

## EVALUATING THE IMPACT OF EMPLOYEE MOTIVATION ON JOB PERFORMANCE: A STUDY OF ORGANIZATION IN LAHORE

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### Abstract

*This research explores the complex connection between employee motivation and job performance, aiming to unravel how different motivational elements play a crucial role in improving employee productivity. The paper commences by exploring the fundamental premise that financial remuneration, including salaries, bonuses, and other monetary rewards, is a primary driver of employee motivation, as underscored by theories from Houran, J., Sara et al., and Frederick Taylor. It further examines the role of non-monetary incentives, like job satisfaction, recognition, and personal growth opportunities, in fostering employee engagement and productivity, drawing upon the findings of Kalimullah et al. and Herzberg's motivation theory. In conclusion, this comprehensive analysis affirms that a multifaceted approach to employee motivation, encompassing both financial and non-financial incentives, leadership quality, trust, empowerment, and organizational support, is crucial for optimizing job performance. This research provides essential knowledge for managers and businesses seeking to cultivate a motivated team, leading to increased productivity and efficiency.*

**Keywords:** Employee Motivation, Job Performance, Salaries, Bonuses, Motivation

### Introduction

Motivation is a key psychological concept and crucial for managers in guiding their subordinates towards meaningful goals. It's a primary challenge in management, essential for instructing subordinates. A supportive organizational environment encourages responsibility for one's performance, enhancing subordinate participation in goal-setting and performance monitoring. Management strategies should boost subordinates' confidence and self-responsibility. This research project focuses on employee behavior and attitudes, contributing to theory and practice in workplace dynamics. It aims to explore various factors influencing employee performance and the differing perceptions among employees.

Organizations, facing intense competition and retention challenges, must build strong relationships with their employees. Recognizing employees as vital assets, organizations design strategies for success and performance improvement. Employee satisfaction, motivation, and encouragement are key to organizational success. Motivation comprises three elements: activation (starting a behavior), persistence (continuing despite obstacles), and intensity (effort level). Motivation can be extrinsic (external rewards like money or praise) or intrinsic (internal satisfaction). Understanding these aspects provides a comprehensive view of motivation.

The necessity of motivation for achieving goals is evident. Without it, progress and success would be challenging. Motivation isn't always positive; fear and stress can also motivate, though they may lead to negative outcomes like narrowed focus or disinterest. Work achievement combines the outcomes of significant work activities. Managerial standards, aligning with job descriptions and employee backgrounds, influence motivation. Expecting too much can demotivate employees. Beyond salaries, motivation includes financial incentives, involvement in projects, career advancement, and managerial support. A committed company, offering fair pay, benefits, education support, training, and updated

technology, garners employee commitment in return. Effective employee evaluations involve interactive performance discussions and future development plans. Discipline in actions and timing impacts work quality, with adherence to standard procedures ensuring desired outcomes.

Motivation is a powerful driving force for performing tasks effectively and efficiently. Essentially, it's often equated with having high morale. Work undertaken with strong motivation tends to be less stressful and produces better results in both quality and quantity. Motivation originates within an individual. When someone is motivated, they strive to align their actions with their inner drive. An employee with robust self-motivation is likely to perform optimally and to their fullest capacity. Another key internal factor influencing employee performance is individual intelligence. Intelligent employees quickly grasp standard operating procedures, reducing errors and ensuring tasks meet company standards. Intelligence levels vary among individuals. An employee with higher intelligence can quickly understand instructions and execute tasks more rapidly. Responsibility is a crucial trait for employees. A responsible employee endeavors to complete assigned tasks properly and punctually. This study aims to achieve two sub-goals. The research addresses several questions: Does motivation impact an employee's job performance? Do recognition and rewards influence job performance? Does empowerment affect job performance? How does employee satisfaction impact job performance? What is the effect of employee attitude on job performance? Do working habits influence job performance? And, does technology affect job performance?

The hypotheses proposed are:

H1: Positive recognition of employees' efforts enhances their motivation.

H2: Providing employees with empowerment in their roles increases their motivation.

H3: Employee motivation is significantly linked to the effectiveness of the organization.

H4: The demeanor of employees plays a role in how they represent their organization.

H5: A connection exists between the working habits of employees and their unique work styles within the organization.

H6: The use of technology has a substantial impact on employees' work processes."

