



Journal Homepage: -www.journalijar.com
**INTERNATIONAL JOURNAL OF
 ADVANCED RESEARCH (IJAR)**

Article DOI:10.21474/IJAR01/9818
 DOI URL: <http://dx.doi.org/10.21474/IJAR01/9818>



RESEARCH ARTICLE

IMPACT OF EMPLOYEE MOTIVATION ON ORGANIZATIONAL PERFORMANCE

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Manuscript Info

Manuscript History

Received: 04 August 2019
 Final Accepted: 06 September 2019
 Published: October 2019

Key words:-

Employee motivation, reward system, and organizational performance.

Abstract

The purpose for this paper is to discover impact of employee motivation on organizational performance and examining the relationship between reward systems on organizational performance. This study was designed based on the literature, connecting the impact of employee motivation on organizational performance and relationship between reward systems on organizational performance. The objectives were constructed based on the literature and the model was tested in perspective of the past studies and literature. The literature and different examinations concluded that employee motivation has positive impact on organizational performance, and also there is relationship between reward systems on organizational performance. The outcome acquired demonstrated that if employees are positively motivated and rewarded, it improves both their viability and productivity definitely to increase organizational performance. Workers are the core of any organization: For any organization to operate smoothly and without any interruption, employee motivation cannot be supplanted with anything else. It is of most extreme significance that the employees of any association not just have a decent motivation; likewise managers and employers should maintain and fix reward system of their organizations.

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Introduction:-

Nowadays in a world of competitive corporate atmosphere, each company in any case of scales and markets is endeavor to pick up competitive benefits, to perform superior and to realize productivity and adequacy. In arrange to do this, it is vital for a corporation to obviously characterize its goals, and to understand the way to do it well with utilizing of accessible resources. In any case, specifying an organization's resources, it is the human resources that fill all the crevices between every step to victory.

Work forces or Personnel are the people who utilize their skills and knowledge to offer help to the organization as the way for accomplishing objectives. Managers or Directors inside companies are essentially responsible to ensure the tasks or job is done through employees in the correct way. To accomplish this, these managers or supervisors must guarantee that they have a competent personnel department for the enrollment of the best workers that are fit to carry out the activity. For the organization to advance organization's performance there's need for the staff to be satisfactorily motivated. Organizations over the world that take into account their human resources as a central core of the commerce and persistently increment the extent of their employees' motivation tend to be more performance and successful (My Linh, 2017). People are vital to the organizations as they provide viewpoints, values and traits to

organizational life; and once managed successfully, these human characteristics are important advantages to the organization. As revealed in (Joyo, Ugochukwu, and Ndubuisi, 2015). This situation loans reliability to the extending thought being paid to the individual aspect of organizational wealth. Typically therefore the development of people, their competencies, and the method to improve the overall organizations are the support of human resource management (Joyo, Ikeije, & Ndubuisi, 2015). Expanding organizational performance is objective that each organization is pursuing.

Objectives and purposes of the study

In the modern competitive world, business organizations are facing ever growing challenges regarding motivation and retention of their employees. There exists a variety of purposes of employee motivation; one very common is to motivate employees to perform better. An effective organization is characterized as the competence of an organization to realize its expecting targets (Etzioni, 1964). According to (Waterman and Peters, 1982), there are elements in an organization that has to be facilitated and upheld so as to realize the organization's efficiency and performance. They're categorized as challenging factors such as strategy, structure, and systems and tender factors like share values, skills, style, and staff. This study, in any case, will concentrate only on the employee's element and with the central point on employee motivation on organizational performance. Acknowledging the noteworthiness of employees' motivation in daily work, the research is administered with the objectives to:

Objective of the study

1. To discover the impact of employee motivation on organizational performance.
2. To find out the relationship between impact of reward system on Organizational performance.
3. To provide recommendation for firms and their managers to move forward employees' motivation and reward system those extend organizational performance.

Literature Review

The literature review is a principal part of each study since it contributes as a pivotal role in arranging to the entire procedures of the research.

Employee Motivation

The word "Motivation" originates from a Latin word "movere". "Movere" signifies to move.

Thus, it creates a reflection of something going up, keeping us working and helping us to achieve our goals (Korth 2007).

Motivation is considered essential element influencing the behavior and activity of employees. Behind each and every action of a man, there has been a particular motive.

Stated by Webster's New Collegiate Dictionary, motivation is "something a need or desires that makes an individual to move".

"Motivate, in turn, means "to grant with a motive," and motivation is described as "the act or method of motivating".

Consequently, motivation is the performance or procedure of presenting an intention that origin a person to capture some accomplishment According to (Butkus & Green, 1999).

