Effect of employee motivation on organizational performance

Article · June 2013

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- Job Outsourcing in Nigeria View project
Effect of employee motivation on organizational performance

Abstract

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Present research study assesses empirically the effect of employee’s motivation on organizational performance. In the present study, questionnaire were used as an instrument of primary data collection. For clear analysis, the study centers on two broad variables; the dependent variable which is organizational performance and the independent variable which is employee’s motivation. Three different hypotheses were formulated and tested using descriptive statistics and correlation coefficients techniques respectively in order to establish whether there is a relationship between employee motivation, compensation, work environment and organizational performance. The research findings indicate that employee motivation have positive effect on organizational performance. It is therefore recommended that organization should take the issue of employee motivation seriously to facilitate effective job delivery and performance.

Keywords: Motivation, performance, work environment, intrinsic and extrinsic factors
1.0 Introduction

Many factors like capital, human resource and environmental factors influence performance of organizations. Among these factors, human resource is seen as having the most influence on the performance of organization. It is logical therefore to argue that an organization needs to motivate its employees in order to achieve its stated goals and objectives. An understanding of the factors that motivate employees and their appropriate application would have significant effect on the organization’s performance [1]. Motivation has been described as decision making process, through which goal-directed behaviour is initiated, energized, directed and maintains [2]. Improving productivity is one big challenge that has engaged the attention of employers whether private or public. For years therefore, employers are experimenting with different strategies in an attempt to effectively relate, the motivation of employees to their performance [3]. Strategies such as salary/wage increase, promotion, job satisfaction and improvement in work environment have been deployed by organization in an attempt to motivate their employees to achieve a higher performance. In developing countries like Nigeria, some of these named motivational strategies are negatively affected by logical conditions, which brings about the controversy between the behavioral scientists and the management theorists as to the motivational power of money in inducing high level job performance among employees which is yet unresolved despite several decades of research [4].

While one school of thought believes in the motivating power of money in achieving high performance level, the other school attributes high motivating potentialities to non-money related intrinsic factors. To this latter school of thought, (Human Relations Management), consideration such as responsibility, achievement, personal growth and recognition are factors that have greater potentials to propel any employee to higher level of performance than money. The unresolved issue is, does money motivate? From the position of the second school of thought and its emphasis on non-monetary rewards, it appears that there is an implicit assumption in this theory, that money as a reward has its limitations as a motivating factor and that beyond these limitations, non-financial rewards assumed more potent force. Despite the superfluity of studies on employee motivation in the last few decades, there is no widely accepted fundamental relationship between employee motivation and organizational performance. The empirical evidences emerging from various studies about the effect of employee motivation on organizational performance have so far yielded mixed results that are inconclusive and contradictory. Because of these contradictory results, the question of whether employee motivation improves or worsens organizational performance is still worthy of further research such as the one being undertaken in this study. In addition, despite the existence of these studies, very little attention has been given to the telecommunication industry. This means that the effect of employee’s motivation on organizational performance in the telecommunication industry has not received adequate research attention in Nigeria. Thus, there is a major gap in the relevant literature on Nigeria, which has to be covered by research. This research attempts to fill this gap by studying the situation of the Nigerian telecommunication industry and providing more empirical evidence on the effects of employee motivation on organizational performance.

Thousands of years before the word “motivation: entered the managers’ vocabulary, people realized the importance of influencing workers to accomplish tasks for an organization. The oldest technique used to motivate workers is known today as the “carrot and stick” method. The name evolved from the stubbornness of donkeys who could only be moved by taunting them with a carrot. Early managers regularly offered economic "carrots" to entice people to work harder. This technique was passed on from generation to generation and was deeply rooted part of society for hundreds of years. This theory created a misconception that money always motivated a person to work harder. It was not until 1923 when Elton Mayo made clear the inadequacy of the pure carrot-and-stick motivation that psychological theory began to trickle into management.
However, there seems to be no consensus about the meaning of the word ‘motivation’. Industrial psychologists and managerial practitioners have long ago been keen in identifying motivational factors or techniques that bring about high level of motivation and performance. The lack of a general theory of motivation seems to create a handicap for managers, not only in gaining understanding of employees’ motivation, but in finding avenue to approach the problem of motivating employees. Chris [5] sees motivation as ‘the why human behaviour’-the reasons behind people doing things. He believes that all behaviour is motivated. Similarly, Barney et al [6] defines motivation as an influence, a force that gives rise to behaviour. Motivation is something that we do to people to make them move in a given direction, not with a threat or force but with some promise of rewards. According to Hellriegel et al [7] motivation is a representation of an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium by satisfying the needs. This means that motivation helps to propel employees in an organization towards a goal directed pattern to achieve the organizational objectives. Mitchell [8] pointed out that motivation and performance cannot be discussed in isolation without organizational goals and objectives. Employees in an organization are not without personal needs or objectives, which they expect from the organization. The employees are with different ambitions, attitude, and desires for responsibilities, different levels of knowledge coupled with skills and above all different potentials. Employers must realize that employees are influenced by external factors such as personal ideology, political, churches, union, school and family. These factors can have significant impact on employee’s performance.

