Effect of Motivation on Employees’ Work Performance at Ireland Blyth Limited

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Purpose – The objective of this study is to investigate the effect of motivation on employees’ work performance. The paper has reviewed the major theories of motivation to reassess author’s viewpoint and assumption on the relationship between the motivation and performance. The objectives and question were further confirmed based on the literature.

Methodology – The targeted company selected was Ireland Blyth Ltd (IBL) which is one of the largest conglomerates in Mauritius. One of its Business Units was chosen for investigation, namely the ‘Brandactiv’ department.

Findings – The analysis has revealed that there is a significant link between motivation and employee performance. Two hypotheses were formulated and tested to ascertain those results.

Research limitations – IBL is a large company with high turnover and hence can implement fairly good systems which might not be possible by other companies with lower turnover. Moreover, they are in a position to attract the best employees as well.

Originality/value – This study has provided some insights on the effort made by companies locally to motivate employees.

Keywords: Motivation, Employee Performance, Motivation Theories, Mauritius

1. Introduction

All organizations encounter the issue of motivation whether they are in the public or a private sector. Organizations in both the public and private sectors in Mauritius have objectives which can only be achieved by going through the right direction and stimulating the employees to get the desired result through the process of motivation. The objectives of the research are: 1) to determine the relationship between motivation and performance. 2) to evaluate financial and non financial incentives brought by management to encourage employees at work. 3) to explore changes brought by a satisfied employee in a company and 4) to assess how the reward system motivates workers.

2. Literature

One of first traditional approaches to motivation was the fear and punishment

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philosophy. A living example of the fear-punishment tactic lies in the construction of pyramids in Egypt where workers were abiding to the ‘principles’. Under ‘principles’ existed a limited span of control, instant subdivision in allocating tasks and full dependence of subordinates. At that time, this concept was a great success in organizations and a motivating factor.

“Motivation refers to the degree of readiness of an organism to pursue some designated goal, and implies the determination of the nature and locus of the forces inducing the degree of readiness.” (Heyel, 1982 p.597)

“As the willingness to exert high levels of effort to reach organizational goals as conditioned by that effort’s ability to satisfy some individual need.” (Robbins and Coulter, 1999 p.26).

Straus and Sayles pointed out two types of rewards, the first one being “naïve paternalism” and the second one being “subtle paternalism”. The first type of paternalism assumes that employees will work more and more out of loyalty and gratitude if the manager has a positive attitude towards them. “Subtle paternalism” explains that workers achieve their task for the good working conditions and benefits prevailing in the organization. (Heyel, 1982).

The ‘Taylorism’ theory, “Carrots and sticks” were examined by a group of researchers led by Professor Elton Mayo at the Harvard University to overcome its limitations. The Human Relations Movement or the Hawthore experiments in the 1930’s demonstrated that money is not the only factor motivating man, the work environment, management styles and structures may be a determining factor in that it helps in an informal way of communication. Employees feel good to share their suggestion and satisfy their social need in the organization and as such they are motivated to perform their task even better. Managers had to guide employees and show what kind behavior was acceptable in organizations. Also, they were to put initiatives to boost employee morale and lower absenteeism. (1954 cited by Vroom and Deci 1992 p.363 – p.366)

Content theories
The content theories also known as the ‘need theories’ or ‘psychological theories’, focuses on the need of an employee. It concentrates on ‘what’ motivates an employee. As we human beings, have various needs, if those needs are left unsatisfied, it will disrupt us to move ahead because we feel a sense of lackness. If all needs of an employee are satisfied, he will be productive at work. A manager must distinguish the needs of his employees and devise proper plans on how to satisfy those needs. Thus identifying and designing the effective package of needs for individuals is of utmost importance for managers. This school of thought has 5 contributors and this is shown below:
The hierarchy of needs theory

In his article, “Theory of Motivation” (1954) Maslow found that an individual experiences five categories of needs during his lifetime. They are arranged in a hierarchical manner. The diagram illustrates this:

The pyramid above classes the order of importance of needs. Needs are satisfied starting from the lower levels (1, 2) and moving up the pyramid to the higher needs (3-5). Maslow argued that these needs are to be satisfied in a first up to second, second up to third way. When a need is satisfied, it is no longer a motivator. The needs that are not yet satisfied become the driving force.