This report is a valuable resource for understanding the factors that influence employee performance in an organization. It provides insights into the obstacles that might hinder employee advancement and personal development. Additionally, the report offers a comprehensive analysis of how employee motivation correlates with organizational effectiveness, making it a useful tool for business development executives.

## Literature Review

A stimulating work environment and top management support are key motivators, as highlighted by Horwitz et al. (2003). This indicates the crucial role of top management in driving employee motivation. Regular interaction with senior executives is also a motivational factor. The Gevity Institute (2005) notes that higher employee motivation enhances creativity and productivity, ultimately improving company performance. This underscores the dependence of a company's performance on motivation.

According to Porter and Miles (1974) motivation energizes, directs, and sustains behavior, influenced by individual and job characteristics, work environment, and external factors. Guyot (1961) found differences in motivational needs between government middle managers and their business counterparts. Public sector employees, as found by various researchers including Rawls et al. (1975), Rainey (1979a, 1979b), and others, generally experience lower satisfaction and motivation levels compared to those in business.

John King et al. (1992) found that government sector managers are motivated by productivity and service, with motivations stemming from a complex interplay of environment, experience, and personality, rather than solely from environmental factors. Organizational effectiveness, as described by Muhammad et al. (2019) and Matthew et al. (2005), is about how well an organization achieves its intended results using its resources efficiently. Mary et al. (1996) and Zammuto R.F. (1982) define it as fulfilling objectives without depleting resources or causing undue stress, evaluated against external environmental constraints and constituent preferences. The systems resource model by Yuchtman.E (1987) focuses on how organizations acquire and use resources. This study identifies factors that increase motivation and how it relates to organizational effectiveness.

The essence of employee motivation lies in the recognition that everyone deserves fair compensation for their work. According to Houran, J., employees seek reasonable salaries and payments, believing that their work merits adequate financial reward. Sara et al. (2004) underscore this by stating that money is the primary motivator, unparalleled in its influence. Frederick Taylor's scientific management principles further affirm this, citing money as the key motivator for workers to boost productivity. Adeyinka et al. (2017) emphasize the need for well-structured salary systems that reflect job importance, performance-based payments, and additional benefits to effectively use salaries as motivators. Leadership also plays a crucial role in motivation, as Baldoni.J (2005) and Rukhmani.K (2010) suggest, with the ability to elevate followers to higher levels of morality and motivation.

The literature also explores the dynamics of motivation across different age groups, especially in educational settings. Gottfried's 1990 research highlighted the intrinsic motivation in elementary-age children, a sentiment echoed by researchers like Broussard & Garrison and Stipek. However, motivation tends to decline after elementary school, as observed by Guthrie and Miller & Meece. Intriguingly, some studies, like those by Eccles & Wigfield and Guay et al., show that motivation becomes increasingly differentiated by age and subject area. For instance, older students begin to identify their strengths and weaknesses in different subjects, which influences their motivation. Guay et al.'s research particularly notes an increase in subject-specific motivation differentiation in older students.

In the realm of employee motivation, the role of monetary compensation is paramount. Houran, J., Sara et al. (2004), and Adeyinka et al. (2007) emphasize that financial rewards are the most significant motivators in the workplace, essential for attracting, retaining, and inspiring employees towards better performance. Furthermore, effective salary structures, as suggested by Adeyinka et al. (2007), are crucial in using salaries as motivators. These structures should reflect the organization's valuation of each job, linking pay to performance, and include allowances, benefits, and pensions. Baldoni, J. (2005) and Rukhmani, K. (2010) highlight the intrinsic connection between leadership, motivation, and trust. Leaders must inspire trust and motivation in their followers to achieve organizational goals, a process that is both a leadership behavior and an active process. Additionally, empowerment plays a critical role in fostering a sense of belonging and pride among employees, as noted by Yazdani, B.O. et al. (2011). Empowered employees are more invested in their work, leading to continuous improvement in coordination and work processes.

