

# The Role of Employee Motivation and Job Satisfaction in Enhancing Organizational Performance

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## **ABSTRACT**

In today's business environment, where layoffs and retrenchments are often adopted to create lean organizations, it is equally important to recognize the risk of losing high-performing employees due to declining job satisfaction and lack of motivation. Retaining motivated and satisfied employees is crucial, as they demonstrate a stronger commitment to organizational objectives. In return, organizations must also reciprocate by showing equal commitment toward employee goals and aspirations. The role of Human Resources (HR) becomes central in this process, ensuring continuous alignment between employee aspirations and organizational goals. This can be achieved by fostering an inspiring work environment that addresses employees' needs for growth, development, and recognition. While individual employee needs may vary and cannot always be addressed case by case, HR must identify and act upon common areas of intersection that enhance collective satisfaction and motivation. Employee dissatisfaction not only leads to turnover but also triggers a range of adverse outcomes such as absenteeism, low performance, reduced morale, poor teamwork, lack of coordination, and weakened orientation toward organizational objectives. These challenges undermine the organization's ability to remain competitive in today's highly demanding business landscape. Therefore, HR must proactively cultivate an organizational culture and environment that acknowledges and addresses prevailing employee needs, thereby strengthening both individual commitment and organizational resilience

**KEY WORDS:** Job satisfaction, Motivation, Human resource Management, worker commitment, organizational culture.

## **Introduction**

Global business environment is fast changing and the organizations which are adaptable to the change are the one going to survive. Organizations need to frame strategies in order to endure the challenging competition, and the one which are able to survive will be able to sustain longer than others. One of the greatest challenges organizations face today is how to manage turnover of work force that may be caused by migration of a lot of industrial workers. This may be because of their lack of Motivation and commitment for the organization; this point of view emphasizes the importance of the study of Motivation and its relationship to Job Satisfaction (**Prof. S. K. Singh & Vivek Tiwari, 2011**). The HRM policies and practices should be directed in such manner that they are aligned to the organization strategies and also understand the employee expectations. These strategies are not just directed towards the retention and attraction but also overcome other adverse effects of demotivation and dissatisfaction such as absenteeism, low performance, lower morale, low contribution to the team, less coordination, less orientation towards organizational objective these could affect the organization capacity to compete in the highly competitive business environment. This makes it important to study and understand the factors which motivate and create job satisfaction among employees.

As a part of such a competitive business environment every organization has to plan and strategize as per the prevailing business situation. Today the organizations are highly focused on customer preferences so as to maximize the returns of business. The organizations have also realized the

importance of building internal competency and capacity so as to survive and compete in this dynamic business environment. Ensuring employee commitment towards organizational objective has been a critical issue faced by majority of the organization. Organizations are doing their best in understanding various factors which could motivate the employees and make sure of the required commitment towards organizational objective. The organizations failing to development such framework of organizational practices will result in to high turnover of employees which will burden organization with extra cost of hiring and training new employees as well as non execution of organization plans and strategies in the desired manner and low productivity and performance.

The four most important indicators are factors that are somewhat amenable to change. For example, increasing training opportunities, improving the physical working conditions and environment through improved physical structures, equipment, and materials, may help improve these important working conditions. Other highly discordant factors (greater than 40% discordance) included opportunity to advance, good employment benefits, time for family life, good income, and being based in a good location (**Peters et al, 2010**). These factors of job satisfaction are very dynamic in nature and every factor has a varying effect on the employee motivation. Hence it is important for the organization to maintain the stock and composition of factors influencing employee motivation and job satisfaction so as to take rightful measures in time to enable to face competition. This has brought high level of responsibility on HR of the organization to update themselves with current level of satisfaction and motivation among employees to ensure the required level of commitment.

### **Need for study on Employee motivation**

Every successful organization is backed by a committed employee base, and the commitment is the outcome of motivation and job satisfaction. It is the energy that compels employees towards organizational objective. It would be impossible for the organization to generate performance without commitment. In order to create a competitive advantage organization need to have a competitive employee policies and practices.

Motivation is an important stimulation which directs human behavior. No individual has same attitude or behavior, hence in midst of this diversity organization are supposed to frame practices which will be able to satisfy the group and not just an individual. Organization should be able to identify and evaluate internal motivation which an employee derives from job satisfaction and further enhance it with external motivation as required for which organization could take note of motivation theories.