Motivation is derived from the word "motivate", means to move, push or influence to proceed for fulfilling a want (Mr. Gaurav & Dr. Sathya, 2015, Dr. Khan and Shalini, 2014).

Jeffrey S. Nevid, a professor of psychology, described "motivation" as: "The term motivation refers to elements that activate, direct, and sustain goal directed behavior. Motives are the 'whys' of behavior – the desires or needs that power conduct and give an explanation for what we do. We don't really observe a motive; rather, we infer that one exists based on the conduct we observe" (Nevid, 2013).

Motivation: - is psychological force that decides the direction of an individual's conduct in an organization, an individual's level of exertion and an individual's level of persistence (Jones and George, 2007).

The concept of motivation could be broad; however, according to (Jones & George, 2007). There are three major components of motivation which are direction, intensity, and persistency.

Direction is an objective that powers a person to play out an act to accomplish it. An objective is selecting consciously or unconsciously by a person. There are factors that impact a person in choosing the objective, including both internal and external factors and the final objective is the best one chosen among potential alternatives.

The intensity is the level of determination or exertion put by a person during the time spent accomplishing the objective; how hard an individual has attempted, and how much vitality or energy, time, money, or some other mental or physical things have been utilized during the procedure to accomplish the objective.

Persistence is the ability of an individual to maintain the motivation through times even though obstacles may exist, (Winne Kivuva, 2015).

Motivation: -

is a decision making process, through which the person chooses the preferred outcomes and sets in action the behavior suitable to them. Motivation can therefore be idea of as the degree to which a person desires and chooses to engage in positive behavior (Matoka, 2011).

The (IRCO in 1997) further denotes that, "Motivation is a process that initiates through a physiological or psychological desire that stimulates overall performance that is intended at an objective. It is the concluding product of interface amongst personality behavior and organizational distinctiveness."(Winne Kivuva, 2015). It symbolizes those psychological techniques that establish arouse, course, and assurance of intentional action that are target oriented (Fard, 2011).

It is not overstatement to say motivation is the core to being successful. A motivated person is likely to willingly put more effort into doing a task and a good result is within expectations. When goals are achieved, it drives a feeling of being satisfied and enjoyment for the employees and creates a positive working attitude in the workplace.

Organizational performance

Organizational performance has become one of the Multi-Dimensional and complex phenomenon's business literatures. Although the idea of organizational performance is very common in the academic literature, however there is no unanimous agreement on its definition and measurement.

Organizational performance is depicted as an organization's ability to collect and utilize its scarce resources and valuables or immediately as feasible in the pursuit for its operational objectives (Griffin, 2006).

According to (Campbell, 1999) Organizational performance concept defined overall performance as conduct or action applicable to the attainment of an organization's goals that can be scaled, which is measured.

According to (Akal 1992) Organizational Performance is the degree of how the things to do serve the purpose (Feyyaz, Mustafa, & Ali, 2011). In different words, performance is "the rate of awareness of the purpose" or "outcome stage of the activity."

Organizational Performance is "the idea which comprehends what used to be acquired as the outcome of intentional and planned activity in set up circumstances.

This stage indicates how much the purpose or the goal is accomplished (Schermerhorn et al., 1985). Institutionally, performance is described in a different way according to different approaches.

Performance is the level of attaining the goal both for the organization and the individual. Some researchers like Campbell state that performance is now not simply the end results of the activity, it is the activity itself. Campbell defines performance as behavior suitable to the purpose of the enterprise which can be measured in accordance to the contribution level (Suliman, 2001). Considering the definition, it is understood that performance depends on the personal traits, mental competencies and eagerness to be integrated with institutional purposes of each individual.

There are two methods of measuring organizational performance: Subjective and Objective. Subjective Measures are non-Financial or non-Economic indicators of performance dimension like sales growth, market share, employee satisfaction, consumer satisfaction, product development, competitive advantage, consumer retention and some different factors. Objective assessment is monetary or economic measure of organizational performance by way of

using financial information like profit, revenue, return on investment (ROA), return on equity (ROA), and return on assets (ROA), share price, liquidity and operational efficiency, (Muzaffar, 2015)

Employee Motivation and Organizational Performance

This segment highlights review articles about Employee Motivation and Organizational Performance that were published in various worldwide journals.

Orpen (1997) conducted the study of effect of formal coaching on employee's work motivation, organization commitment and job performance in UK. The study revealed that mentoring can enhance employees' attitude without necessarily elevating their performance. The study for the most section targeted on coaching on performance.