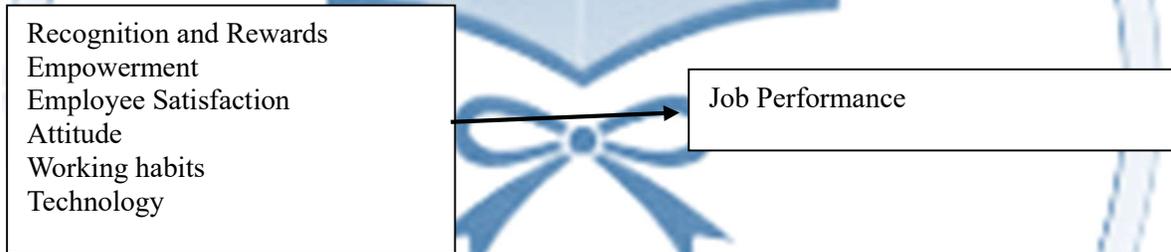
The nature of motivation evolves over time, influenced by various factors such as job characteristics, work environment, and individual characteristics (Porter and Miles, 1974). Frederick Herzberg's theory further elucidates that employee satisfaction is linked to intrinsic factors like achievement, recognition, and personal growth, while dissatisfaction stems from extrinsic factors such as company policies and job security. This distinction is crucial for understanding how different aspects of work life impact employee motivation. Moreover, public service motivation (PSM), as discussed by James L. Perry (1999), Donald P.

Moynihan, and Bradley E. Wright (2011), highlights the unique motivators in public sector, where higher needs for achievement and value-based commitment to work play a significant role.

The relationship between motivation and organizational performance is complex and multifaceted. Oosthuizen (2001) and La Motta (1995) assert that managers have a critical role in motivating employees to enhance organizational efficiency and performance. The interaction of ability and motivation determines job performance, with ability being shaped by education, training, and experience, and motivation influenced by performance evaluations and rewards (Wilson, 1994). This intricate interplay highlights the necessity for organizations to understand and effectively manage the diverse factors that drive employee motivation. Additionally, motivation in children, as explored by Gottfried (1990), Broussard & Garrison (2004), and Guay et al. (2010), reveals that intrinsic motivation is high in early childhood but tends to diminish with age. This decrease in motivation is subject-specific and influenced by factors like achievement and previous experience in the subject area. Understanding these dynamics is crucial for fostering motivation across different age groups and educational contexts.

## Independent Variables

## Dependent Variable



## Research Methodology

This research aims to explore the influence of motivation on an employee's job performance. The study focuses on gauging the level of employee motivation and identifying key factors that employees prioritize. It also examines the relationship between these critical factors and their level of preference. The insights gleaned from this research are expected to guide the development of new strategies that more effectively meet the needs of current employees.

This study utilized a descriptive survey methodology. The choice of this approach stems from its effectiveness in collecting detailed and accurate data that accurately depict a particular phenomenon. The data collection was aligned with the defined constructs of the research model, ensuring a structured approach to hypothesis testing. The implementation of questionnaires in this descriptive survey played a crucial role in assessing how employee motivation impacts organizational performance. The research was conducted at the Head Office of Qarshi Industries (Pvt) Ltd. in Lahore, with the objective of understanding how motivational factors influence employee performance in this specific context.

The study targeted employees of Qarshi Industries (Pvt) Ltd., who represent a crucial motivational force within their organization. To address the research questions effectively, a purposive sampling method was employed, selecting 100 respondents from various departments within the organization.

## Data Analysis

**Table 1 Gender**

|       |        | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male   | 82        | 82.0    | 82.0          | 82.0               |
|       | Female | 18        | 18.0    | 18.0          | 100.0              |
|       | Total  | 100       | 100.0   | 100.0         |                    |

We take both male and female respondents. This table shows that our male respondents are 82% and females are 18%.

**Table 2 Qualification**

|       |            | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|------------|-----------|---------|---------------|--------------------|
| Valid | Matric     | 1         | 1.0     | 1.0           | 1.0                |
|       | Inter      | 6         | 6.0     | 6.0           | 7.0                |
|       | Graduation | 51        | 51.0    | 51.0          | 58.0               |
|       | Masters    | 37        | 37.0    | 37.0          | 95.0               |
|       | Other      | 5         | 5.0     | 5.0           | 100.0              |
|       | Total      | 100       | 100.0   | 100.0         |                    |

Above table shows the qualification of the respondents. Maximum respondents are graduates with the percentage of 51% after that Masters have 37% after that Intermediates have 6% and Others qualifications have 5 % while there is only 1% Matric respondent.