There have been number of theories on motivation explaining similar aspects of motivation, they are as following:

**Maslow's need hierarchy theory:** The theory explains five levels of need which follow a hierarchy. The need for the next level arises with the fulfillment of the earlier need. Following are the needs Physiological needs, safety and security need, Social need, Self worth and Self actualization. There are exception to the theory that sometimes the need may not follow the hierarchy due to unpredictable attitude and behavior of the human being.

**Herzberg's two-factor theory:** The theory is also known as two factor theory motivation factors and hygiene factors. The theory states that there are certain factors in the organizational environment which if present will be to motivate the employees and certain factors if available may satisfy the employees but if not there do not lead to dissatisfaction.

**McGregor's theory 'x' and theory 'y':** The theory states that function of motivating people involves certain assumption about human nature. Theory X and Y are two sets of assumptions about the nature of people. Every set of nature will have to adopt different way to motivate and achieve the results.

**Vroom's valence x expectancy theory:** The theory is also known as expectancy theory and states that the behavior of an employee depends on the expected outcome of the act.

**Goal-setting theory:** The theory is based on the principle of goal clarity being an important factor of motivation.

**ERG theory of motivation:** The theory proposed by Clayton is an modified version of Maslow's theory of hierarchy of need. The theory divides needs in to three categories Existence, relatedness and growth.

**McClelland's theory of needs:** The theory stresses that the human behavior is affected by three needs Power, Achievement and Affiliation.

**Reinforcement theory of motivation:** The theory founded by B F. Skinner and his associates proposed that the individual behavior if function of its consequence. It is based on the law of effect.

**Equity theory of motivation:** The theory is based on the principle of equality. It states that the motivation is related to directly to the perception of equity practiced by the organization.

### Literature Review

Job satisfaction is a fulfilling or optimistic expression consequential of the consideration of one's activity (**Azash et al, 2011**). Organizations today have realized the importance of motivated and satisfied employees as important contributors towards long term objectives. It has made organizations to cater to the expectations and needs of the employees and could expect the similar response. Motivation also positively influences performance at individual and group level ultimately affecting the organizational performance (**Risambessy et al 2012**).

It has been long thought that learning new things and competency development opportunities raises the morale and satisfaction of the employees but it is also realized that the significant effect on the motivation and job satisfaction is created by goal achievement (**Lather and Jain, 2005**). Also the managers and the supervisors support towards encouraging employee participation, mutual commitment, and understanding of the diversity issues play a significant role in motivating and enabling performance (**Snyder et al, 2004**). The prerogative lies with the organization management, in order to extract performance should create an alignment between the organizational and employee goals and objective. It is the organizational behavior represented by the organizational senior management which effects the level motivation and satisfaction through its beliefs, principle and underlying values which are closely followed by organization (**Roos, Van Eeden, 2008**). Organizations core potential lies in its motivated and satisfied employees who consistently contribute towards organization goals and objective. Effective HRM system could be a great deal of assistance in keeping employee morale high (**Kumar and Garg, 2011**). It is not possible for any division to solely motivate and satisfy employees without support of the senior management active participation and interest (**K R. Solanki, 2013**). **Dina Maria LUT, 2012** also supports the view considering the uniqueness of the individual behavior and attitude with variety of expectations and needs which can have variable effect on the performance. Higher Management have to take clue of dropping performance may not be due to the external factors of motivation but could be effect of dissatisfaction from the tasks and the output achieved. They have to focus on developing jobs which involves employee and motivates and fulfills the daily expectation (**Tietjen and Myers, 1998**). It should also be realized that the employee performance is also negatively affected by stress at work place, hence it is of significant value to evaluate the current processes and practices which are responsible for creating stressful situation in order to not to effect the performance (**Kakkos et al, 2010**). Here designing job content which are more interesting in nature is critical, job enrichment could be one strategy to motivate employees (**Fred C.**

**Lunenburg, 2011**).

Organizations need to encourage employee initiatives and participation as this will help build leadership at different levels. For leadership roles formal authority is not the criteria but the initiatives and innovation are. Employee's at all the level can choose to act as a leader if given an opportunity and this further helps motivating and influencing other employees (**Jeffrey L.**

**Herman et al, 2011).**

In a research it was observed that the satisfied employees show higher level of motivation and commitment ultimately positive impact on the performance and behavior of employees reflected in their productivity. Today's business environment is such that more or less most of the resource are available and could be acquired but the talented human resource is not easily available and if found takes time to develop and effectively perform for which human resource management activities play a critically important role in developing such employee base and optimal utilization. It is the key factor to create a competitive edge (**Chen et al, 2012**).