- Psychological needs

These needs are the ones that assure yourself that you have satisfied your basic needs. They are also called biological needs and few examples of these needs are breathing, food, shelter, clothing, and sleep. According to Maslow, you have to fulfill these needs to move up to the next level.
• Safety needs

Also called security needs, they are needs that are to be felt and fulfilled in order to move on, such as job security. Private organizations’ workers are the one that mostly feel that their work is at risk during financial crisis. Examples of the needs are the security of property, morality, family and thyself. Private organizations are nowadays promoting safety and health plans, emergency fund and ‘accident cover’ benefits.

• Belonging needs

The needs in this level are also known as social needs. People need to feel that they belong to a group (social ties) and are accepted the way they are. With that they are not to be excluded from any relation (e.g. family). These are feelings of friendship, love, and sexual intimacy. At work, having colleagues and not feeling you are wanted is a lack in a person’s life. To counteract this, a manager could force them to work in groups to achieve an organizational goal and thus promote teamwork. In addition, some private firms cater for assistance and counseling in which case workers feel free to share their views. Also, employees can enhance their relationship with the subordinates from welfare committees.

• Esteem needs

These are also called ‘egoistic’ needs and are difficult to satisfy in some industries. People need to feel that they are respected; we have a self esteem so we have to be valued while respecting others. We humans have the urge to be ‘Someone’ i.e., have an image of one’s self. Examples of these needs are achievement and confidence. If the manager talks to his subordinate, the latter feels recognized at work. He should however adopt a participative management style. For instance, in a private sector, workers will have to be valued for what they do, as they are the main key to success. If a worker steps back, an organization may feel a drastic change.

• Self – actualization

We feel a need to grow at work and feel that we have the potential of doing things. For instance, we are born to be a manager, to impose rules and set discipline, incentives to work productively and boost their moral. Morality, acceptance of facts, lack of prejudice, creativity, spontaneity and problem solving are all examples of self - actualization needs. It is based on doing what we can, in other words we must be what we are able to be. (Vroom and Deci 1992 p.370 – 396)

Assessment of the theory

We may not satisfy the first level need that another need becomes urging. A person may want to satisfy the second need rather than the first one. Maslow said that gratification becomes as important concept in motivation as deprivation (1943 cited by Vroom and Deci 1992 p.40). A person’s wants and needs priorities vary as such he may
rank a need which is lower in the Maslow’s hierarchy of needs higher or vice versa and there may be more than five types of needs. Further to that, it has been said that when employees have satisfied the five level needs, they ought to be creative, innovative and productive.

ERG theory
Clayton Alderfer introduced his theory as a substitute of Maslow’s theory in 1969. He brought a simple approach with three categories of needs. The theory demonstrates a ‘satisfaction-progression principle’ which can also be denoted from the pyramid of Maslow. The needs governing Clayton’s theory are described below:

- **Existence (Physiological and safety needs)** means the basic need of a person such as physical comfort and being alive.
- **Relatedness (social needs)** requires people to feel together, i.e., share a relationship and have a sense of their being.
- **Growth (Self actualization and esteem needs)** is the need to achieve higher and to become self determined. It is the sense of having conquered something for us and the others.

Needs can be satisfied simultaneously. Also, a person experiencing difficulties to satisfy a need may rank it as a lower need. Hence, the theory possesses a “frustration – regression dimension.”(Clayton, 1972).

Hypothesis developed for the study on hand:

1. To indicate whether employee motivation will impact on work performance.
   - **H0** – There is no relationship between motivation and performance.
   - **H1** – There is a relationship between motivation and performance
2. To evaluate how financial and financial incentives have an effect upon job satisfaction
   - **H0** – There is no difference between financial incentives and job satisfaction.
   - **H1** – There is a difference between financial incentives and job satisfaction

3. Organisational Profile

The Vision of the Group is:

*To be the Group that goes beyond boundaries to create value.*

While the Mission of the Group is:

*We promote synergies, innovation and efficiency, through our diversity and entrepreneurship for the benefit of all.*

IBL is one of the largest business groups in the country. The latter was established in 1972 with merger Blyth Brothers and Ireland Fraser, who were leading firms in the early 19th century in Mauritius. Moreover, IBL group is a 100% Mauritian entity and it provides
employment for more than 7,000 people. In addition, it has 80 active companies and represents 200 brands. It is also internalizes with Reunion Island, Comoros, Madagascar, Mayotte, Morocco, Seychelles, India, Uganda, Dubai, France and China. Adding to that, employees are given training and development for enhancing their KSA and other incentives are put forward to encourage them to work better. Their initiatives are the IBL Fidelity Card, IBL Provident Fund, IBL Pension Scheme, IBL Employees Credit Union, IBL Emergency Fund, Group Personal Accident Cover, IBL Scholarship and welfare activities for employees. Health and safety issues are highly regarded as main motivators and IBL fulfills assistance and counseling employees' needs.

