportunity to grow, Fairness and equity, Fairness in job promotion, Flexible work approach, Fringe benefits, Harmonization of allowances, Integration of activities, Job rotation, Opportunity for growth, Recognition of contribution, Respect and involvement in decision making, Reward the best performing employee with cash, Team work and spirit, Competitiveness of the employment chances both external and internal.

**2.3.3.** According to Safiullah<sup>17</sup> (2015), the factors that influence motivation are:

Salary and other financial incentives, Career growth and development, Team spirit and cooperation, Appreciation / Formal recognition, Flex-time, Challenging and interesting Task, Job security, Good working environment.

**2.3.4** Odukah (2016) in her studies identifies the following factors as influencing motivation:

Recognition by the organization, opinion on how their work is valued and appreciated, sense of ownership and belonging, work home balance, flexibility, working conditions, training,

### **3.0 Design of the Study:**

**3.1** The Study has been taken up by the authors with the following objectives.

**3.1.1.** Based on the survey done on the factors that affect the motivation of employees, the authors have identified 14 factors viz. Job satisfaction, promotion / expectation of promotion, Good Salary, the management style, team spirit, good working conditions, working hours,

achievement, the work content, advancement in technology, inter-personal relation, supervision, policy and personal life.

**3.1.2** In addition a set of financial and non-financial rewards are identified for testing, as follows:

Monetary Rewards: Incentives, Loans, Increment and Bonus

Non-Monetary Rewards: Performance appraisal, Staff Development, Accommodation and Career-Guidance.

**3.1.3** Satisfaction levels with the approach of the supervisor with respect to their Appreciation, Trust, Respect, Expectations, and Recognition are also listed.

**3.2** The Study is made to arrive at:

**3.2.1** Identification of the highest rated motivation factor.

**3.2.2** To test if there is any significant difference on account of age, experience and education qualification in the identification of the highest rated motivation factor.

**3.2.3** To identify the key motivation factors from the list of motivation factors selected for the Study.

**3.2.4** To study if there is any significant difference between financial and non-financial rewards in motivating employees and to identify the top rated financial and non-financial motivation factor.

**3.2.5** To test if there is any significant difference on account of age, experience and education qualification in the identification of the highest rated financial and non-financial motivation factors.

**3.2.6** To identify the highest rated motivation factor expected from the supervisor and

**3.2.7** To test if there is any significant difference on account of age, experience and education qualification in the identification of the highest rated motivation factor expected from the supervisor.

**3.3** To achieve the Research Objective, a questionnaire was prepared with a 5 point Liker Scale seeking the response of the interviewees who are employees in an Industrial Organization in Vellore District. The scale was from “Highly Satisfied” to “Highly Dissatisfied”. In view of the request of the top management of the company, giving respect to their request and to protect the privacy of the organization, the name of the organization is not revealed in the Study except to say that they are manufacturer of automotive components.

**3.4** Using random sampling method a sample of 110 employees have been selected for the Study.

**3.5** The methodology, involved, distributing the questionnaire to the respondent and retrieving the filled in form from them.

**3.6.1** The analysis is done using simple statistical tools like percentages, Student's t test and Chi Square test. The standard MS Excel has been used to tabulate the response and carry out these simple statistical calculations. The ' $\alpha$ ' value for the t test is kept at 0.10

**3.6.2** Using the open-source software R, exploratory factor analysis has been carried out.

#### **4.0 Findings**

Of all the listed probable motivation factors:

(1) Job Satisfaction is rated the most motivating factor. 96% of the respondents have ranked this parameter as the top parameter.

(2) It is seen that 96% of the respondents whose age is below 40 and 97% of the respondents whose age is more than 40 have rated "Job Satisfaction" as the highest motivating factor.

(3) The sample was divided into two parts - respondents of age 40 and below 40 and above 40 and it is hypothesized that there is no significant difference between these two groups in rating the "Job Satisfaction" parameter as the best rated motivation factor. The test (t-test) shows that the t probability is 0.6480, which means that we do not reject the null hypothesis. Therefore we have to conclude that there is no significant difference between the younger age group and the older age group in respect of the perception of "Job Satisfaction" being the most important motivating factor.

(4) It is seen that 97% of the respondents whose experience is less than 10 years and 95% of the respondents whose experience is more than 10 years have rated "Job Satisfaction" as the highest motivating factor.

(5) We hypothesize that there is no significant difference in the perception of 'Job Satisfaction' as the most important motivating factor between the employees with lesser experience in the organization and those with longer experience. To test this hypothesis we have divided the sample into two groups - group I consisting of employees with 10 or less than 10 years of experience in the company and group II consisting of members with more than 10 years of experience. The test of hypothesis using Student's t test gives a t probability of 0.9068, which means that we do not reject the null hypothesis. In other words we conclude that there is no significant difference between the employees with longer experience and those with shorter

experience in rating 'job satisfaction' as the most important motivating factor.

(6) It is seen that 99% of the respondents who have higher educational qualification and 93% of the respondents who other lesser educational qualification have rated “Job Satisfaction” as the highest motivating factor.

(7) We hypothesize that there is no significant difference in the perception of “Job Satisfaction” as the most important motivating factor between the employees with higher education qualification (graduate degree / post graduate degree) in the organization and those with other educational qualification. To test this hypothesis we have divided the sample into two groups - group I consisting of employees with graduate or post graduate educational qualification in the company and group II consisting of members with other educational qualification. The test of hypothesis using Student's t test gives a t probability of 0.3283, which means that we do not reject the null hypothesis. In other words we conclude that there is no significant difference between the employees with higher educational qualification and those with other educational qualification in rating 'job satisfaction' as the most important motivating factor.

(8) In the order of rating after Job satisfaction, the other motivation factors listed by the respondents are management style (78% of the employees), Advancement in technology (75% of the employees) and working hours (by 73% of the employees)

(9) Exploratory factor analysis shows that there are three major factors of motivation - they are the management culture (consisting of the management style and the policy), the personal life and employee contentment with the job (consisting of job satisfaction, the working hours and advances in the technology of the job undertaken by the employee). These three factors explain 46% of the “Job Satisfaction”.

(10) It is also found that promotion expectation, salary, team spirit working conditions, achievement, work itself, interpersonal relationship and supervision are discarded by the researcher as not contributing to the employee motivation.

(11) It was hypothesized that there is no difference between monetary and non-monetary motivating factors, Chi Square tests gave a value of 1.25 against the threshold value of 3,84 which means that we accept the null hypothesis that is there is no difference between monetary motivating factors and non-monetary motivating factors influencing the motivation level of the employees

(12) Financial incentives is rated as the best financial motivator (by 91% of the employees) followed by car (vehicle) loans (rated as second best by 93% of the employees)

(13) Performance appraisal is rated as the top non-financial motivator ( rated by 90% of the employees)

(14) It is seen that 92% of the respondents whose age is below 40 and 89% of the respondents whose age is more than 40 have rated "Incentives" as the highest rated financial motivating factor.

(15) The sample was divided into two parts - respondents of age 40 and below 40 and above 40 and it was hypothesized that there is no difference between these two groups in rating the 'Incentives' parameter as the best rated financial motivation factor. The test (t-test) shows that the t probability is 0.6227, which means that we do not reject the null hypothesis. Therefore we have to conclude that there is no significant difference between the younger age group and the older age group in respect of the perception of "financial incentive" being the most important financial motivating factor.

(16) It is seen that 90% of the respondents whose experience is less than 10 years and 93% of the respondents whose experience is more than 10 years have rated "Incentives" as the highest rated financial motivating factor.

(17) We hypothesize that there is no significant difference in the perception of 'Incentives' as the most important financial motivating factor between the employees with lesser experience in the organization and those with longer experience. To test this hypothesis we have divided the sample into two groups - group I consisting of employees with 10 or less than 10 years of experience in the company and group II consisting of members with more than 10 years of experience. The test of hypothesis using Student's t test gives a t probability of 0.8815, which means that we do not reject the null hypothesis. In other words we conclude that there is no significant difference between the employees with longer experience and those with shorter experience in rating 'financial incentive' as the most important financial motivating factor.

(18) It is seen that 93% of the respondents who have higher educational qualification and 88% of the respondents who other lesser educational qualification have rated "Incentives" as the highest rated financial motivating factor.

(19) We hypothesize that there is no significant difference in the perception of 'Incentives' as the most important financial motivating factor between the employees with higher education

qualification (graduate degree / post graduate degree) in the organization and those with other educational qualification. To test this hypothesis we have divided the sample into two groups - group I consisting of employees with graduate or post graduate educational qualification in the company and group II consisting of members with other educational qualification. The test of hypothesis using Student's t test gives a t probability of 0.1379, which means that we do not reject the null hypothesis. In other words we conclude that there is no significant difference between the employees with higher educational qualification and those with other educational qualification in rating 'financial incentive' as the most important financial motivating factor.

(20) It is seen that 89% of the respondents whose age is below 40 and 92% of the respondents whose age is more than 40 have rated "Performance Appraisal" as the highest rated non-financial motivating factor.

(21) The sample was divided into two parts - respondents of age 40 and below 40 and above 40 and it was hypothesized that there is no difference between these two groups in rating the 'Performance Appraisal' parameter as the best rated non-financial motivation factor. The test (t-test) shows that the t probability is 0.9913, which means that we do not reject the null hypothesis. Therefore we have to conclude that there is no significant difference between the younger age group and the older age group in respect of the perception of "Performance Appraisal" being the most important non-financial motivating factor.

(22) It is seen that 90% of the respondents whose experience is less than 10 years and 90% of the respondents whose experience is more than 10 years have rated "Performance Appraisal" as the highest rated non-financial motivating factor.

(23) We hypothesize that there is no significant difference in the perception of 'Performance Appraisal' as the most important non-financial motivating factor between the employees with lesser experience in the organization and those with longer experience. To test this hypothesis we have divided the sample into two groups - group I consisting of employees with 10 or less than 10 years of experience in the company and group II consisting of members with more than 10 years of experience. The test of hypothesis using Student's t test gives a t probability of 0.7079, which means that we do not reject the null hypothesis. In other words we conclude that there is no significant difference between the employees with longer experience and those with shorter experience in rating 'Performance Appraisal' as the most important non-financial motivating factor.



(24) It is seen that 90% of the respondents who have higher educational qualification and 90% of the respondents who other lesser educational qualification have rated “Performance Appraisal” as the highest rated financial motivating factor.

(25) We hypothesize that there is no significant difference in the perception of 'Performance Appraisal' as the most important non-financial motivating factor between the employees with higher education qualification (graduate degree / post graduate degree) in the organization and those with other educational qualification. To test this hypothesis we have divided the sample into two groups - group I consisting of employees with graduate or post graduate educational qualification in the company and group II consisting of members with other educational qualification. The test of hypothesis using Student's t test gives a t probability of 0.9387, which means that we do not reject the null hypothesis. In other words we conclude that there is no significant difference between the employees with higher educational qualification and those with other educational qualification in rating 'Performance Appraisal' as the most important non-financial motivating factor.

(26) Overall it is seen that 94% are satisfied with financial rewards and 90% are satisfied with non-financial rewards.

(27) It is seen that 76% of the sample are satisfied with both financial and non-financial rewards.

(28) Highest level of satisfaction is seen by the employees as the 'appreciation' from the supervisor. 86% of the employees rate this as the only positive parameter.

(29) The sample was divided into two parts - respondents of age 40 and below 40 and above 40 and it was hypothesized that there is no difference between these two groups in rating the 'supervisor's appreciation' parameter as the best rated motivation factor from the supervisor. The test (t-test) shows that the t probability is 0.9315, which means that we do not reject the null hypothesis. Therefore we have to conclude that there is no significant difference between the younger age group and the older age group in respect of the perception of "supervisor's appreciation" being the most important motivating factor from the supervisor.

(30) It is seen that 86% of the respondents whose age is below 40 and 86% of the respondents whose age is more than 40 have rated “Supervisor’s appreciation” as the highest rated motivating factor from the supervisor.

(31) Similarly we hypothesized that there is no significant difference in the perception of

'supervisor's appreciation' as the most important motivating factor from the supervisor between the employees with lesser experience in the organization and those with longer experience. To test this hypothesis we have divided the sample into two groups - group I consisting of employees with 10 or less than 10 years of experience in the company and group II consisting of members with more than 10 years of experience. The test of hypothesis using Student's t test gives a t probability of 0.6922, which means that we do not reject the null hypothesis. In other words we conclude that there is no significant difference between the employees with longer experience and those with shorter experience in rating 'supervisor's appreciation' as the most important motivating factor from the supervisor.

(32) It is seen that 87% of the respondents whose experience is less than 10 years and 86% of the respondents whose experience is more than 10 years have rated “Supervisor’s Appreciation” as the highest rated motivating factor from the Supervisor.

(33) Similarly we hypothesized that there is no significant difference in the perception of 'supervisor's appreciation' as the most important motivating factor from the supervisor between the employees with higher education qualification (graduate degree / post graduate degree) in the organization and those with other educational qualification. To test this hypothesis we have divided the sample into two groups - group I consisting of employees with graduate or post graduate educational qualification in the company and group II consisting of members with other educational qualification. The test of hypothesis using Student's t test gives a t probability of 0.1037, which means that we do not reject the null hypothesis. In other words we conclude that there is no significant difference between the employees with higher educational qualification and those with other educational qualification in rating 'supervisor's appreciation' as the most important motivating factor from the supervisor.

