Employee Motivation and Performance as a Catalyst for Organizational Growth

Ganawa Ndirtagu

Department of Business Management
Ramat Polytechnic, Maiduguri Borno State. Nigeria

Doi:10.5901/ajis.2013.v2n7p41

Abstract

Motivation is a topic that is extensively researched. Halfway the twentieth century the first important motivational theories arose, namely Maslow’s hierarchy of needs (1943), Herzberg’s two-factor theory (1959) and Vroom’s expectancy theory (1964). The aim of this paper is to elaborate on the relationship between employee motivation and employee performance and to provide organizations and managers useful information on in relation to employee performance. The answers to all research questions will be based on literature research. The results of this paper may lead to empirical research on the relationship between employee motivation and performance.

Keywords: Employee, Motivation, Performance, Organization and Organizational Growth

1. Introduction

Motivation is a topic that is extensively researched. Halfway the twentieth century the first important motivational theories arose, namely Maslow’s hierarchy of needs (1943), Herzberg’s two-factor theory (1959) and Vroom’s expectancy theory (1964). Those researches focused on motivation in general and employee motivation more specifically. In the past years various definitions of motivation were defined, e.g. Herzberg (1959) defined employee motivation once as performing a work related action because you want to. It is commonly agreed that employee motivation can be separated in intrinsic and extrinsic motivation (Staw, 1976). Staw argues that one of the first attempts to make that distinction was in Herzberg’s Two-Factor Theory (1959). However, the discussion about intrinsic and extrinsic motivation is more from latter years (e.g. Amabile, 1993 and Deci & Ryan, 2000). Especially important is the discussion about how intrinsic and extrinsic motivation can contribute to employees’ performances (Ramlall, 2008). The relationship between employee motivation and job performance has been studied in the past (Vroom, 1964). But high correlations between the two were not established. However, later research concluded that employee motivation and job performance are indeed positively correlated (Petty et al., 1984). This relationship is studied in this thesis and the aim is to provide managers useful information how employees’ performances can be increased by motivating them intrinsically and/or extrinsically.

2. Method and Procedure

The aim of this paper is to elaborate on the relationship between employee motivation and employee performance and to provide organisations and managers useful information on in relation to employee performance. The answers to all research questions will be based on literature research. Thus, by conducting a comprehensive review of the published work concerning the
subject (Sekaran, 2003). The results of this paper may lead to empirical research on the relationship between employee motivation and performance. Therefore, to what extent can the different types of employee motivation influence the performance of employees at the workplace?

3. Research Questions

1. What is motivation and how are its different forms related?
2. What is the importance of employee performance and how can it be measured?
3. How do the different forms of motivation influence employee performance?

4. Employee Motivation

In the following chapter the concept motivation is explained. It seems that motivation can be conceived in many different ways; e.g. many researchers tried to formulate motivation but all proposed different approximations. Many research has been conducted about this subject and many theories were designed which greatly influenced and still influence organizational behaviour. For example Herzberg’s theory of motivation (1959) is still used nowadays. According to Staw (1976) Herzberg was one of the first persons who distinguished between intrinsic and extrinsic motivation. And that distinction could clarify and therefore help motivating employees. In this chapter some definitions will be mentioned, together with an introduction of the theories of Maslow (1943) and Herzberg (1959). But more importantly a separation between intrinsic and extrinsic motivation is made. This separation is also helpful to clarify the relationship between employee motivation and performance.

5. The Concept Motivation

The first question that arises is: “why managers need to motivate employees?” (Herzberg, 1959).

According to Smith (1994) it is because of the survival of the company. Amabile (1993) adds to this statement by arguing that it is important that managers and organisational leaders learn to understand and deal effectively with their employee’s motivation; since motivated employees are necessary to let the organisation being successful in the next century. She also argues that unmotivated employees are likely to expend little effort in their jobs, avoid the workplace as much as possible, exit the organisation and produce low quality of work. In the case that employees are motivated; they help organisations survive in rapidly changing workplaces (Lindner, 1998). Lindner also argues that the most complex function of managers is to motivate employees; because what motivates employees changes constantly (Bowen and Radhakrishna, 1991). In this paragraph the different perspectives of motivation are described.

