RUNNING HEAD: MSC MANAGEMENT

EMPLOYEES' MOTIVATION AND ITS IMPACT ON ORGANIZATIONAL PERFORMANCE

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# Introduction

Today’s market environment is fierce and volatile. Every company strives for survival and success. It has been known widely by the organizations that employee motivation and organizational performance has a vital role in the success of an organization. To this end, understanding the correlation between employees’ motivation and overall organization’s performance is inevitable to bring improvements. Companies try to hire the best employees who are most suitable for the job openings they have. The companies that consider motivating employees to be an essential factor for increased performance survive in the long run and achieve a higher level of success. Technology, resources, and marketing are effective means to increase a firm’s production. However, the human capital must not be ignored. It is the main asset of a company and it requires special attention and care to be managed well to contribute to the organization’s productivity. If employees of an organization are not satisfied with the workplace culture and environment, their productivity will decrease, ultimately impacting the organization’s output. Motivation of employees has several dimensions to be considered by a company. Employees are different in their needs and preferences. Some employees may be motivated by the incentives or rewards by the company in recognition of good work. Others may have different priorities and give more weight to their achievements and learning. Certain employees may prefer working in a company that cares for them more and provides more security of job. It is the responsibility of the managers to understand the requirements and preferences of their subordinates and inform the higher management of the trends or priorities of employees in the company. managers need to precisely understand what really matters to the employees working under their supervision and what motivational programs would be most successful and influential. The success and effectiveness of a manager can be determined by the fact of how well he or she can grasp the needs and priorities of employees.

# Research Question

Organizations compete at different levels with each other. Each organization wants success and develops and implements strategies accordingly. The perception of success factors is different in different organizations. Success factors may be varied and numerous, however, employees’ proper motivation can be considered as one of the most important contributor to an organization’s success and increased performance. The problem is that most of the companies do not understand the need of managing their human capital, their employees, in a way that could impact significantly on the performance of the organization. Employees’ dissatisfaction has severely negative effects on the workplace environment as well as the organization’s performance. People cannot be loyal to an entity that does not care for them. Untrained people cannot give performance same as those having adequate training for a task. Similarly, Non-motivated or demotivated employees can bring only instability to a business. To address this issue, the proposed research will provide an overview and analysis of the situation related to the following question:

* What is the impact of employees’ motivation on organizational performance?

This question is important in many aspects and entails several other underlying questions to be answered to fully grasp the concept and its implications. To answer this question fully, it is required to know what employees’ motivation is and how it can be achieved. How managers can understand their subordinates well to better identify the factors of their motivation? What is the type of relationship between employees' motivation and organizational performance? One must find answers to all these questions first to know the impact of motivation of employees on organizational performance.

***Objectives***

An organization cannot progress without identifying its objectives. Without preset objectives, the business activities of an organization would be like a journey that has no destination to reach. In order to understand the impact of employees’ motivation on the organizational performance, it is inevitable to know the related issues that help in reaching a specific conclusion in this regard.

* To get an overview of the current workplace requirements and work-related demands of employees that must be fulfilled for improving an organization’s performance
* To understand the motivation of employees in its different aspects and know the modern trends emerging in personnel management from the perspective of motivation
* To identify different types of motivation according to the preferences of employees regarding their work
* To identify the relationship between the motivation of employees and their performance in the workplace
* To understand the relationship between employees’ performance and organization’s performance

The proposed study would be a comprehensive effort to understand the selected topic from a broader perspective considering different factors contributing to the desired objective. The above-said objectives give an idea about the scope of the research to be undertaken. The research would encompass different aspects of the issue under discussion and make an assessment of the related situation, opportunities, and impacts. The research would be useful for the industry in managing their personnel performance and increasing the productivity of their organizations.

***Literature Review***

The existing research in the selected topic of study explains the nature of the problem encountered by the companies mostly. Researchers have analyzed the relationship between the two variables, employees' motivation and organizational performance, in numerous studies, and suggested ways for improvement to the organizations. The proposed research differs from the existing research in the way that this research takes into account different variables for study and considers many different aspects of the issue to reach a conclusion. The earlier studies do not demonstrate this type of consideration. The associated variables or issues would be studied individually and their impact would be analyzed. Further, these related variables or factors would be articulated and integrated to understand the phenomenon to a full extent.

The literature abounds in researches about motivation and organizational performance. The researchers have focused on different aspects of the issue. A study found that the staff should be recruited based on the relevance of their knowledge, skills, and expertise to the job they are being offered. This way the individuals selected for jobs would give increased performance and they would enjoy working on the job as well (Osabiya, 2015). It further revealed that employees, especially the subordinates, are motivated the best way when given some sort of authority or responsibility. This is because they think they have become valuable for the company and they start to assume that they own the company. Their loyalty toward the company increases and they try to put more energy into their job efforts. This suggests that individuals having talent, commitment, and integrity should be given a chance to improve and grow, and they should be trusted by the company to increase their level of confidence. The study found that motivated workers demonstrate a significant difference from the non-motivated employees. The motivated workers can perform better than the others due to acquiring the feeling of belonging, achievement, and recognition. Although it is a fact that most employees differ from one another in their preferences and priorities. However, preferring one thing to another does not mean that they do not give any weight to those factors, which they prefer less than others. Therefore, motivation is caused by all the factors, but the extent to which a person gets motivated by these factors varies.