Motivation has also been described by Ouchi [9] as the “set of processes that determine the choices people make about their behaviors”. It is an abstract term-it imparts incentives that require a response on part of someone else to achieve a defined goal. This implies that motivating is the ability of indoctrinating the personnel with a unity of purpose and maintaining a continuing, harmonious relationship among all people. It is a force which encourages and promotes a willingness of every employee to cooperate with every member of the team. Motivation efforts must be directed towards improving company operations. To be effective, however, they must also be designed to show benefits to the employee. Motivation can be accomplished when workers are able to merge their personal ambitions with those of the company [10].

The relationship between the employer and the employee must be one of understanding in order for the employee to identify himself with his work and with the business he is working for. Lack of motivation in return affects productivity. Deci and Ryan [11] argues that individuals tend to develop certain motivational drives on cultural environment in which they live and these drives affect the way people view their jobs. He points that achievement; affiliation, competence and power are four types of motivational drives that are found in individuals which are self-motivated. Koontz, Weihrich and Cannice [12] define motivation as a general term applying to the entire class of drives, desires, needs, wishes, and similar forces; While Kreitner [13], sees motivation as the psychological process that gives behavior purpose and direction. Greenberg and Baron [14], segregate the concept of motivation into three main parts. The first part looks at arousal that deals with the drive, or energy behind individual (s) action. People tend to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The second part referring to the choice people make and the direction their behaviour takes. The last part deals with maintaining behavior, clearly defining how long people have to persist at attempting to meet their goals. However, some researchers define motivation as all those inner-striving conditions described as wishes, desire, drives etc. to satisfy an unsatisfied need and the need to achieve. Mitchell [8] identifies four common characteristics that underlie the definition of motivation. The characteristics are; motivation is an individual phenomenon, motivation is intentional, motivation is multifaceted and motivation theories predict behavior. Based on these characteristics, Mitchell defines motivation as the
degree to which an individual wants and chooses to engage in certain specified manner. These needs help determine motivation and performance. Motivation involves efforts, persistence, and goals [15]. The unsatisfied need leads the individual to a pattern of behavior to satisfy the need. Achieving the goal satisfies the need and the process of motivation is complete. Therefore, Motivation theory and practice concentrate on various theories regarding human nature in general and motivation in particular. Scholars and practitioners focus on the practical aspects of motivation in the workplace. Notable works in this area include those of Abraham Maslow (hierarchy of needs), Douglas McGregor (theory x and y), Frederick Herzberg (two factor motivation theory), Elton Mayo (Hawthorne Experiments), Clayton Alderfer (ERG theory) and Victor Vroom (Expectancy theory of Motivation).

1.1 Extrtrinsic Versus Intrinsic Motivation
In seeking to understand the motivational processes, it is perhaps necessary to distinguish the two types of motivation strategies namely: the intrinsic and the extrinsic motivations. Intrinsic motivation results from an individual’s need to be competent and self-determining. Deci [16] point out that intrinsically motivating task is those that are interesting and enjoyable to perform – irrespective of possible external rewards.

- **Extrinsic motivation** is related to ‘tangible’ rewards such as salary and fringe benefits, security, promotion, contract of service, the work environment and conditions of work. Such tangible rewards are often determined at the organizational level and may be largely outside the control of individual managers.

- **Intrinsic motivation** is related to ‘psychological’ rewards such as the opportunity to use one’s ability, a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner. The psychological rewards are those that can usually be determined by the actions and behavior of individual managers.

1.2 Relationship Between Extrinsic and Intrinsic Motivation
The distinction between intrinsic and extrinsic motivation is evident, however researchers argued that intrinsic and extrinsic motivation also have an effect on each other. Deci [16] claimed that in some cases extrinsic motivators can decrease intrinsic motivation. He argued that if money is administered contingently, it decreases intrinsic motivation. But this event will not occur if the money is non-contingently distributed. Amabile [17] reacted 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 stated 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 and that extrinsic and intrinsic motivation can reinforce each other, but in some cases extrinsic motivators can also decrease intrinsic motivation. Furthermore, researchers argued that not all people are equally motivated; some employees are more intrinsically and others more extrinsically motivated [18].