IBL’s head office ensures an easy flow of resources to the activity sectors. It is important to manage an organization as this leads to organizational success. The head office consists of four departments and this is demonstrated below:
Figure 1: Organisational Structure of IBL
Motivation and Performance at IBL

- Motivation and Performance

Employees are rewarded competence-based; the company executes a performance appraisal for this purpose. They are measured every six months based on their knowledge of the job, how they deal with customer complaints (customer care/service) and how they meet standards set by manager. Managers should point out the good attitude of a worker and awareness of the values of IBL. Furthermore, they are asked to describe their job as it reminds them of what tasks are to be achieved. The performance appraisal consists of a rating illustrated below:

Figure 2: Rating system at IBL

4. Methodology

The research question for this study is to determine the factors that affect employee motivation and how the latter in turn affects work performance of employees? While the objectives are: 1) To determine the relationship between motivation and performance. 2) To evaluate financial and non financial incentives brought by management to encourage employees at work. 3) To explore changes brought by a satisfied employee in a company. 4) To assess how the reward system motivates workers.

Two hypotheses drawn from the literature were formulated. These are

1. To indicate whether employee motivation will impact on work performance.
   - H0 – There is no relationship between motivation and performance.
   - H1 – There is a relationship between motivation and performance

2. To evaluate how financial and financial incentives have an effect upon job satisfaction
   - H0 – There is no difference between financial incentives and job satisfaction.
   - H1 – There is a difference between financial incentives and job satisfaction
The research approach to be conducted in the study is the deductive approach as data is being collected and analyzed quantitatively. A questionnaire survey was administered to collect primary data.

Population
The target population of the research is the 'Brandactiv department' of Ireland Blyth Limited (see organizational profile). The study suggests that the sample size should be the employees who respond to commercial issues and deal with customers mainly. These types of employees mainly concerned with motivation have an effect on the overall business profit.

As such we opted for the lower level employees which comprises of sales representatives, commercial travelers, merchandisers and vehicle assistance staff. 100 employees out of the 217 employees are low-level ones were selected for the survey. 161 are male workers and the remaining 56 are females. This level of employees is the potential unit to study and closely fit the research. Hence, purposive sampling, also known as judgmental sampling, has been selected. The former can be defined as a sample which is chosen “based on the knowledge of a population and the purpose of the study” (Babbie, 2001). Out of the 100 questionnaires administered only 97 were usable and subsequently analysed. The classic tests for reliability and validity were performed.

5. Analysis
A reliability test has been carried out on the Likert scale questions. The test showed a figure of Cronbach's Alpha $\alpha = 0.854$ for the 19 items; $\alpha = 0.762$ for the next 8 items and $\alpha = 0.784$ for the last 3 items. Hence, it can be concluded that the instrument devised is reliable. The mean and standard deviation are as follows in the table:
The most important part of the mean column is 4. This indicates that most of the respondents find these factors important at work. As for ‘company policies’, ‘management styles’, ‘supervision’ and ‘workshops’ they have a mean of 3, it states that many employees have a ‘moderately important’ answer (not least important nor most important).

**Work related pay and fringe benefits offered in the contract of employment**

This part also is five point scale question and comprises of one more column which is the ‘not applicable’. This describes how the satisfied the employees are about company’s offerings.
The figure points out that mean obtained for 'Basic salary' and 'Sick leave' are 3.57 and 3.71 respectively. This reflects that the respondents are satisfied from the two factors mentioned. When considering the mean of the other factors, the respondents have had a 'moderately satisfied' answer for them. In addition, the higher the standard deviation, the higher the response variability.