**Table 3 Experience**

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | 0-5 years          | 61        | 61.0    | 61.0          | 61.0               |
|       | 6-10 years         | 25        | 25.0    | 25.0          | 86.0               |
|       | 11-15 years        | 6         | 6.0     | 6.0           | 92.0               |
|       | 16-20 years        | 4         | 4.0     | 4.0           | 96.0               |
|       | 21 years and above | 4         | 4.0     | 4.0           | 100.0              |
|       | Total              | 100       | 100.0   | 100.0         |                    |

Above table shows the experience of the respondents. Almost all these respondents have 0-5 years of experience as shown in this table with 61%. After that 6-10 years respondents have maximum share with 25% and then respondents have 11-15 years with 6% while other respondents have 16-20 years and more than 21 years with percentage of 4%.

## Case Processing Summary

| Cases |             | N   | %     |
|-------|-------------|-----|-------|
| Cases | Valid       | 100 | 100.0 |
|       | Excluded(a) | 0   | .0    |
|       | Total       | 100 | 100.0 |

a Listwise deletion based on all variables in the procedure.

## Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .865             | 7          |

The table presented indicates the reliability of the data through a reliability analysis. With a Cronbach's Alpha value of 86.5%, it demonstrates a high level of reliability in the data collected.

## Correlations

|                       |                     | Recognition & Rewards | Empowerment | Employee Satisfaction | Attitude | Working Habits | Technology | Job Performance |
|-----------------------|---------------------|-----------------------|-------------|-----------------------|----------|----------------|------------|-----------------|
| Recognition & Rewards | Pearson Correlation | 1                     | .728(**)    | .827(**)              | .636(**) | .555(**)       | .007       | .500(**)        |
|                       | Sig. (2-tailed)     |                       | .000        | .000                  | .000     | .000           | .949       | .000            |
|                       | N                   | 100                   | 100         | 100                   | 100      | 100            | 100        | 100             |
| Empowerment           | Pearson Correlation | .728(**)              | 1           | .702(**)              | .662(**) | .493(**)       | .077       | .523(**)        |
|                       | Sig. (2-tailed)     | .000                  |             | .000                  | .000     | .000           | .449       | .000            |
|                       | N                   | 100                   | 100         | 100                   | 100      | 100            | 100        | 100             |
| Employee Satisfaction | Pearson Correlation | .827(**)              | .702(**)    | 1                     | .713(**) | .478(**)       | .160       | .666(**)        |
|                       | Sig. (2-tailed)     | .000                  | .000        |                       | .000     | .000           | .111       | .000            |
|                       | N                   | 100                   | 100         | 100                   | 100      | 100            | 100        | 100             |
| Attitude              | Pearson Correlation | .636(**)              | .662(**)    | .713(**)              | 1        | .520(**)       | .331(**)   | .687(**)        |
|                       | Sig. (2-tailed)     | .000                  | .000        | .000                  |          | .000           | .001       | .000            |
|                       | N                   | 100                   | 100         | 100                   | 100      | 100            | 100        | 100             |
| Working Habits        | Pearson Correlation | .555(**)              | .493(**)    | .478(**)              | .520(**) | 1              | .094       | .290(**)        |
|                       | Sig. (2-tailed)     | .000                  | .000        | .000                  | .000     |                | .352       | .003            |
|                       | N                   | 100                   | 100         | 100                   | 100      | 100            | 100        | 100             |
| Technology            | Pearson Correlation | .007                  | .077        | .160                  | .331(**) | .094           | 1          | .395(**)        |
|                       | Sig. (2-tailed)     | .949                  | .449        | .111                  | .001     | .352           |            | .000            |
|                       | N                   | 100                   | 100         | 100                   | 100      | 100            | 100        | 100             |
| Job Performance       | Pearson Correlation | .500(**)              | .523(**)    | .666(**)              | .687(**) | .290(**)       | .395(**)   | 1               |
|                       | Sig. (2-tailed)     | .000                  | .000        | .000                  | .000     | .003           | .000       |                 |
|                       | N                   | 100                   | 100         | 100                   | 100      | 100            | 100        | 100             |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

The above table reveals the relation of Recognition & Rewards, Empowerment, Employee Satisfaction, Attitude, Working Habits, Technology and Job Performance. One by one interpretation of Job Performance with other variables is explained as under:

## Model Summary

| Model | R       | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|---------|----------|-------------------|----------------------------|
| 1     | .771(a) | .594     | .568              | .46364                     |

a Predictors: (Constant), Technology, Recognition & Rewards, Working Habits, Attitude, Empowerment, Employee Satisfaction

The adjusted "R" square value is 0.568 which means 56.8% of the change in Job Performance is attributed to variables Recognition & Rewards, Empowerment, Employee Satisfaction, Attitude, Working Habits, and Technology to change

Job Performance and Recognition & Rewards

Job Performance is correlated with Recognition & Rewards and the relation is significant at a level of 0.05.