1.3 Impact of extrinsic motivation techniques on intrinsic motivation
Through exploration of motivational characteristics, it is shown that people are either intrinsically or extrinsically motivated. Upon further research, two theories explain how intrinsic motivation can be increased or decreased by extrinsic or external motivation techniques. In Theory I, external motivators (incentives, praise, rewards, or punishment) increase intrinsic motivation, while In Theory II, extrinsic motivators decrease intrinsic motivation. Intrinsic motivation inspires individuals to participate in an activity because of the internal enjoyment that activity brings. People who are intrinsically motivated have a need for achievement and aspire to be self-determined and competent, without any perceived external motivator [19].
Extrinsic motivation encourages individuals, who do not necessarily enjoy an activity, to perform well in order to receive some kind of reward or to avoid negative consequences [20]. Autonomy, or self-determination, is experienced when an individual feels they have a choice in performing the activity and feels personally responsible for the outcome [21].

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Statement</th>
<th>Response</th>
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<tbody>
<tr>
<td></td>
<td>Employee motivation and organizational performance</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Increment in salary increases employees’ performance.</td>
<td>SA 55%</td>
</tr>
<tr>
<td>2</td>
<td>Provision of non-cash facilities, such as staff bus increases employee’s performance.</td>
<td>35%</td>
</tr>
<tr>
<td>3</td>
<td>Provision of medical assistance scheme increases employees’ performance.</td>
<td>46%</td>
</tr>
<tr>
<td>4</td>
<td>Access to company’s loan increases employees’ performance.</td>
<td>75%</td>
</tr>
<tr>
<td>5</td>
<td>Provision of training opportunities increases employees’ performance.</td>
<td>33%</td>
</tr>
<tr>
<td>6</td>
<td>Provision of life insurance policy for employees increases their performance.</td>
<td>52%</td>
</tr>
<tr>
<td></td>
<td>Compensations and performance</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Performance based promotion policy leads to improvement in employees’ performance.</td>
<td>41%</td>
</tr>
<tr>
<td>8</td>
<td>Performance based salary increase leads to improvement in employees’ performance.</td>
<td>38%</td>
</tr>
<tr>
<td>9</td>
<td>Piece rate compensation leads to improvement in employees’ Performance.</td>
<td>26%</td>
</tr>
<tr>
<td>10</td>
<td>Compensation of employees for achievement of target leads to improvement in employees’ performance.</td>
<td>59%</td>
</tr>
<tr>
<td>11</td>
<td>An objective appraisal system leads to improvement in employees’ performance.</td>
<td>22%</td>
</tr>
<tr>
<td>12</td>
<td>Bonus based on achievement of targets leads to improvement in employees’ performance.</td>
<td>71%</td>
</tr>
<tr>
<td></td>
<td>Work environment and performance</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>An attractive office has effect on employee performance.</td>
<td>48%</td>
</tr>
<tr>
<td>14</td>
<td>The type of chairs and tables used affect employees’ performance.</td>
<td>26%</td>
</tr>
<tr>
<td>15</td>
<td>The lightning system of offices affects employees’ performance.</td>
<td>18%</td>
</tr>
<tr>
<td>16</td>
<td>The temperature of offices affects employees’ performance.</td>
<td>45%</td>
</tr>
<tr>
<td>17</td>
<td>The physical security of offices affects employees’ performance.</td>
<td>32%</td>
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</tbody>
</table>

Table-1: List of Statement and Corresponding Responses

1.3.1 Theory I - External motivators increase intrinsic motivation

There has been a great deal of controversy concerning the impact external motivation techniques on intrinsic motivation. External motivation techniques have been proven to significantly increase extrinsic motivation, which results in increased efficiency and performance for organizations. More research is needed to prove that external incentives primarily decrease intrinsic motivation.