**Objectives of the research**

- To understand the impact of HRM policies and practices on employee motivation and job satisfaction.
- To explore effective ways of motivation practiced by organizations.
- To explore the challenges to motivation and job satisfaction.
- To understand the factors contribute towards motivation and job satisfaction creating employee commitment.

**Importance of motivation**

Organizations are in deep need of motivated employees as it is being understood that motivation affects helps achieve following organizational objectives:

- Unified direction of the group/Teams
- Higher level of effectiveness and efficiency
- Elevated organizational commitment
- Optimum use of resources
- Building a performance oriented environment (Creative & Innovative)
- Increases organization ability to face uncertain business challenges
- Employee retention and attraction for stable and continuous manpower supply

**Challenges to motivation**

It is altogether not very easy for an organization to create a motivated and committed environment, following are a few challenges faced:

- Dynamic and competitive business environment
- Ignorance and less understanding of importance motivation on the part of management
- Non commitment of organization towards employee expectation, a narrow mindset
- Non – competitive organizational structure and people policies and practices
- Less understanding of the employee expectations
- Existing performance management system
- The vague organizational expectation from employees
- Competitive employee market, creating high mobility of employees

**Research Methodology**

The research paper is intends to highlight the importance, challenges and different ways of motivation used in the organizations, hence more conceptual in nature. The data is collected more from the available literature and further from the employees of a organization so as to understand

the factors which motivate the employees. These current practices were extracted in the form of factors of motivation and used in the questionnaire so as to position the employee response on the same. The research seeks to illustrate the aspect of HRM function effectiveness in motivating employees and enhancing job satisfaction. This is a descriptive research, where the research tries to take note of the past researches and data collected to create an opinion on the factors of HRM which motivates employees and creates job satisfaction. The secondary sources of data have been the imperative component of the research data collection possibility, which are journals, articles published research papers, quotes etc.

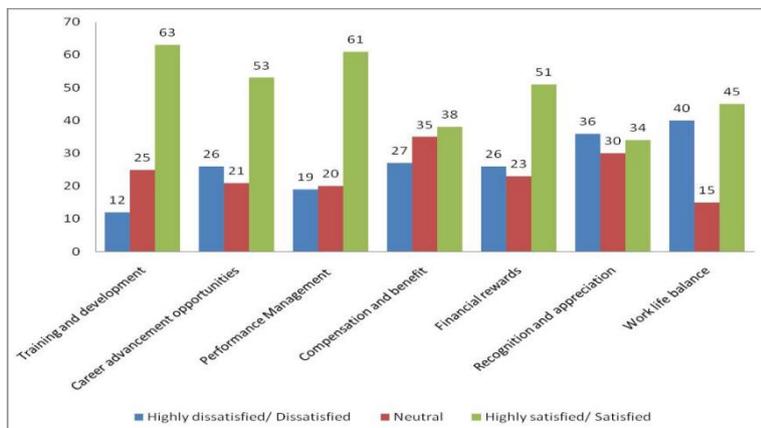
**Data collection**

The primary data collected by means of survey questionnaire. The number of questionnaire floated for the research purpose were 150, out of which 106 questionnaire were received fully filled, 100 considered for analysis. The response rate is 70%. The respondent’s belonged to different organizations; convenience sampling method is used to collect data. Following table represent the data collected.

**Table: 1 – Factors of motivation and job satisfaction %.**

HRM Factors of motivation	Highly dissatisfied/ Dissatisfied	Neutral	Highly satisfied/ Satisfied
Training and development	12	25	63
Career advancement opportunities	26	21	53
Performance Management	19	20	61
Compensation and benefit	27	35	38
Financial rewards system	26	23	51
Recognition and appreciation	36	30	34
Work life balance	40	15	45

**Chart: 1 – Factors of motivation and job satisfaction %.**



**Data Analysis Interpretation**

As per the data collected we can make following analysis and interpretation: in the give organizations the training and development, performance management activities score 63% and

61 % of satisfaction while remaining % of response being dissatisfied and neutral. The compensation and benefit, financial rewards 38% and 51% of satisfaction while remaining % of response being dissatisfied and neutral. For career advancement opportunities 26% of the employees showed dissatisfaction and 21% stayed neutral and 53% of employees expressed satisfaction with the career advancement policies and practices. For Recognition and appreciation 36% of employees expressed dissatisfied 30 % stayed neutral and 34% expressed dissatisfaction. For work-life balance 40% employees expressed dissatisfaction, 15% stayed neutral and 45% expressed satisfaction.