**Level of motivation**
This Likert scale question ranks the factors below from 'Strongly agree to strongly disagree.' They have been formulated as sentences in order to identify the level of motivation and they are shown in the table below:

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have the freedom to achieve my tasks the way I want.</td>
<td>97</td>
<td>3.60</td>
<td>1.644</td>
</tr>
<tr>
<td>I am to be rewarded for each task I efficiently execute.</td>
<td>97</td>
<td>3.79</td>
<td>1.738</td>
</tr>
<tr>
<td>The job I do, benefits society and my colleagues.</td>
<td>97</td>
<td>3.44</td>
<td>1.574</td>
</tr>
<tr>
<td>I am disrupted with organizational conflicts.</td>
<td>97</td>
<td>4.27</td>
<td>1.741</td>
</tr>
<tr>
<td>I would still work if unemployment benefits were high.</td>
<td>95</td>
<td>4.11</td>
<td>1.954</td>
</tr>
<tr>
<td>I work harder because my subordinates appreciate it.</td>
<td>96</td>
<td>4.25</td>
<td>1.947</td>
</tr>
<tr>
<td>I like to have difficult tasks, as they are challenging.</td>
<td>97</td>
<td>3.53</td>
<td>1.893</td>
</tr>
<tr>
<td>I would welcome work responsibilities as I appreciate delegation of tasks for trustworthy and loyal employees.</td>
<td>97</td>
<td>3.25</td>
<td>1.803</td>
</tr>
<tr>
<td>If I am equipped with the right tools and equipment, I work productively.</td>
<td>96</td>
<td>2.54</td>
<td>1.360</td>
</tr>
<tr>
<td>I would like to sit idle when there is no supervision and workload.</td>
<td>97</td>
<td>6.32</td>
<td>2.114</td>
</tr>
<tr>
<td>I would do overtime to keep pace with organizational tasks and hence to avoid heavy workload.</td>
<td>97</td>
<td>4.04</td>
<td>2.091</td>
</tr>
</tbody>
</table>

Other incentives or benefits that would influence an employee’s motivational level
No missing values have been recorded as those having “no other benefits” to mention were marked as ‘None’. As such SPSS will not generate missing values for this question. There are two other incentives-figures, as some people had more than one incentive to mention.
Hypothesis Testing
1. To evaluate how financial and non financial incentives have an effect upon job satisfaction.

<table>
<thead>
<tr>
<th></th>
<th>Job satisfaction</th>
<th>Financial and non financial incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.233*</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>97</td>
</tr>
<tr>
<td>Financial and non financial incentives</td>
<td>Pearson Correlation</td>
<td>.022</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>97</td>
</tr>
</tbody>
</table>

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

It can be described from the above that there is a significant relationship between job satisfaction and financial and non-financial rewards. Alternative hypothesis is being accepted as it has a two-tailed significance of .022. Consequently, the null hypothesis is being rejected. However, the Pearson’s correlation shows that the relationship between the bivariate is relatively weak.

2. To indicate whether employee motivation will impact on work performance.

<table>
<thead>
<tr>
<th></th>
<th>Job motivation</th>
<th>Job performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job motivation</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.405**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>97</td>
</tr>
<tr>
<td>Job performance</td>
<td>Correlation Coefficient</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>97</td>
</tr>
</tbody>
</table>

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

The above Spearman test proves that there is a significant relationship between performance and motivation. As such H1 is being accepted as it has a significance value of less than 0.01 and H0 is being rejected. It is however a moderately strong relationship. Thought majority of the employees agreed that there is a relationship between these 2 variables, this however differs in practice when it was applied in the organization. In this part the views of employees and results of employees contradict each other. The analysis was governed by the three Rs of employee motivation, which are Recognize, Reward and Renew and they prevail at IBL.
7. Recommendations and Conclusion

Money/Salary/Bonuses
One of the main factors that motivate the employee to work harder and better is money. Employees do receive an income from the company, but from the analysis we can denote that they generally wish for a salary increase. Therefore, IBL should review its wage system for certain employees who have expressed their discontentment about it.

Organizational Culture.
More emphasis could be put on the organizational culture because the employees reflect the culture of the company. Consequently, leaders have to make the employees feel proud of the company and part of its success. This will give rise to a bond between the people of the organization and management; the employees will be acting for the goodwill of company. It is said that it is the people of the organization who make the culture; therefore it is also the duty of senior management to promote a healthier work environment and good working conditions to motivate the employees. The work environment should be arranged in such a way that it will drive away employee frustration.