Proponents of Theory I declare that rewarding individuals for meeting absolute or normative standards, or for exceeding a criterion, greatly increases intrinsic motivation. Along with this
theory, quality-dependent rewards (verbal praise or tangible rewards) increase intrinsic motivation because they meet an individual's needs, wants, and desires. Although quality-dependent rewards have a positive effect on intrinsic motivation in this theory, achievement-based rewards (rewards that individuals receive for achieving or mastering a challenging criterion) also increases intrinsic motivation. Achievement-based rewards are broken down into two categories: controlling and informational. The controlling aspect of a reward will be discussed in the next section on how external motivators decrease intrinsic motivation. Basing achievement rewards for informational purposes, such as feedback, boosts an individual's perception of competence and ability [22]. Feedback provides individuals with the results of their efforts thereby increasing intrinsic motivation. This makes a person feel good about what they have accomplished and inspires them to continue achieving the goal. Even though reward for achieving goals increases motivation, goal theorists distinguish between two causes for that motivation: present value (engaging in an activity that has present value or enjoyment) and future value (engaging in an activity that will be valued or enjoyed in the future). In other words, being rewarded for achieving a goal increases intrinsic motivation if the individual was performing the activity for its immediate effects. Alternatively, if the individual is motivated to perform the activity with only future benefits in mind, the motivator is external and will not increase intrinsic motivation [23].

1.3.2 Theory II - External motivators decreases intrinsic motivation

On one hand, quality-dependent, achievement-based, and goal-based external rewards affirm responsibility for increasing intrinsic motivation. On the other hand, research indicates that these external motivators are detrimental to an individual's intrinsic motivation. Proponents of Theory II agree that external rewards or incentives substantially increase extrinsic motivation, but unlike Theory I advocates, they do not concur that external rewards increase an individual's intrinsic motivation. Theory II promoters contend that all extrinsic rewards including informational (verbal rewards), controlling (tangible rewards), and contingent (engagement-based or performance-based) are destructive to intrinsic motivation [24]. University of Chicago's professor of behavioral sciences, Uri Gneezy, made an interesting statement that summarized this viewpoint. He said, "Extrinsic motivation might change the perception of the activity and destroy the intrinsic motivation to perform it when no apparent reward apart from the activity itself is expected" [25]. In compliance with Gneezy's idea that external motivation techniques decrease enjoyment in an activity; task-contingent incentives (rewards to encourage participation in an activity, solving a problem, or completing a task) are also found to decrease self-determination. This declines in autonomy, along with the perception that the motivator is controlling, account for extensive decreases in intrinsic motivation. Use of certain incentives such as money or acknowledgement; are not what some individuals need, want, or desire. When these people receive rewards, it discourages their intrinsic motivation. In addition to the negative effects that task-contingent rewards have on intrinsic motivation, the controlling aspect of achievement-based rewards (awarding those who meet performance standards) results in a similar outcome. External rewards for performing an activity or meeting a standard are viewed as controlling, according to intrinsically motivated people. This external motivation approach is perceived as more of a restraint on self-determination, or independence, than a reward for achieving the goal. Achievement-based rewards can also pressure an individual to perform up to an expected standard. All of these feelings contribute to a decrease in intrinsic motivation [22].

1.2 Strategies for increasing motivation

Motivation is an individual matter and one needs to know and understand the individuals that are to be motivated. The following are the strategies that enhance motivation in any individuals. They are
1.2.1 Job Enrichment
The idea of quality work life has received attention for several decades [26]. Employees become increasingly dissatisfied and frustrated by routine tasks. The result may be lower output, poor attitude, lower quality, absenteeism, high turnover, and pressure for better conditions and greater participation in decision-making. Herzberg [27] contributed the theory of job enrichment as a motivational technique. Job enrichment provides employees with an opportunity to grow psychologically and mature in a job. Job enrichment attempts to make the job itself motivational. Research indicates that jobs higher in enrichment factors result in higher satisfaction [28]. Job enrichment increases a job's range and depth, which refers to the number of activities and the autonomy, responsibility, discretion, and control.

1.2.2 Merit Pay
The money that employees receive is actually a package made up of salary, and other fringe benefits such as transport, housing, furniture, medical allowance. Others include meal subsidy and utility on effort and persistence. The money that employees receive is actually a package of salary and benefits. Theories of motivation suggest that salary and benefits have influence on effort and persistence. Pay has the potential to satisfy each of the five needs in Maslow's hierarchy [15].

In Herzberg's two-factor model, pay is a maintenance factor that should not contribute significantly to motivation. In expectancy theory by [29], pay can satisfy a variety of needs and influence choice and behavior, while in equity theory by [30], pay is a major outcome that one compares with other employees. A number of studies reveal that, in order to motivate, a salary plan must demonstrate that good performance leads to higher levels of pay, minimize any negative consequences of good performance, and relate other rewards to good performance.

