

EMPLOYEES PERFORMANCE AND MOTIVATION: A CASE OF MANUFACTURING ORGANIZATION OF TIKAPUR MUNICIPALITY

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Abstrac

This study is designed to explore the employee's performance on the basis of motivation. Questionnaires were distributed to 100 employees from 20 manufacturing organization located in Tikapur Municipality. Descriptive statistics and correlation were used to analysis the data. Using correlation and regression equation, best employee's performance depends salary, training, working condition and other facilities. The result showed that factor of motivation made positive effects on employee's performance.

Key Words : *Manufacturing organization, Employees performance, Motivation, Salary, Working condition*

Introduction

The Manufacturing organization plays a vital role for producing finished goods and delivering goods services to their customers. The manufacturing service is one of the most competitive and highly globalized sectors due to the extensive use of information technology systems by firms operating in this sector. Level of technology has become the red rock for the companies in the production sector at the global level, but human capital still remain the driving force in the highly digital financial service industry.

Every organization and business wants to be successful and have desire to get constant progress. The current era is highly competitive and organizations regardless of size, technology and market focus are facing employee retention challenges. To overcome these restraints a strong and positive relationship and bonding should be created and maintained between employees and their organizations. Human resource or employees of any organization are the most central part so, they need to be influenced and persuaded towards tasks fulfillment. The organization design different strategies to compete with the competitors and for increasing the performance of the organization with achieving prosperity.

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A very few organizations believe that the human personnel and employees of any organization are its main assets which can lead them to success or if not focused well, it will decline the performance level of the employees. Unless and until, the employees of any organization are satisfied with it, are motivated for the tasks fulfillment and goal achievement and encouraged, none of the organization can progress or achieve success. The focus of this study is to enlighten that how an organization through its employees can achieve success and effectiveness.

Many manufacturing industries believe that the key to improve staff performance and productivity in any area is motivation rather than ability. Motivation is the force that energizes, directs and sustains a person's effort towards the achievement of a goal Bergstrom, (2001). A highly motivated person will work hard towards the achievement of organizational goal, given the ability and adequate understanding of the job. Therefore, the challenge for today's management is to administer motivational programs which will encourage employees to improve their work performance and productivity.

The organizations, whether they produce services or products there is need of human capital in the process. The success or failure of the organization will be determined by the organization that how an organization motivates their employees Boswell, W.R. and Boudreau, J.W. (2005) Hence, it is very important to know what motivates the members of an organization, and if all people are motivated by the same factors or if there are differences among people, which can be related to some common characteristic, such as sex, cultural differences or level of education.

The motivation is likely to have effect on the delivery of manufacturing service and the outcome on customer care and performance of work. Herzberg, F., Mausner, B. and Snyderman, B. (1959) indicates that having fewer dissatisfiers does not motivate a worker to do a good job, but only to stay in it. Worker performance clearly depends on their level of motivation, which stimulates them to come regularly, work diligently, be flexible and be willing to carry out the necessary tasks.

Katz, R. (2005) demonstrates that a motivated worker is easy to agility, dedication, enthusiasm, focus, zeal, and general performance and contribution to organizational objectives and goals. All organizations are concerned with what should be done to achieve sustained high level of performance through people. This means giving close attention to how individuals can be motivated in a best way such means as incentives, rewards, leadership and importantly, the work they do and the organization's context within which they carry out that work. Today's uncertain and turbulent business environment brought about the current global economic crisis makes it even more critical for employees to find ways of gaining full potential from their employees. Thus, understanding what motivates employees to work at or near their peak level is a critical issue for business society.

Further, women are much lesser likely to be in a relationship, about one third of the women managers in the study was single compared to only one tenth for the men. Women see having a family as a career related dilemma. Men in the study did see payment and redundancy threats to create a bigger pressure than their women colleagues since; they had to provide for their family. Women did see their sex as a disadvantage and that they had to perform much better than their men colleagues to get the same recognition Friedlander, F., (1966). The success of any business or organization as a matter of fact depends largely on the motivation of the employees. Human resources are essential to the prosperity, productivity and performance of any company. Motivation is the key to creating an enabling environment where optimal performance is possible.