Involvement of Employees
When they are involved in every transaction of the company, they feel ‘desired/needed’ at work. IBL, to a certain extent allows employee participation in the decision making process (as seen in analysis). But the policies, short and long term objectives are those points that need strategic planning (top management) along with assistance of some employees. As it is the employees who have to abide by these rules and work to achieve goals, therefore their advice must be sought at any level. A trade union cannot do much when a decision has already been taken. Therefore, employee’s advice should be sought before the implementation process. Then, employees are also more motivated and are in a better position to adhere to the policies.

Employee – Management Relationship
If there is mutual respect between employees and employers and if the employer appreciates what his employee is doing, the worker will tend to want to exert more effort on his task. In other words, there is recognition and this is a motivating factor. However, managers should help employees in solving work issues and there should not be any point of time where there is an organizational conflict that will disrupt productivity.

Flexi – Time/ Working Hours
‘Flexi-time’ could be incorporated at IBL; this will allow some employees to work for particular hours during the day, and another employee can take up when the former has finished duty. Flexible working hours which suit the employees will follow with high performance.

Promotion/Introduction of a Bounty System
When there is a vacancy at the organization, internal promotion undoubtedly motivates employees. In that way, they feel potentially capable of achieving their goals and organizational objectives and this also boosts their self-esteem. However, the system should reflect transparency and adhere to the fact that the right person should be at the right place.

Another suggestion I would like to make is that IBL could incorporate the introduction of a bounty system. Essentially, this means that when a vacancy becomes available and there is no suitable person to take on this role internally, employees are given the opportunity to ‘officially’ suggest a friend or ex-colleague for the role. In turn, if that person is selected for the job, based purely on their merit and performance during the interview then the employee that originally nominated their friend/ex-colleague for the role receives a sum of money as recognition for their contribution to having an effective and skilled workforce. In summary, employees will be rewarded for taking an interest in the well-being of the company.

ESOP
ESOPs have many functions, but all functions arrive at the same goal: to motivate the employee. ESOP is an ownership interest given to the company to boost its work. The company gives the employee a share, or a stock ownership. It usually has no cost, therefore can be considered as a contribution from the company to the employee.

Profit-Related Pay
Profit-related pay can be defined as pay that is directly related to the employer’s profit. Thus if one rises, so does the other. This is another financial-way to motivate the employee and helps him to understand better how the economic climate work, supply and demand (costs and prices).

Employee Need Analysis
Employees have ever changing needs; they tend to fluctuate in this unstable environment. A need-survey can be conducted each fortnight to eradicate job dissatisfaction as management will react efficiently to their needs. Indeed, employees needs can be satisfied when they are rational ones.

Internal Service Quality
Employees have to be provided with the right materials in order to achieve the task efficiently and effectively. This aspect of quality management in every way motivates the employees to work better and generates employee commitment.

Financial Crisis
Whenever a crisis strikes the country, employees fear redundancy. Management should at this time communicate with employees to boost their motivation, and inform them that there may be some minor cuts in salary or the possibility of a pay freeze the following year but employment will be maintained.

Other Recommendations
- Introduction of a social area in the building.
• Possible contribution to the well-being of the employee by offering a capped gym subscription subsidy, e.g. MUR 5 000 per year which is taxable.
• Whenever a performance appraisal is carried out, there are some employees that fail to meet the expected standard. As such they tend to have a low morale for a certain period of time. we would suggest that the department to re-train these employees and boost their morale.

8. Conclusion

It is to be noted that organization has to carry out a study on its workforce before applying incentives in order to bridge the gap between motivation and performance. Some factors may not be applicable due to the cost issue or because one suggestion may lead to organizational conflicts. In other words, it must reveal that implementation of an incentive will not give rise to any issue that will destabilize the organization at a whole. Indeed, the model of Locke, Herzberg and many other authors who studied the concept of motivation deeply can be used as guidelines.

No human behavior and values can be distinguished in a simple way. It is as such of utmost importance to understand this theory of motivation for it is interpreted differently in different industries. What may motivate today may not have the similar effect the day after. In conclusion, motivation must be a never-ending process and employees should be continuously.

References