The correlation coefficient is 0.500 for the Recognition & Rewards.

## Findings and Discussion

The adjusted R-squared value of 0.568 suggests that 56.8% of the changes in Job Performance are attributable to a collective influence of factors including Recognition & Rewards, Empowerment, Employee Satisfaction, Attitude, Working Habits, and Technology. Specifically, for the variable "Recognition & Rewards," its correlation with Job Performance is significant, with a correlation coefficient of 0.500. This variable alone accounts for 24.2% of the change Job Performance, reflected by an adjusted R-squared value of 0.242. The significance of this relationship is highlighted by a p-value of 0.000, which is less than the 0.05 threshold, indicating a strong correlation.

In terms of "Empowerment," it shows a significant correlation with Job Performance, having a correlation coefficient of 0.523. This variable contributes to 27.4% of the Job Performance, as shown by an adjusted R-squared value of 0.274. The importance of empowerment in influencing job performance is further emphasized by a p-value of 0.000, confirming its significance. Additionally, the correlation coefficient for "Employee Satisfaction" is notably high at 0.666, indicating a strong relationship with Job Performance. The relationship is also accepted at the 0.05 level, demonstrating the critical role of employee satisfaction in influencing job performance.

The adjusted R-squared value of 0.444 reveals that 44.4% of the change in Job Performance is accounted for by the variable 'Employee Satisfaction.' This significant impact is underscored by a p-value of 0.000, which falls below the 0.05 benchmark, confirming a meaningful correlation. Furthermore, with a correlation coefficient of 0.687, Attitude demonstrates a substantial association with Job Performance.

Furthermore, adjusted R-squared value 0.472 suggests that 47.2% of change in Job Performance is due to the variable "Attitude." The significance level of this relationship is 0.000, again less than the 0.05 threshold, confirming a meaningful correlation between Attitude and Job Performance. Regarding the

variable "Working Habits," the R-squared value is 0.084, meaning that it accounts for 8.4% of the variability. The significance of working habits in relation to job performance, with a p-value of 0.003, surpasses the 0.05 significance level, indicating a notable correlation. The correlation coefficient for Working Habits is 0.395. Lastly, the variable "Technology" has an adjusted R-squared of 0.156, implying that it explains 15.6% of the variation in Job Performance. The significance of technology in relation to job performance is underscored by a p-value of 0.000, which is lower than the 0.05 threshold, suggesting a significant relation.

## Summary

All businesses and organizations aspire to succeed and continuously grow. In today's intensely competitive environment, organizations of all sizes and across various sectors are grappling with the challenge of retaining employees. To navigate these challenges, it is crucial to establish and nurture a strong, positive relationship. The HR or employees are at the heart of any organization, making it essential to motivate and engage them in task fulfillment.

Organizations develop various strategies to outperform competitors and enhance their overall performance. Only a handful of these organizations recognize that their human resources – the employees – are their greatest assets, capable of driving them towards success or, if neglected, leading to their downfall. Success and progress for any organization hinge on the satisfaction, motivation, and encouragement of its employees towards fulfilling tasks and achieving goals. Without a motivated and satisfied workforce, no organization can hope to advance or succeed.

## Conclusion

From the above analysis it is concluded that from overall 100 respondents which are employees of Qarshi Industries (Pvt) Ltd in their opinion attitude plays most important role in improving job performance of employee as the 47.2% change in attitude enhance the job performance of employee. After that 44.4% change in employee satisfaction can enhance the job performance of employee as employee satisfaction plays important role in improving or enhancing job performance. After that 27.4% of change in empowerment can improve job performance of employee as employee get motivated by getting an official authority, if employees get an authority then he/she is able to perform their job in a good manner. After that 24.2% change in recognition and rewards can improve job performance of employee as recognition and rewards plays important role to motivate employee. After that 15.6% change or enhancing the technology can improve the job performance of employee, After that last but not the least 8.4% change in working habits or environment can improve the job performance of employee.

## Recommendations

- Managers have to recognize employee's efforts and work. Manager should give them rewards to improve employee's performance by appreciate them.
- Managers should give the authority and empowerment to employee in this way employees get motivated and provides effective results.

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