Every employee or worker have a set of motivation and personal incentives that ginger them to work hard for the organization. Most of the employees are motivated by cash incentives but other is motivated by recognition. Employees incentive program go a long way towards ensuring employees feel appreciated cared for and deemed worthwhile. This can go a long way to help with employee motivation across the board. The greatest thing about motivation is that it is individualized as such programs are tailored to suit the needs and wants of employees. Motivation does not only encourage productive performance but also show employees how much the company cares. Perhaps the most vital impact of employee motivation is that of increased productivity or performance.

Employee motivation promotes workplace harmony and increase employee performance. It is the key to long term benefit for the organization. Motivated employees means staff retention and company loyalty, which in the short run will give birth to growth and development of business (Jishi, 2014). It is that employee motivation is very essential to the growth, development and success of any business entity even if it is small or big. In the business world workplace human resources are the most valued and cherished resources for successful organization. Motivated employees are productive, happy and highly committed to their job.

The people are motivated to seek social equity in the rewards to receive for high performance. To get recognition, promotion, social relationship and intrinsic reward various inputs needs to be employed by the employees to the job as time, experience, efforts, education and loyalty. Work motivation does not determine employee's level of performance, but it does influence employees' effort toward performing the task.

Statement of the Problem

Nepalese manufacturing sector is becoming more competitive than the past and they are found to be competing with each other by providing quality goods. There is difficult to sustain in the

competitive market without satisfying the customers. Therefore, there is a great need to focus the efforts to build up best human resource to achieve the goal of the market. It will be successful if employees are satisfied with the organization.

Hence, the present study is going to analysis the employees' performance in manufacturing sector. The study is conducted to answer the several questions.

- 1) What are the main motivating factors that influence the employees' performance of the organization?
- 2) What is the relationship between motivation and organization performance?
- 3) How to increase the profitability of the organization?
- 4) Which factors motivate more to employees?
- 5) Does motivation have positive impact on the employee performance?
- 6) Is there any particular factor that influences more in determining employees' satisfaction in relation to employee's motivation?
- 7) What types of motivational packages are offering to the employees?

Study Model

In this study, the model has been used to test the theoretical relation between the employee motivations with employee performance. There is function of salary, promotion, working environment, carrier development, training, incentives and recognition. The theoretical statement may be framed as under:

$$Y = f(X_1, X_2, X_3, X_4, X_5, X_6)$$

Where,

Y= Employee performance

X₁= Salary

X₂= Promotion

X₃= Working environment

X₄= Career development

X₅= Training

X₆= Incentives

Objectives of the Study

The main objective of the study is to find out the relation between motivations with organizational performance of organization.

- 1) To examine the relationship between motivation of employees and organizational performance.
- 2) To examine the effect of employee's motivation on organizational performance.

3) To determine the factors that increase motivation of employees in an organization.

Rational of the Study

The study shows the stage of employee motivation and its impact on the employee performance. Modern technology for production, emergence of new technology and introduction of new product and services are challenging for manufacturing sector. So employees should be motivated towards the work which leads them to work effectively and efficiently. Employees will not able to perform job unless they possess the required abilities. Employee's abilities can be improved through training and development and other variables. However, without motivation, ability is of no use. Employee will not use abilities effectively without motivation. Job performance is thus the result of the interactions between ability and motivation. So, in Nepalese context motivation play an important role for achieving the goal.

Conclusively, the findings from this study will be beneficial not only to the workers of the organization. In other words, this study will be useful at three levels thus, the individual level, institutional level and national level.

- a) At the **individual level**, the workers of the institution will be informed as to the incentive programs available to them and how best to utilize them for personal development and improved performance.
- b) At the **institutional level**, it will help the manufacturing concern to change or review their employee motivational policies and strategies in vogue which will inevitably cause an increase in staff turnover or productivity which will also lead to growth and eventually development.

Limitation of the Study

- i) This study covers only the employees from manufacturing organization so it cannot be claimed to be the representatives to deal with employees performance for all institutions.
- ii) This study has been conducted only on the premises of Personal characteristics, facets of motivation to explain the employees performance. Hence, the findings may be generalized with due consideration.
- iii) The reliability and validity of the study findings will be based on the reliability of the information obtained from the respondents.
- iv) The measures used in the study are subjective exposure, information obtained from the respondent will be highly influenced by the personal biasness, emotion, and judgment.