Following interpretation could be drawn from the above data, the training and development, performance management and career advancement opportunities have been fairly performing as per the response of the employee but still have a large scope of development and change. The compensation policies have been one important factor which effects the motivation of the employee's records lowest score of satisfaction and similar are the scores of recognition and appreciation practices.

### **Suggestion**

1. The first thing organization need to understand is that motivation is a process which is effective if continuous in nature and the same is to be made known to the top and middle level management
2. The organization will have to understand and clear any thoughts otherwise could hinder the process of motivation like; Money is only thing that can motivate employees, fear could be used to achieve results, at the same time organizations need to understand that increased Job satisfaction does not means increased job performance.
3. Organizations will have to design strategies in alignment with corporate goals and objectives and the same to be conveyed to the employees and allow them to know their contribution in achievement of the same.
4. The key to motivating employees is to have a clear understanding of employee expectation and also understand what motivate the employees individually and collective groups.
5. Organizations will have to involve employees in goal setting and decision making; this will increase employee participation and give a sense of responsibility in achievement of organizational goals and objective.
6. Organizations have to develop performance management system which effectively rewards, recognizing and appreciating positively and consistently.
7. Organization will have to create career development and advancement opportunities to the employees. An environment promoting team spirit, knowledge sharing and employee engagement to allow employees identify themselves with the organization. Organization has to design and frame organizational structure and processes such as training and development, performance management, compensation and rewards etc which supports and facilitate work and helps creating a motivated and committed environment in the organization.
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### **Significance of the research**

The research tries to put forth factors of HRM so as to be stressed upon to increase employee motivation and job satisfaction ultimately raising commitment among the employees. Although the link between HRM and organizational performance is being established and confirmed again and again, but it is also known that the dynamic which bring that level of performance cannot be fully controlled i.e. the factors which motivates and satisfies the employees change as per the changes in the personal and professional setup. The research stresses on the motivational and satisfying factors and factors of incremental improvement which can have long term effect on the most important

resource of the organization to create and maintain the uniqueness, and create a sustained competitive advantage. Hence contributing to the organizational performance.

### **Limitation and further scope of research**

The limitation of the research is further scope for the investigation on the concept of Motivation and job satisfaction employee and its effectiveness in gaining employee commitment. As the research is limited to the literature available and is confined to the views and ideas expressed by the employees surveyed. There has to be further study combining both qualitative and quantitative methods of research. As the research is in the initial stage of development could not adapt to the quantitative research methods.

Study does not rule out the possibility of the suggested factors or more available in the organization but has a view that even if these factors are being put in practice is by individual initiatives or few organizations could be valuable. It is also being understood that HRM factor flexibility may differ from one organization to another separately and combined.

### **Conclusion**

Most of the researches have concluded that motivated employees have positive effect on the organization productivity and performance. This makes motivation as the most important aspect of any organizational setup and creating an environment which facilitates and supports employee to perform optimally. Today's business organization requires organizations to be more creative and innovative which cannot happen without having a committed and loyal employee base

The success of every business depends upon many factors but the most important factor that affects the business is its employees. If the employees of a business are motivated towards organizational objective, the business can achieve its goals very easily. The job of any manager in an organization is to get things done through its employee and for this the manager should be able to motivate employees. Motivation is a very important aspect of any work place, if the employees are not motivated then there is no job satisfaction and this leads to reduced productivity. Employee motivation strategy is different for different organizations and for different employees, also could be one important factor allowing employees to decide whether to stay or leave the organization. Motivation practice and theory are different and difficult subjects touching every area of any organization.

The topic of employee motivation is not properly understood and poorly practiced by many organizations; as a result there is increase in employees leaving the organization in search of better places to work. Human nature is very complex and to understand the motivating factor of every employee is a difficult task. Therefore an effective leadership and management is required to appreciate employees. Employee motivation requires research and study of human nature and involves a well defined approach to deal with human beings. Observations and research in this field has proved that well motivated employees are more productive and creative. Employees will do only if you want them to do or otherwise if you motivate them to do. Motivation is a skill which must be learnt and practiced for any business to survive and succeed. Plus the fact that employee motivation is directly linked with business profits makes it all the more important to keep employees encouraged and in high spirits. Human capital is the most valuable asset of any organization. Today's organization also faces a big challenge of retention as well as attraction of new talent in the organization, and motivational strategies could be one important contributors to organizational success in long-term.

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