The term motivation arose in the early 1880’s; before that time the term “will” was used by philosophers as well as social theorists when discussing effortful, directed and motivated human behaviour (Forgas, Williams and Laham, 2005). According to them motivation used to be considered as: *an entity that compelled one to action*. Lately, various researchers proposed different definitions of motivation. Motivation has been defined as: *the psychological process that gives behaviour purpose and direction* (Kreitner, 1995); *a predisposition to behave in a purposive manner to achieve specific, unmet needs* (Buford, Bedeian, & Lindner, 1995); *an internal drive to satisfy an unsatisfied need* (Higgins, 1994); and *the will to achieve* (Bedeian, 1993). Mitchell (1982) stresses that although there is some disagreement about the importance of different aspects in the definition of motivation, there is consensus about some underlying properties. Namely, that motivation is an individual phenomenon, it is described as being intentional, it is multifaceted and that the purpose of motivational theories is to predict behaviour. Mitchell (1982) also argues that motivation is concerned with action and the internal and external forces that influence one’s choice of action. And that motivation is not the behaviour itself, and it certainly is not performance. In
relation to this, Mitchell (1982) proposes his own definition of motivation: “motivation becomes the degree to which an individual wants and chooses to engage in certain specified behaviours”.

It is evident that managers need to motivate employees to obtain the desirable results for the organisation. And it can be stated that there is consensus about the facts that motivation is an individual phenomenon, it is described as being intentional, it is multifaceted and that the purpose of motivational theories is to predict behaviour. It seems that Herzberg and Maslow were among the first researchers at this topic and their theories are still being used today. Since these theories clarify the concept of motivation and they are useful for the separation of motivation in intrinsic and extrinsic motivation, they are explained in the next paragraph.

6. Herzberg and Maslow

Herzberg (1959) developed a well known motivation theory, namely the Two-Factor Theory; he distinguishes in his theory between motivators and hygiene factors. Important is that factors are either motivators or hygiene factors, but never both. Motivators are intrinsic motivational factors such as challenging work, recognition and responsibility. And hygiene factors are extrinsic motivational factors such as status, job security and salary (intrinsic and extrinsic factors are further described in the next paragraph). Motivating factors can, when present, lead to satisfaction and hygiene factors can, when not present, lead to dissatisfaction, but the two factors cannot be treated as opposites from each other. Herzberg defines motivation in the workplace as: performing a work related action because you want to.

Below, in figure 1, a table is presented with Herzberg’s motivators and hygienes. As seen in the figure, motivators are intrinsic conditions to the work itself and hygienes extrinsic conditions to the work.

<table>
<thead>
<tr>
<th>Motivators (leading to satisfaction)</th>
<th>Hygienes (leading to dissatisfaction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement</td>
<td>Company policy</td>
</tr>
<tr>
<td>Recognition</td>
<td>Supervision</td>
</tr>
<tr>
<td>Work itself</td>
<td>Relationship with boss</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Work conditions</td>
</tr>
<tr>
<td>Advancement</td>
<td>Salary</td>
</tr>
<tr>
<td>Growth</td>
<td>Relationship with peers</td>
</tr>
<tr>
<td></td>
<td>Security</td>
</tr>
</tbody>
</table>

Figure 1. Herzberg’s Two-Factor Theory

The Two-Factor Theory of Herzberg (1959) is related to Maslow’s (1943) theory of motivation, named Hierarchy of Needs. Maslow (1943) states in his need-hierarchy that there are at least five sets of goals, which are called the basic needs, namely: physiological, safety, love, esteem and self-actualization. And “we are motivated by the desire to achieve or maintain the various conditions upon which these basic satisfactions rest and by certain more intellectual desires” (Maslow, 1943). When the first, physiological, need is satisfied the next “higher-order need” has to be satisfied. Maslow distinguishes between lower- and higher-order needs; the lower-order needs are physiological, safety and love and the higher-order needs are the last two. Lower-order needs have to be satisfied in order to pursue higher-level motivators along the lines of selffulfilment (Maslow, 1943). However, the five needs differ in type of motivation, e.g.: selfactualization is intrinsic growth of what is already in the organism, or more accurately of what is the organism itself (Maslow, 1970). Maslow (1943) argues that self-actualisation is absolutely not something extrinsic that an organism needs for health, such as e.g. “a tree needs water”. Hereby, Maslow (1943) refers to the lower order needs as being more extrinsic and the higher order needs more intrinsic.
In fact, Herzberg, Mausner and Snyderman (1959) redefined Maslow’s (1943) Hierarchy of Needs into their two categories named: hygienes and motivators. This is one of the first attempts to make up the difference between intrinsic and extrinsic motivation (Staw, 1976). And they emphasized that satisfaction and dissatisfaction cannot be treated as opposites from each other (Salancik and Pfeffer, 1977). It can even be stated, according to Furnham, Forde and Ferrari (1998) that the motivator needs of Herzberg are very similar to the higher-order needs in Maslow’s Theory of Needs. It can be stated that Herzberg’s (1959) Two-Factor Theory and Maslow’s (1943) Hierarchy of Needs are two related theories. And it seems that these two theories form the basis for later motivational theories, since they make a very clear distinction between intrinsic and extrinsic motivation.