(34) It is seen that 90% of the respondents who have higher educational qualification and 80% of the respondents who other lesser educational qualification have rated “Supervisor’s Appreciation” as the highest rated motivating factor from the Supervisor.

## **5. 0 Conclusion**

From the Study the authors find that:

- (a) Job Satisfaction is the highest rated motivating factor
- (b) There is no significant difference in the perception of the employees between non-financial and financial rewards

(c) The “Appreciation earned from the Supervisor is liked most by the employees.

## **6.0 Recommendation**

Considering the fact that employees are enthused by the appreciation of their supervisors, it is suggested that supervisors may be sensitized and trained to appreciate the work done by their subordinates.

Considering that job satisfaction is the highest rated motivation factor, management should ceaselessly work to enrich the job content so that the employees are having the maximum job satisfaction.

Considering that the employees are almost equally motivated by the financial and non-financial rewards, the management can judiciously balance the compensation of their employees between these two factors.

By employing these tactics the authors are confident that the management can ensure a well-contented, happy and productive employees on their rolls.

## **References**

- 1 Shanks, Nancy H. "Chapter 2." Management and Motivation. Jones and Barlett. 23-35. Print
  - 2 Guay, F., Chanal, J., Ratelle, C. F., Marsh, H. W., Larose, S., & Boivin, M. (2010). Intrinsic, identified, and controlled types of motivation for school subjects in young elementary school children. *British Journal of Educational Psychology*, 80(4), 711–735.
  - 3 Deci, E. L., Koestner, R., & Ryan, R. M. (1999). A meta-analytic review of experiments examining the effects of extrinsic rewards on intrinsic motivation. *Psychological Bulletin*, 125(6), 627–668.
  - 4 Mullins, L.J. (2010). *Management and Organisational Behaviour*. 10th ed. Harlow, FT Prentice Hall.
  - 5 Maslow, A.H. (1954). *Motivation and Personality*. New York, NY: Harper & Row
  - 6 Alderfer, C. (1972). *Existence, Relatedness and Growth*. New York: The Free Press.
  - 7 Herzberg, F., Mausner, B., & Snyderman, B.B. (1959). *The motivation to work*. New York: John Wiley & Sons.
- Herzberg, F. (2003). One more time: how do motivate employees? *Harvard Business Review*, 81, 86-96.

- 8 McClelland, D. (1961). *The achieving society*. Princeton, NJ: Van Nostrand Company Inc.
- McClelland, D. C. (1975). *Power: The inner experience*. New York: Irvington
- McClelland, D. C. (1985). *Human motivation*. Glenview, IL: Scott, Foresman.
- 9 Skinner, B.F. (1953). *Science and Human Behavior*. New York: Free Press.
- 10 Adams, J.S. (1963). Toward an Understanding of Inequity. *Journal of Abnormal and Social Psychology*, 67, 422-436.
- 11 Vroom, V. (1964). *The motivation to work*. New York: John Wiley.
- 12 Taylor, F.W. (1911). *Principles of Scientific Management*. New York and London: Harper & Brothers.
- 13 Locke, E.A., & Latham, G.P. (1979). *A Theory of Goal-setting and Task Performance*. Englewood Cliffs, NJ: Prentice Hall.
- 14 McGregor, D. (1960). *The human side of enterprise*. New York, 21.
- 15 Ouchi, William G. (1981). *Theory Z*. New York: Avon Books.
- 16 Gichure, Caroline Njambi, 2014, Factors Influencing Employee Motivation and its impact on Employee Performance – A case of AMREF Health in Africa, <http://erepo.usiu.ac.ke/bitstream/handle/11732/77/Carol.pdf?sequence=1>
- 17 Safiullah, Ayesha Binte, Employee Motivation and its Most Influential Factors: A study on the Telecommunication Industry in Bangladesh, *World Journal of Social Sciences* Vol. 5. No. 1. January 2015 Issue. Pp. 79 – 92
- 18 Odukah, Mary Elector, Factors Influencing Staff Motivation among Employees: A Case Study of Equator Bottlers (Coca Cola) Kenya, *Journal of Human Resource and Sustainability Studies*, 2016, 4, 68-79 Published Online June 2016 in SciRes. <http://www.scirp.org/journal/jhrss>  
<http://dx.doi.org/10.4236/jhrss.2016.42008>