1.2.3 Flexible Working Hours
Organizations are faced with an increasingly diverse workforce that includes nursing mothers, single parents with young children, employees with very different responsibilities, and those taking classes or pursuing degrees to improve skills and abilities or for self-improvement. The concept of flexible working hours has motivational appeal to many organization staff [7]. Flexible time is intended to ensure that the work of the organization is accomplished and, at the same time, to permit employee and their supervisors to establish work schedules that recognize individual and family needs. Research indicates that flexible scheduling can be motivational in that job satisfaction is improved and absenteeism reduced [32]. The ability to accommodate employee needs is a healthy and positive approach to motivation.

1.3 Motivation and Job Performance
Performance has been defined by Hellriegel, Jackson and Slocum [7] as the level of an individual’s work achievement after having exerted effort. Some researchers believe that performance is ultimately an individual phenomenon with environmental variables influencing performance primarily through their effect on the individual determinants of performance, ability and motivation. The level of performance of employees relies not only on their actual skills but also on the level of motivation each person exhibits. However, motivation is an inner drive or an external inducement to behave in some particular way, typically a way that will lead to rewards [32]. The quality of human resource management is a critical influence on the performance of the firm. Concern for organizational effectiveness therefore has called for attention to employees’ motivation and retention. Financial motivation has become a primary concern in today’s organisation, and as observed in Maslow’s needs hierarchy, non-financial aspect only comes in when financial motivation has failed. Motivation can be intrinsic and extrinsic. There are some reports that pointed out that extrinsic motivation concerns behavior influenced by obtaining external rewards. Praise or positive feedback, money, and the absence of punishment are examples of extrinsic or external rewards. While intrinsic motivation is the motivation to do something simply for the pleasure of performing that particular activity.
Examples of intrinsic factors are interesting work, recognition, growth, and achievement. Some studies have found that there is a positive relationship between intrinsic motivation and job performance as well as intrinsic motivation and job satisfaction [32]. This is significant to firms in today's highly competitive business environment in that intrinsically motivated employees will perform better and, therefore, be more productive, and also because satisfied employees will remain loyal to their organization and feel no pressure or need to move to a different firm.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>No of Respondents</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Pearson Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>82</td>
<td>2.1199</td>
<td>0.8512</td>
<td>+0.8307</td>
</tr>
</tbody>
</table>

a. Predictors: (constant), Employee motivation
b. Dependent variable: Organizational performance
Source: SPSS Printout, 2013

Table-2: Hypothesis – 1: Relationship between employee motivation and organization performance

**Hypothesis-1**

H0: There is no significant relationship between employees’ motivation and organizational performance.

**Hypothesis-2**

H0: There is no significant relationship between employee compensation and organizational performance.

**Hypothesis-3**

H0: There is no significant relationship between work environments and employee performance.

Another observation of the study is that employees would expect a reward every time the task was to be completed if the reward was offered at one time. Employees would require the reward in order to perform the job and would probably expect the reward to increase in amount. If the rewards were not increased or if they were taken away they actually served as negative reinforcement. Burney and Widener [7] further explain that these type of rewards are very controlling since these rewards are directly associated with an employee's performance of some task. In that respect, performance-contingent rewards undermine intrinsic motivation; however, if the reward given to the employee conveys that the employee has performed on a truly outstanding level, the reward would serve to solidify that employee's sense of competence and decrease the negative effect on that employee's intrinsic motivation. Vroom [29] proposes that people are motivated by how much they want something and how likely they think they are to get it. He suggests that motivation leads to efforts and the efforts combined with employees’ ability together with environmental determine organization performance. This performance in turn leads to various outcomes, each of which has an associated value called Valence. Adams [30] suggests that people are motivated to seek social equity in the reward they receive for high performance. According to him the outcome from job includes; pay, recognition, promotion, social relationship and intrinsic reward. To get these rewards various inputs need to be employed by the employees to the job, such as time, experience, efforts, education and loyalty. He suggests that, people tend to view their outcomes and inputs as a ratio and then compare these ratios with others and tend to become motivated if this ratio is high.

**2.0 Materials and methods**

This study used a descriptive survey design to collect detailed and factual information that describes an existing phenomenon [33]. The target population of the study was MTN Nigeria Communications staffs in Lagos state Nigeria. A simple random sampling technique was used to select 105 personnel while 82 questionnaires were returned.
A structured questionnaire was used for the collection of data on the study. The questionnaire was specifically designed to accomplish the objectives of the study. The first section of the questionnaire collected biographical information of the respondent. The second section contained seventeen statements formulated into three sub headings with reference to the hypothesis to establish the effect of employee motivation on organization performance among MTN Nigeria Staff in Lagos State. A descriptive statistics and correlation coefficients technique were used in analyzing the data.