7. Intrinsic and Extrinsic Motivation

As described earlier, motivation can be separated in intrinsic and extrinsic motivation. Amabile (1993) explains this as follows:

1. Individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work.

2. Individuals are extrinsically motivated when they engage in the work in order to obtain some goal that is apart from the work itself. Deci (1972) describes extrinsic motivation as, money and verbal reinforcement, mediated outside of the person, whereas intrinsic motivation is mediated within the person. And a person is intrinsically motivated to perform an activity if there is no apparent reward except the activity itself or the feelings which result from the activity. Amabile (1993) argues that employees can be either intrinsically or extrinsically motivated or even both. It seems that intrinsic and extrinsic motivators apply differently to persons. Vroom (1964) argues that some employees focus on intrinsic outcomes whereas others are focused on extrinsic outcomes. According to Story et al. (2009), individuals high in intrinsic motivation seem to prefer challenging cognitive tasks and can self-regulate their behaviours, so offering rewards, setting external goals, or deadlines, will do little for them, unless they are also high in extrinsic motivation. For employees high in intrinsic motivation, emphasis could be placed on the engaging nature of the task and encouragement of self-set goals and deadlines (Story et al., 2009). Hackman and Oldham (1976) even argue that people have individual differences in response to the same work; they differentiate between employees high and low in growth need strength. People high in growth need strength are most likely to be motivated by jobs with high skill variety, task identity, task significance, autonomy and feedback. And people low in strength is relatively insensitive for these factors according to them. This statement is supported by Furnham et al. (1998); they argue that introverts are more extrinsically motivated and extraverts more intrinsically motivated. However, it not only seems that persons are differently motivated but intrinsic and extrinsic motivation also has effect on each other.

8. The Relationship between Intrinsic and Extrinsic Motivation

The distinction between intrinsic and extrinsic motivation is evident, however researchers argue that intrinsic and extrinsic motivation also have an effect on each other. Deci (1972) claims that in some cases extrinsic motivators can decrease intrinsic motivation. He argues that if money is administered contingently, it decreases intrinsic motivation. But this event will not occur if the money is non-contingently distributed. Amabile (1993) reacts to this discussion by stating that although extrinsic motivation can work in opposition to intrinsic motivation, it can also have a reinforcing effect: “once the scaffolding of extrinsic motivation is taken care of, intrinsic motivation can lead to high levels of satisfaction and performance”. She also states in her research that both
intrinsic and extrinsic values can motivate employees to do their work, however intrinsic and extrinsic motivation can have very different effects on employees. In conclusion it can be stated that employees can be intrinsically and/or extrinsically motivated, to perform a certain task (Amabile, 1993). And that extrinsic and intrinsic motivation can reinforce each other, but in some cases extrinsic motivators can also decrease intrinsic motivation (Deci, 1972). Furthermore, researchers argue that not all people are equally motivated; some employees are more intrinsically and others more extrinsically motivated (Furnham et al., 1998).

9. Employee Performance

Performances can be separated in organisational and employee performance. Employee performance is also known as job performance. However, it seems that job performance is mostly subjectively measured in organisations and it will appear that there are few alternative options.

10. Performance in Organisations

Performance in organisations can be separated in organisational performance and job performance (Otley, 1999). According to Otley, the performance of organisations is dependent upon the performance of employees (job performance) and other factors such as the environment of the organisation. The distinction between organisational and job performance is evident; an organisation that is performing well is one that is successfully attaining its objectives, in other words: one that is effectively implementing an appropriate strategy (Otley, 1999) and job performance is the single result of an employee’s work (Hunter, 1986). Since the aim of this thesis is to provide a link between motivating employees and their performance, organizational performance lies outside the scope of this research and only job performance is addressed.

11. Job Performance

A good employee performance is necessary for the organisation, since an organisation’s success is dependent upon the employee’s creativity, innovation and commitment (Ramlall, 2008). Good job performances and productivity growth are also important in stabilizing our economy; by means of improved living standards, higher wages, an increase in goods available for consumption, etc (Griffin et al., 1981). Griffin et al. also argue that therefore research of individual employee performance is important to society in general.

Employee production and employee job performance seems to be related; e.g. in the U.S. performance is in some cases measured as the number and value of goods produced. However, in general productivity tends to be associated with production-oriented terms (e.g. profit and turnover) and performance is linked to efficiency or perception-oriented terms (e.g. supervisory ratings and goal accomplishments) (Pincus, 1986).

According to Hunter and Hunter (1984) crucial in a high job performance is the ability of the employee himself. The employee must be able to deliver good results and have a high productivity. Hunter and Hunter (1984) also argue that this is something the organisation can know at forehand; they can select employees with the required abilities or they can recruit those employees themselves. Of course the latter is more time consuming, but can obtain better results in the end (Hunter, 1986).

However, job performance is more than the ability of the employee alone. Herzberg (1959) and Lindner (1998) refer to the managerial side of performance. According to Herzberg (1959) performance is: let an employee do what I want him to do. This implies that the organisation’s hierarchy and task distribution are also critical for a good employee performance. Lindner (1998) adds to this statement by arguing that employee performance can be perceived as “obtaining external funds”. According to Vroom (1964) an employee’s performance is based on individual
factors, namely: personality, skills, knowledge, experience and abilities. Many researchers agree that job performance is divided in those five factors (e.g. Hunter & Hunter, 1984). Some researchers even argue that a person's personality has a more specific role in job performance (Barrick & Mount, 1991). However, according to various researchers, it is not what performance exactly means, but how it is composed and how it is measured (Furnham, Forde & Ferrari, 1998; Barrick & Mount, 1991). Vroom's (1964), Hunter & Hunter's (1984), Hunter's (1986), etc. results are evident. Namely,

Job performance can be divided in personality, skills, knowledge, experience and abilities. Some researchers even argue that personality has a more specific role in job performance. However, according to Bishop (1989) and others, job performance contains a problem; namely the measurement of performance.

12. Measuring Job Performance

According to Kostiuk and Follmann (1989) in most organisations performance is measured by supervisory ratings, however these data are not very useful since they are highly subjective. Bishop (1989) adds to this that in most jobs an objective measure of productivity does not exist.

Bishop (1989) also states that the consistency of worker performance is greatest when conditions of work are stable, but in practice work conditions never are stable. This makes it even harder to measure performances objectively. According to Perry and Porter (1982), the performance of many employees probably will be measured despite the lack of availability of generally accepted criteria.

Perry and Porter (1982) and Bishop (1989) both argue the problem of objective measuring, however according to Bishop (1989) the problem even increases because most employers believe they can rate the productivity of their employees, and that it is done in an inefficient manner.

However, Bishop (1989) states, it is not impossible, but only costly to obtain objective information about a worker's effort and productivity.

It is stated before that some researchers argue that a person's personality plays a more specific role in job performance (Barrick & Mount, 1991). However, the effect personal characteristics and education have on performance is difficult to interpret, since those estimates are imprecise and the models who claimed that can interpret them are rejected as invalid (Kostiuk & Follmann, 1989). However, Kostiuk and Follmann do argue that personality differences seem to be important in the relationship with performance. It can be stated that job performance contains a problem; the measurement of it. Job performances are commonly measured by supervisory ratings and those ratings are not perceived as objective.

13. Employee motivation and performance

It is already argued that managers need to motivate employees to perform well in the firm, since the organisation's success is dependent upon them (Ramlall, 2008). However, it is only later research that succeeded in establishing a positive correlation between employee motivation and job performance. In this chapter, at first the relationship between employee motivation and job performance will be explained. After that, it will be described how employees can be intrinsically and/or extrinsically motivated to perform well. It will appear that there are several options for intrinsic motivation and extrinsic motivation, but extrinsic factors alone will not lead to an increase in employee motivation.