Okan, v. Safakli and Mustafa, E. (2012), conducted a study on Universality of factors motivating workers in Banking Sector of Northern Cyprus. Their study revealed that the most essential elements motivating employees are equitable wage and promotion, extended health benefits and working environment. Furthermore, when contrast with a similar study in Finland; it is found that the most significant elements Motivating employees in both countries are wage.

Abdul Hakeem (2008) conducted a research concentrated on the relationship between motivation and job satisfaction on employee performance in University of Utera Malaysia. The Thesis discovered that job satisfaction has significance positively impact to the employee performance rather than motivation.

UzmaGhaznav (2011), conducted study on the employee motivation on job performance, the purpose of his study was to determine the importance of employee motivation on Faysal Bank in Karachi, Pakistan. Uzma in his study found that 50% of Faysal Bank's employees were not happy about their salary. That is to say salary was no given priority to employees, though employees were satisfied with their job security.

Ali, Dahie& Ali (2016) conducted research teacher motivation and school performance; the mediating effect of teacher's job satisfaction. In this investigation a survey technique used and a convenient sample method was utilized to collect 80 respondents from Secondary Schools in Mogadishu. A questionnaire with eight main constructs was used. The examination found that there is a significant relationship between teacher motivation, job satisfaction and school performance.

Thomas Owusu (2012) conducted study on the impact of motivation on employee job performance. The purpose of his study was to analyze and determine the motivational package that influences the performance of employees at Ghana commercial Bank. The bank accomplished its corporate objectives just as employee job performance simply because that the organization was utilizing extrinsic motivation package which covers periodic enhanced salaries to workers, fringe benefits and promotions.

Gure, Naima Abdullahi (2010), also researched on the impact of motivation on employee performance at Nationlink Telecom Somalia. On her thesis she found that motivation has strong positive impact on employee's performance instead of job satisfaction. Satisfaction has low significant on employees performance. However, the study inferred that motivation among supporting staff contributes more to the employee's performance of help of employee of Nationlink Telecom Somalia.

Insimire Patricia (2011) researched on the motivations and sales performance of personnel the case of Niko Insurance Uganda. The objective of her research was to establish the relationship between employee motivation and sales performance. From her findings, it revealed that, there was various motivation techniques used by NIKO Insurance which include promotion, delegation of authority, participation in decision making, bonus and commission to good performers. It was likewise found that Niko sales performance was greatly affected by the quality of supervision, increased employee commitment, level of education, condition under which they perform their obligations, the quality and management of operations and the number of hours worked.

Opu Stella (2008) did an examination concentrating on motivation measures and improving workers performance in Kitgum district in Uganda. She found that, workers were not performing well in Kitgum district because salaries and allowances at the district were very inadequate and not able to meet people's basic needs. Team work wasn't there

between managers and subordinates that additionally preventative smart performance. Although, intrinsic motivator like achievement, advancement, responsibility and recognition were identified to be well revealed in the district.

Ali, Mohamed (2013) conducted research motivational factors and performance of Women entrepreneurs in Somalia, the study was examining the motivational factors of women entrepreneurs in Banadir region and to analyze the performance of women entrepreneurs. The investigators found that self recognition and economic necessities are the most important elements that motivate women entrepreneurs. Also this study revealed that the performance of Somali women owned business are somewhat low due to women operate their enterprise in terms of independence and social recognition compared to men. The outcome additionally showed that there is moderate correlation amongst motivational factors and performance of Women entrepreneurs in Banadir Region however the relationship is not high due to the fact of women are now not motivated in terms financial performance.

Nchorbune Dominic Abonam (2011) conducted a research on the Roles of Motivation on employee performance in university for development Studies-WA Campus. He found that motivational packages available to workers within the university were for the most part inadequate. Hostile environment inside the university weren't advancing efficient work. Since staffs were found to be poorly motivated, this outcome creates into poor reactions towards employment, not on time to their work, absence and undisciplined thus leads to poor job performance.

Ali, Jim'ale&Dahie (2015) conducted research of impact of employee motivation on organizational performance secondary schools in Mogadishu, Somalia. The research had three essential goals which are: to describe the relationship between work environment and organizational performance; to discover the relationship between cooperation and organizational performance; to discover the relationship between facilitation and organizational performance. Workers of these schools provided a survey questionnaire with four essential elements which were measuring work environment, cooperation, facilitation and organizational performance. In any case, utilizing correlation coefficient, the examination discovers that organizational performance had huge positive impact with work environment, and facilitation. Likewise, outcome of regression analysis found that two elements had statistically significant, positive, and direct effects on the organizational performance.