3.0 Results and discussion

As at this juncture, it is important to test the validity or otherwise of the hypotheses postulated with the available data, which are analyzed and the information gathered in this study. Three hypotheses are formulated to guide this study. Each hypothesis was, however, tested separately to determine its relevance in the light of the available evidence from both the primary and the secondary data analyzed in this study.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>No of Respondents</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Pearson Correlation</th>
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<tr>
<td>1</td>
<td>82</td>
<td>2.1422</td>
<td>0.9327</td>
<td>+0.7256</td>
</tr>
</tbody>
</table>

**a. Predictors:** (constant), Employee motivation  
**b. Dependent variable:** Organizational performance  
**Source:** SPSS Printout, 2013

**Table-3: Hypothesis–2: Relationship between Compensation and organization performance**

Analysis of hypothesis one

The above table shows that the average mean for hypothesis one is 2.1199. This falls within the categories of agree (i.e. is between the boundaries of 0.5 and 2.5.) and the standard deviation is 0.8512, which is less than 1. This implies that majority were in support of the statement that there is a relationship between employee motivation and organizational performance. However, the correlation coefficient is +0.8307 and that most of the variables within the group are correlated. Therefore this hypothesis was rejected as the null hypothesis (Ho) and an alternative hypotheses (H1) was proposed which state that there is a correlation between employee motivation and organization performance.

Analysis of hypothesis Two

The above data ( Table-2 ) shows that the average mean for hypothesis two is 2.1422. This falls within the class boundary of agree (i.e. is between the boundaries of 0.5 and 2.5) and the standard deviation is 0.9327 and is lower than 1. It follows that that majority were in support of the statement that there is a relationship between compensation and organizational performance. Moreover , the correlation coefficient is +0.7526 and that most of the variables within group are correlated. We therefore reject the null hypothesis (Ho) and accept the alternative hypothesis (H1) and state that there is a relationship between compensation and organization performance. In other words adequate compensation will lead to improvement of organizational performance.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>No of Respondents</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Pearson Correlation</th>
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</thead>
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<tr>
<td>1</td>
<td>82</td>
<td>2.1281</td>
<td>0.6738</td>
<td>+0.9121</td>
</tr>
</tbody>
</table>

**a. Predictors:** (constant), Employee motivation  
**b. Dependent variable:** Organizational performance  
**Source:** SPSS Printout, 2013

**Table-4: Hypothesis–3: Relationship between Work environment and organization performance.**
Analysis of hypothesis Three
The table (Table-3) also shows that the average mean for hypothesis three is 2.1281. This falls within the categories of agree. (i.e. is between the boundaries of 0.5 and 2.5) and the standard deviation is 0.6738, which is less than 1. This implies that majority were in support of the statement that there is a relationship between work environment and organizational performance. However, the table also shows that the correlation coefficient is +0.9121 and that most of the variables within group are correlated. We therefore reject the null hypothesis (Ho) and accept the alternative hypothesis (H1) and state that there is a correlation between work environment and organizational performance.

4.0 Conclusion
This study focused on the effect of employee motivation on organizational performance. Research findings indicate that employee motivation has a significant effect on organizational performance. Motivation is not a simple concept; rather, it pertains to various drives, desires, needs, wishes and other forces. Managers therefore motivate by providing an environment that induces organizational members to contribute. Essentially, performance is a function of ability, the perception of the task required and effort. Performance accomplishment in turn is related to rewards and satisfaction. However, special motivational techniques include using money and other rewards considerations, encouraging participation and improving the quality of working life of individual employee. A well-compensated employee would be a performing employee, not only that, the work environment also has a significant effect on employee performance. For retaining good employees in the organization, it is very necessary to motivate them timely. A good work atmosphere and proper training are very necessary. There should be timely benefit and reward for the employees to encourage them to give their best in the organizational development and progress. These benefits can be given in the form of money, promotion or even in words of praise-all together can motivate an employee to work enthusiastically. Based on the findings, this research concludes that, employers should look inward into their policy and administration, supervision, working conditions, interpersonal relations, salary, status, job security and performance life of their employee and ensure that they are designed to motivate employees and by so doing the organizational could improve performance.

Reference

Cite this article as: