

## A STUDY ON THE INFLUENCE OF MOTIVATIONAL TOOLS ON EMPLOYEES PERFORMANCE

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### **ABSTRACT**

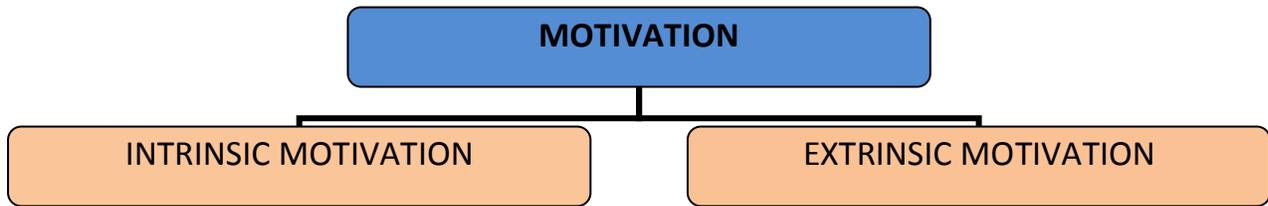
*The majority of organizations are competing to survive and gain superior profits in this volatile and competitive business environment. Motivation & performance of the employees are the essential tools for the success of any organization's success in the long run. On one side, measuring performance is critical to organizations management as it highlights the achievements of the organization. On the other side there is a positive relationship between employee motivation and organizational effectiveness. The main aim of this paper is to analyze the drivers of employee motivation to high level of employee performance finally leading to a higher level of organizational performance. The influence of different motivational tools has varying impacts on employee performance depending from person to person. Therefore each employee needs to be motivated using different motivational strategies. For example one employee may be motivated by higher commission (Monetary incentives) while the other may be motivated by recognition or a better work environment (Non monetary incentives). Therefore employers are continually challenged to develop pay policies and procedures that will enable them to attract, motivate, retain and satisfy their employees.*

**Keywords:** Motivation, Employee performance, Empowerment, incentives, Job satisfaction

## 1. Introduction

**Motivation** is an internal psychological feature that drives an employee to act towards a desired goal and aims. It is considered as a psychological driving force that compels and reinforces an action toward a desired aim/goal. For example, laziness/being tired is a motivation that elicits a desire to sleep. It is the purpose or psychological cause of an action. Motivation has its roots in behavioral, physiological, cognitive, and socio-cultural areas. The main aims behind motivation may be rooted in an instinct to optimize well-being, minimize pain and enhance pleasure and happiness. Some physical needs such as eating, sleeping or resting, and sex may also generate motivation. Motivation is therefore an inner drive to behave or act in a certain manner. These internal conditions such wishes, desires and goals are activated to move in a particular direction of behavior. Good remuneration policy is one that an organization can adopt to increase the performance of their employees and thus increase the productivity of organization. With the current trend in the global economy, most employers understand that competition in this dynamic environment, the performance of their employees goes a long way in determining the success of an organization. Employee's performance on the other hand in any organization is vital, growth of the organization as well as the growth of individual employees. An organization must know who are its outstanding employees, those who need additional guidance & training and those not contributing effectively and efficiently for the welfare of the organization. Motivation is driven by a series of actions grouped under the following : energize, encourage and exhort.(Balodi, 2005) Further, performance on the job may be assessed at all levels of employment such as: decisions relating to promotion, transfers, job rotation, job enrichments etc.

**Motivation can be of two types: intrinsic (internal) motivation and extrinsic (external) motivation.**



## 2. Intrinsic motivation

Motivation driven by interest or enjoyment in the task itself is known as intrinsic motivation. It exists within the individual rather than relying on the pressure or the desire for an externally motivated reward. It has been studied for more than 4 decades now. The phenomenon of internal motivation has been recognized in experimental studies of animal behavior. In these studies, there were separate organizations playful and curious behavior leads to rewards. Intrinsic motivation is a natural tendency and motivation is an essential element in the development of cognitive, social and physical. Intrinsically motivated employees are more likely to engage in volunteer activities and work to improve their skills, increase their capacity. Some of the main factors that drive the workers/employees are:

- Autonomy: Employees want to determine what they want to pursue by gaining control over themselves and their environment.
- Self-efficacy beliefs: believe they have the skills to be effective in reaching their desired goals.
- Not just interested in achieving good remuneration but mastering the work.

## 3. Extrinsic motivation

Extrinsic motivation refers to the implementation of activities to achieve a result, irrespective of if the activity is also driven intrinsically or not. Extrinsic motivation is from outside of the individual. Common external motivators are rewards (eg. money or classes) to show the desired behavior, and the threat of sanctions following the misconduct. Competition is an external cause and therefore is an extrinsic motivator. It encourages the player/employee to win and to win over others and to not only enjoy the intrinsic rewards because of the activity. Audience cheering and the desire to win a trophy may also be regarded external/extrinsic motivators.