Research Design

The study has employed descriptive, and casual comparative research design to deal with the fundamental issues associated with motivation influencing employee of the manufacturing firms of Tikapur. The descriptive research design has been adopted for fact finding and search adequate information about factor affecting employee performance. The questionnaire has been designed to assess the opinions, perception of respondent employees regarding their motivation level. The questionnaire also deals with the personal details of the respondent like academic qualification, job position, and age of the selected employees.

Population and Sample

The population of this study includes employees of 20 manufacturing firms. The organizations are divided into two categories on the basis of production. The total sample respondents are 100 from different organization employees. A set of questionnaire is prepared to collect information about employee's motivation level regarding organization performance. It consisting section with demographic factors such as age, gender, income level, highest level of education and occupation.

Validity and Reliability

Reliability is the degree to which the observed variable measures the true value and is error free. The reliability measured and conformed by testing both consistency and truthfulness of the respondents' response in primary data. Validity is the degree to which a measure accurately represents what it is supposed to measure. After the data collection the reliability and validity was tested and the result was reliable and valid with Cronbach's Alpha of 0.812 which means the data's are reliable on 81.2% and 19.80% data were error.

Analysis Plan

This section gives a presentation of how the empirical data was analyzed for research purpose. Under the first section, primary data were collected for measuring motivation and its impact on employees' performance. After gathering the entire completed questionnaire from the respondent for the analysis and interpretation of data worksheet was prepared. Depending upon the multiple choices, ranking scale, Likert scale the coding was followed as per rule. After the analysis and interpretation the result were interpreted and presented.

The various tools such as frequencies, percentage and correlation were used to derive the result.

Correlation analysis was conducted to determine the significance level of motivation and employee performance. Further cross tabulation was used to summarize the motivation and employee performance. Moreover in order to gain better understand and suggestion from the employee to improve performance open end questions were prepared.

Correlation Coefficient Analysis

The research has eight dimensions in total with one dependent and seven independent dimensions which are determining their effect on employee performance. The dependent variable is motivation and the independent variables are salary, promotion, working environment, carrier development, incentives training and recognition. The correlations are shown on the table.

Correlation Coefficient of Employee Motivation with Dimensions of employees’ performance

	EP	SI	PM	WE	CD	TR	IN
EP	1	0.60*	0.55*	0.362**	0.166*	0.26*	0.102*
SI	-	1	0.245**	0.137**	0.339**	0.268**	0.078*
PM	-	-	1	0.262**	0.109*	0.440**	0.076*
WE	-	-	-	1	0.105*	0.108*	0.031*
CD	-	-	-	-	1	0.125*	0.107*
TR	-	-	-	-	-	1	0.209*
IN	-	-	-	-	-	-	1

Source: Survey, 2017

* Correlation is significant at 1% level.

** Correlation is significant at 5% level

Here, employees’ performance has a relation with variables dimension of employees motivation salary, promotion, working environment, career development, training and incentives. Positive correlation implies that as one variable increases in values so does the other. The data shows salary is highly positively correlated with employee’s performance with 0.60 and is significant at 1% level of significance. Similarly, the correlation between employee motivation and promotion is highly correlated which is accounted at 0.55 and is significant at 1% level of significance. Working environment is also positively correlated with employee performance by 0.362 which is in significant at level of 5 %. Similarly Career development, incentives and recognition is positively correlated employee performance at magnitude of 0.166, 0.102, respectively.

Conclusion

The conclusion of the study is that employee motivation can play a major role in the success of manufacturing sectors. In general the employee performance in direct relation to employee motivation that can be used as a strategic tool to influence new customers and retain existing customers. The joy of every employee would produce a conducive and friendly business environment for customers to be served. Seminar and job instruction training are considered more practical and simulation exercises are better training programs for employee motivation. A good salary package, promotion (performance appraisal), good working environment play an important role in motivating employees. This study reveals that if management withdrew motivational packages it will have negative impact on employee's performance. The correlation analysis shows that there is positive relationship between the variables. The salary is highly correlated with the employee performance and recognition is least correlated with employee performance.

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