14. The relationship between employee motivation and job performance

The viewpoint that motivation causes performance comes from human relations theory (Filley et
The relationship between employee motivation and job performance has been studied for a long period. However, earlier research could not succeed in establishing a direct relationship between the two (Vroom, 1964). Yet it seems that the factors do influence each other. Petty et al. (1984) reviewed the 15 studies Vroom (1964) used in his research and added another 20 more recent studies; they concluded that employee motivation and performance are indeed related. The results of their research indicate that the relationship between individual, overall job satisfaction and individual job performance is more consistent than reported in previous researches (e.g. Vroom, 1964). And Hackman and Oldham (1976) argue that when employee satisfaction is added, a circular relationship is formed with performance, satisfaction and motivation. The term satisfaction is also used by Herzberg (1959); he argues that when intrinsic factors (motivators) are present at the job, satisfaction is likely to occur as well as an increase in employee motivation. Amabile (1993) states that work performances are dependent upon the individual's level of motivation; the individual's level of motivation can be intrinsically and/or extrinsically based. It is also argued that certain job characteristics are necessary in establishing the relationship between employee motivation and performance (e.g. Brass, 1981; Hackman & Oldham, 1976; etc.). Brass (1981) argues that when certain job characteristics are present in an organisation, employees are better motivated and an increase in performance is noticeable. Job characteristics refer to specific attributes or dimensions that can be used to describe different tasks (Griffin et al., 1981). Hackman and Oldham (1976) defined five job characteristics, which are based on the Two-Factor Theory from Herzberg (1959). Those characteristics are: skill variety, task identity, task significance, autonomy and feedback. The results of their study indicate that employees who work on jobs scoring high on the five characteristics, show high work motivation, satisfaction and performance (Brass, 1981). Hackman and Oldham (1976) conclude that employees can be motivated through the design of their work; they argue that by providing certain intrinsic and extrinsic factors an employee can be motivated to perform well. The five job characteristics (skill variety, task identity, task significance, autonomy and feedback) can bring the employee to three “critical psychological states”, namely: (1) experienced meaningfulness of the work, (2) experienced responsibility for outcomes of the work and (3) knowledge of the actual results of the work activities (Hackman & Oldham, 1976). And according to Hackman and Oldham, the three critical psychological states will lead to high motivation, satisfaction and performance.

15. Result

However, not all findings in the available literature were complementary. Some researchers made contradictory statements on the fact how extrinsic motivators can contribute to motivation and performance. E.g. on the topic of how salary influences employee motivation; some researchers argue that salary does not increase and others argue that it is the most influencing motivator for employees. An explanation could be that not all researchers follow Herzberg’s (1959) theory of motivation or that researchers confuse satisfaction and dissatisfaction.

There also is some confusion noticeable at the topic of how motivation influences performance.

Earlier research conducted by Vroom (1964) resulted in the conclusion that employee motivation and performance were uncorrelated. However, later research by Petty et al. (1984) concluded that there indeed is a relationship, by using the 15 researches Vroom (1964) used and 20 more recent researches. According to Petty et al.(1984) the differentiated results were possibly due to the fact that in Vroom’s research 40% of the variance of correlations across the study was due to sampling error and the other 60% to a combination of error of measurement, restriction in range, other artifacts, or real differences between some of the studies. Petty et al. (1984) overcome these problems by conducting their research in a more scientific manner.

16. Conclusion
At first it can be concluded that it is indeed possible to motivate employees to perform well for an organisation and that is a critical task for managers. It seems that there exists a self-reinforcing circular relationship between the performance, satisfaction and motivation of an employee; an employee achieves a high performance, therefore internal satisfaction arises and the employee is motivated to perform well in the future. It is stated that a high performance can be reached when the organisation provides certain job characteristics. Secondly, it is stated that employees can be both intrinsically and extrinsically motivated to perform well. Most jobs are even both intrinsically and extrinsically motivated (Amabile, 1993). It can also be concluded that intrinsic factors can contribute in a greater extent to employee motivation than extrinsic factors. Some researchers even argue that an increase in extrinsic factors solely does not lead to an increase in performance. Research proved that to intrinsically motivate employees, the organisation needs to score high on five job characteristics: skill variety, task identity, task significance, autonomy and feedback. And to extrinsically motivate employees, the organisation needs to score high on salary, commitment to supervisors and peers and job security. These job characteristics together with the ability of the employee provide the opportunity for a high performance, which is the start of the self-reinforcing circle (Hackman & Oldham, 1976). It is important that managers provide all job characteristics, since that will lead to the highest employee performance. However, it must be argued that this relationship is not infinite; it could be that the employee does not longer derive satisfaction from his performance or that one of the three psychological stages is no longer present. Therefore organisations must make sure that performances can be continuously improved. At last, it can be argued that there are numerous other ways to increase the performance of employees in organisations (e.g. diversity, leadership, etc.), thus management should not focus on motivation solely. But it can be concluded that particularly intrinsic factors can greatly contribute in increasing employee productivity.

References

B. Keijzers; (2009) Employee motivation related to employee performance in the organization