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#### 4. **Intrinsic and Extrinsic Motivation: Comparison**

Psycho-social research has indicated that extrinsic rewards can lead to over justification and a subsequent reduction in intrinsic motivation. In a study demonstrating this effect, children who were given incentives to be rewarded with a ribbon and a gold star for drawing pictures spent less time playing with the drawing materials than the children who were not assigned specific rewards. However, the use of extrinsic constraints such as the threat of salary cut/punishments, against performing an activity has been found to increase the employee's intrinsic interest in that activity. In another study in which children were given soft threats against playing with a toy, it was found that the threat actually increased the child's desire in the toy, in which the child was previously uninterested in the absence of threat. (B.K.Pal)

#### 5. **Role of Motivational Tools on Employee's Performance**

Employees want to get reasonable salaries, as money represents the most effective and important incentive, when speaking of its influential value (Sara et al, 2004). Financial rewards have the capacity to maintain and motivate employees towards higher performance, especially workers from production and manufacturing companies, as individual may use the money to satisfy their needs. Therefore, salary-pay has a significant impact in establishing employee's commitment and diligence, being one of the main motivating forces for the employees. However, studies have shown that pay does not boost productivity in the long term and just monetary rewards do not improve performance significantly (Whitley, 2002). Moreover, focusing only on this aspect might deteriorate employee's attitude, as only financial gains may be pursued by them. However, there are other non-monetary factors also that also have a positive influence on motivation. These are rewards, social recognition and performance feedbacks.

Many scholars have pointed out that rewards lead to job satisfaction, which in turn direct a positive impact on the employee's performance. In addition, the reward is one of the most effective tools for managing, in an attempt to influence the behavior of an individual or group to improve the efficiency of the organization. Numerous companies use compensation, promotion,

bonuses and other rewards to motivate employees to increase their performance. To use salary-pay as drives, managers must develop salary structures, depending on the importance of each task, individual performance and special payments, allowances and rebates.

**In the present scenario**, it has been concluded that there is a need to use a motivational tool on the basis of level of an employee. It can be classified into 3 categories namely Upper Cadres, Middle Cadres & Lower Cadres.

**Upper Cadres** include Top officers like Head of the Departments and senior managerial personnel's. That pupil identifies a number of incentives such as accommodation, good office facilities, performance appraisals, promotion, team work, thanksgiving, training and allowances. The majority of Top Cadres feel that recognition and self esteem needs are the main motivators for them.

**Middle Cadres** classify the motivational tools into two categories: Hygiene factors and motivational factors. Hygiene factors include salary, job security, physical environment, working conditions, working relations, and supervision and performance assessment. On the other hand motivational factors include responsibility, Achievement, recognition, training, advancement etc.

**Lower Cadres** include employees like Ground level workers, Supervisors, Foeman, and Laborers etc. They identify monetary rewards as major motivational tool.

## **6. Concluding Remarks**

People seek security and the underlying needs are fundamental to people's existence. After these needs are satisfied, people focus more on job performance. The sociability aspect of effective organizations cannot be neglected as people also see social systems as motivators. Lastly, personal growth, as self-actualization needs and the need for achievement and growth are powerful needs that influence the development of effective organizations.

Management should evaluate employee suggestions scheme and use the feedback to the work environment of the organization and fulfill their skills and needs. There are a variety of different needs, such as physiological, safety requirements and self-actualization needs that act as

motivators for different people. Therefore, focusing on employees at all levels of the workforce and analysis of each department of the organization for specific and detailed information on the requirements and needs of employees. Any business that wants productivity and increase customer satisfaction needs to have a workforce that is well motivated and essentially qualified. In this context, motivation refers to encouraging the individual desires to make efforts and take measures to achieve organizational goals. The challenge for every employer and manager is to search for ways to create and maintain employee motivation. On the one side, managers should focus on job dissatisfaction reduction (working conditions, monitoring, wages and salaries, peer relations) and should use the other motivational factors as recognition, achievement, responsibility etc.

## **7. Recommendations**

Employers regularly face challenges of developing policies and procedures to be paid to attract, encourage, support, provide and satisfy their employees. Conclusions of this article can be a useful tool that can be used to provide solutions to the employee's conflict risen from the payroll system or poor remuneration. It is suggested that further research should be conducted in the relationship and impact of rewards and incentives on the performance of employees in public and private organizations. It is important to do more research to do justice to all the factors affecting the performance of employees. Limitations mentioned above, the ability to generalize the results of this study is limited.

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