In summary, motivation is essential to both an individual and the organization. For an individual, motivation is a crucial element that encourages individual to achieve his/her personal goals. Within an organization, motivation is said to be issue that leads to employee satisfaction. Also, motivation inspires a person to widen his/her knowledge, to explore and unleash his/her full capabilities and potential. Correspondingly, from the organizational aspects, motivation leads to effective attitude in the workplace, convenient adaptation to changes and more creativity.

Reward system and Organizational Performance

Reward system and Organizational Performance that were published in various worldwide journals.

Reward system is a significant instrument that administration uses to channel employee's motivation in preferred methods, such as better performance and in addition to enhance organization's performance.

Reward system refers particularly to matters that employee's worth. It is essential to endure at the top of the priority list that a reward system can include both positive and negative rewards. The negative rewards, frequently seen as punishment, generally show up themselves through an absence of effective rewards. For Instances of positive rewards would be autonomy, power, compensation expands, allowances and some negative rewards would be interference in employment from superior, zero pay increase, and no advancement (Svensson, 2001).

Kikoito, (2014) did this study of impact reward systems on organizational performance in commercial banks in Mwanza city, Tanzania. The findings of this examination demonstrated that the three commercial banks in Mwanza city offer both extrinsic (compensation, bonus and advancement) and intrinsic (acknowledgment, praise, recognition and real gratefulness) rewards to their personnel. In any case, the outcomes discovered that workers were not cozy with the present reward programs and salary level was seen to be excessively low and didn't reflect typical cost for basic living in Mwanza city. The examination further demonstrated the intrinsic (non-monetary) rewards were not satisfactory to workers. Since the commercial bank their reward system was seen as ineffectively rewarded, this came about into poor visibility towards work, nonattendance and disorderly therefore causes to poor organizational performance.

Robin (2013) did research about Impact of Rewards on Organizational Performance, from Telecom Sector of Pakistan. The researcher collected data from 80 employees working in headquarter of PTCL mainly from middle management in Islamabad. Utilized Cronbach's analyses were carried out to check the validity and reliability of scales; correlation analyses and regression analyses also conducted. Research proved that there exists insignificant and weak relationship between salary, bonus and organization performance. However there exists moderate to strong relationship between promotion and organization performance. Also results show highly significant and strong relationship between recognition and organization performance. The strongest and highly significant relationship exists between appreciation and organization performance.

All the independent variable i.e. salary, bonus, promotion, recognition and appreciation are positively related with dependent variable i.e. organization performance.

Patrick (2012), conducted research the objective of the study was organizations reward systems and its impact on corporate performance. It evaluated the reward systems of Ghana Commercial Bank Ltd. (GCB) and set up whether their present reward systems have any bearing on corporate performance. It was discovered from the examination that, there was a positive connection among reward and corporate performance. Dominant part of respondents demonstrated that reward invigorates them to work harder and they are organized to work harder if they are given extra incentives or paid more. It was additionally discovered from the examination that there were huge reward programs in the organization yet a part of the respondents (staff individuals) didn't know that reward programs.

Karanja Silvana (2012) conducted a research on the Effects of reward system on employees performance in Cooperative bank headquarter in Nairobi, Kenya. The study adopted explanatory research design. The target population was employees of Cooperative Bank of Kenya. The result from his study revealed that motivation, creativity, job satisfaction and team work had a positive and significant impact on worker performance.

Ellis, (2017) conducted study of effect reward system on organizational performance, the study aimed to determine effect of organizations reward system on workers' productivity; to determine the relationship between organizations reward system and workers attitude to work; to determine the relationship between organizations reward system and job satisfaction; The result showed that organizations reward system has a significant effect on workers' productivity; there exists a significant relationship between organizations reward system and workers attitude to work. Also there is a relationship between organizations reward system and job satisfaction.

Conclusion:-

In conclusion, the motivation of workers plays one of the foremost imperatives parts in an organization's performance and confidently contributes to its development and prosperities. In this manner, it is fundamental for any employers and Managers to get it what really persuades employees to work hard and how to maximize the general organizational performance.

Employee motivation is one of the vigorous and most influential tools that can animate or arouse human resource either for the improvement or for the decline. So it is a touchy issue, except if Managers to confront effectively may cause obstacle in the workplace and organizational performance. Reward system is an important aspect every organization as it influences organizational performance. When employees are not rewarded appropriately for what they achieve in their performance, it can cause hindrance the organizational performance.

Recommendation and suggestion

As our organizations to be well administrated and able to provide the greatest performance, employers and mangers have to clearly describe and establish employee motivation strategies that convenient competitive corporate environment.

Employers and managers are very vital to give more attention the importance of reward system as to achieve organizational goals and to increase organizational performance.

Managers and employers is essential to fix reward polices of the organization and try to motivate the employee of organization as to increase the performance of organization.

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