Another study articulated different concepts on understanding employee performance and organizational performance. The study presented an analysis of the connection between rewards, job security, management styles, job satisfaction, equal treatment of employees, recognition, and team spirit. The study was qualitative and it used questionnaires comprising twenty questions and they selected forty students of a university to constitute the sample. Their findings include that motivation of students had an evident relationship with their career growth. Since the students selected a good salary, equal treatment of employees, and job security, it implied that motivation is a significant factor to shape the behavior of a person (“International Journal of Scientific Research in Computer Science, Engineering and Information Technology,” n.d.). A recent study focused on the relationship between an employee's motivation and job performance, conducting the research work on selected construction companies. The dependent variable was considered as job performance and the independent variable was considered to be employee motivation. Both the variables demonstrated their particular dimensions and measures that would explain the relationship between the two variables. The research indicated that organizations should pay attention to employees’ motivation and start induction training. Management should assess employees’ needs and preferences and develop a program accordingly that could help them motivate employees with insight. The study suggests that employees' feedback in this regard would play a vital role in developing motivational programs for the employees (Ikechukwu et al., 2019). The study suggests that employees are different in their needs, their relevant needs must be fulfilled such as self-actualization, safety, and psychological needs. The solution to employees’ dissatisfaction is that the managers should work on creating job satisfaction for the employees, using the motivation factors, promotion, recognition, and achievement.

One study conducted to find out the impact of employees’ motivation on the organizational effectiveness describes that an employee’s motivation is affected by intrinsic and extrinsic factors (Nguyen, 2017). The extrinsic factors include the external elements, that is, compensation or other reward packages. The intrinsic factors include the internal elements that exist inside a person, namely, needs, desires, and goals. The importance of intrinsic factors sometimes increases the extrinsic factors. Intrinsic motivation can be provided through work-life balance, flexibility of work, the nature of job if it is challenging and interesting or vice versa, and good relationships with co-workers and supervisors. Further, the study indicated that the aforementioned extrinsic and intrinsic motivation not only impact employees’ performance, they also impact employee retention in a positive or negative way based on the provision or lack of provision of the necessary motivation elements, both extrinsic and intrinsic. A study conducted on employee motivation and organizational performance analyzed the impact of employees' empowerment and work recognition on his or her performance that would eventually impact the organization's overall performance (Dobre, 2013). The study revealed that there exists a direct correlation between recognition and empowerment of employees and their motivation. It was found that increasing the recognition and empowerment of employees improves their motivation to work. They give better performances at work, their accomplishments can be distinguished from their previous works, and the organizational performance demonstrates significant improvement. On the contrary, the demotivation of employees caused due to unchallenging or tedious jobs or pressure from the clients leads to decreased performance. If demotivating factors prevail and employees’ dissatisfaction continues, employees will start seeking jobs in other companies, preferably the competitors. It should be noted that all employees who seek employment in other organizations will be looking for relatively improved work conditions and greater incentives. Therefore, the company should motivate employees by different means and approaches, considering the varying needs of each type of customers toward getting motivated. They may be motivated by increased commission, job satisfaction, or a better work environment.

***Methodology***

The research methodology used in the proposed research project would be a mixed methodology. The proposed research would be based on a critical analysis of the existing research which uses both qualitative and quantitative research methodologies to obtain findings and reach conclusions. The existing research data is sufficient to arrive at the desired conclusion through logical explanation of the facts available and by comparing and synthesizing data existing in these reports. The literature review presented in this research proposal is also based on the secondary data collected from peer-reviewed articles published in acclaimed journals. The research would comprise the logical construction of concepts and orderly collection of findings presented in the selected secondary data sources. The research is meant for finding out the impact of employees’ motivation on the organizational performance. There are certain factors involved in this correlation. Therefore, those involving factors would also be analyzed and evaluated to determine the final result. The factors influencing employees’ motivation need to be identified and evaluated at the first stage. The relationship between employees' motivation with their work performance will be determined. The relationship of employees' performance with organizational performance will be determined afterward. Different variables articulated precisely would explain the thesis of this research and help develop appropriate solutions or recommendations for the issue.

***Timetable***

The following table shows the schedule made for completing the research work and showing different milestones achieved.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Saturday |  |  |  |  |  |  |
| Research Proposal | 12/14/2019 |  |  |  |  |  |  |
| Introduction to Thesis (Research Question) |  |  |  |  |  |  |  |
| Literature Review |  |  |  |  |  |  |  |
| Methodology |  |  |  |  |  |  |  |
| Analysis & Findings |  |  |  |  |  |  |  |
| Discussion, Conclusion, Recommendations |  |  |  |  |  |  |  |
| Bibliography, Abstract |  |  |  |  |  |  |  |

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