THESIS

EMPLOYEE MOTIVATION AND ROLE IN IMPROVING

EMPLOYEE PRODUCTIVITY

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CHAPTER 1 INTRODUCTION

Work provides products and services, which represent the basis for a company's success, but it is also an important and highly central aspect in the lives of individuals.

First, persons receive some kind of reward, extrinsic or intrinsic (satisfaction coming from the work), in exchange for their performance. The employee holds certain personal expectations in terms of form and amount of reward, which he/she should receive for the provided service. The performance of a person as well as the decision to remain in the company is influenced by the extent to which such expectations are met.

Second, the workplace presents opportunities for socialization with other. Third, the job is often a source of rank, or status, in the society in general.

In other words, the work may provide a source of social differentiation. Fourth, that work has an individual meaning for each person. This can range from a source of identity and self-esteem, to a source of frustration, boredom, and a feeling of meaninglessness, caused by the nature of the task and the characteristics of the person.

As mentioned before, for some people work is a source of great satisfaction; for many others it is the reason for dissatisfaction. Regarding the fact that employees spend a large part of a day at work for 40 to 45 years, it is important that those employees experience

positive feelings towards their tasks. Otherwise, it would be a long time to be frustrated, dissatisfied and unhappy. Moreover, these negative feelings may affect the family or social life as well as the physical and emotional health of an individual.

Team members are a valuable resource that may contribute in several different ways to a company's activities, provided that the company gives them an appropriate chance. In order to be successful, a company needs employees who act toward the goals of the organisation and have a strong desire to remain in the company. Such loyalty and commitment may be generated by motivation. Furthermore, motivation is aimed to achieve increases in work productivity and job satisfaction.

The knowledge about needs and expectations of employees at work represents the basis for their motivation. Moreover, the structure of the work and the employees' degree of satisfaction with the job are important in order to increase the actual motivation and satisfaction with their work.

1.2. Statement of Problem

Companies need the commitment from employees for success. That includes the commitment to act toward the goals of the company, as well as the commitment to stay in the organization. Highly committed persons expend considerable efforts toward the

achievement of a company's goals and values and may represent a corporate strategic advantage, especially in a rapidly changing world.

The achievement of organisational commitment, however, is not easy since it may be influenced by personal and organisational factors. The knowledge about what motivates (prompt employees to put efforts into their work) and satisfies people at work may be essential to generate such commitment.

In other words, a company has to be aware of what motivates and satisfies the employees at work in order to stimulate them to perform their job as best as possible and to remain in the company.

A person who is satisfied with his/her work may show a higher commitment to put efforts toward the achievement of the company's goals and will not easily change job.

1.3 Research Problem

There are a variety of factors that can influence a person's level of motivation; some of these factors include

1. The level of pay and benefits,

2. The perceived fairness of promotion system within a company,

3. Quality of the working conditions,

4. Leadership and social relationships,

5. Employee recognition

6. Job security

7. Career development opportunities etc.

Motivated employees are a great asset to any organisation. It is because the motivation and Job satisfaction is clearly linked. Hence this study is focusing on the employee motivation in the organisation.

The research problem is formulated as follows:

What are the factors which help to motivate the employees?

1.4. Purpose of Study

The study is intended to evaluate motivation of employees in the organization. A good motivational program procedure is essential to achieve goal of the organization. If efficient motivational programs of employees are made not only in this particular organization but also any other organization; the organizations can achieve the efficiency also to develop a good organizational culture.

Motivation has variety of effects. These effects may be seen in the context of an individual's physical and mental health, productivity, absenteeism and turnover. Employee delight has to be managed in more than one way. This helps in retaining and

nurturing the true believers *"who can deliver value to the organization. Proliferating and nurturing the number of "true believers"* is the challenge for future and present HR managers.

This means innovation and creativity. It also means a change in the gear for HR policies and practices. The faster the organizations nurture their employees, the more successful they will be. The challenge before HR managers today is to delight their employees and nurture their creativity to keep them a bloom.

This study helps the researcher to realize the importance of effective employee motivation. This research study examines types and levels of employee motivational programs and also discusses management ideas that can be utilized to innovate employee motivation.
It helps to provide insights to support future research regarding strategic guidance for organizations that are both providing and using reward/recognition programs.

1.5 Limitations

Motivation presents a quite extensive area for research. There is a wide range of theories on what motivates people (content theories) as well as theories, which try to describe how behaviour is initiated, directed and sustained (process theories). However, this thesis concentrates on the content theories that identify specific needs, which initiate and direct human behaviour.

In general, the focus is on the motivation at work and particularly on the job itself. The effects of motivation and job satisfaction such as the impact on the mental health, family life, turn over and so on, are presented in order to show the significance and the scope of that topic. However, they are only considered in the theory, not explicitly in the empirical part.

Age, gender, marital status, work area, position and the years a person has been working in the company are considered as individual characteristics and are examined in this study.

In addition, in this thesis no distinctions are drawn between managers and workers in terms of the role-play in motivation.

That means the word "employee" includes managers as well as all the other persons working in the company. Managers are also considered employees since they are hired by contract like every other employee.

1.6 Objectives of the study

1.6.1 Primary objective

1. To study the important factors which are needed to motivate the employees.

1.6.2 Secondary Objective.

1. To study the effect of monetary and non-monetary benefits provided by the organization on the employee's performance.

2. To study the effect of job promotions on employees.

3. To learn the employee's satisfaction on the interpersonal relationship exists in the organization.

4. To provide the practical suggestion for the improvement of organization's performance.

CHAPTER 2 REVIEW OF LITERATURE

This part of the thesis provides the reader with important facts, theories, and models in order to increase the understanding of the area under investigation. Motivation needs and expectations, job satisfaction, and some important motivation theories respectively studies are explained. These presented information serve as foundation to the analysis.

2.1 Defining Motivation

Motivation is a highly complex phenomenon that influences and is influenced by a large number of factors in the organizational environment.

The study of motivation is concerned with why individuals think and behave as they do. A great amount of definitions are presented by literature, Its points out that motivation is a process that triggers individuals to act as they do.

Analoui sees motivation as a drive within the individual necessary to direct that person's actions and behaviour towards the achievement of some goals, and focuses, according to Luthans (1995) and Mullins (1999), on the fulfillment of certain needs and expectations.

Generally, motivation deals with forces, which initiate, direct and sustain behavior towards the attainment of certain goals. Particularly, in terms of the organizational aspect, motivation focuses, according to Molander (1996), on an individual's willingness to put efforts into his/her work, and on the amount of efforts, which are made in order to obtain incentives or a special form of incentives. Molander's definition of motivation represents the basis for this thesis.

The discussion of motivation in the literature (recent and less recent) refers to three aspects:

(1) What is the arousal or energising source of the individual behaviour?

(2) What directs or channels such behaviour, and

(3) the maintenance and sustain of this behaviour.

The first issue deals with driving forces inherent in the individual that leads to ascertain behaviour, and with environmental forces that often cause these drives. The second feature involves the direction of behaviour towards a goal (Wagner, 1999). Furthermore, Porter and Steers (1991) refer to the third matter as forces within the individual and environmental forces that provide the individual with feedback. This feedback either reinforces the individual to intensify his/her drive and the direction of his/her energy, or discourages the individual to pursue his/her course of action and redirects his/her efforts.

The motivational process represents a very general model of human behaviour (Mullins, 1999). Steers (1991) argued that this model assumes that individuals hold a number of needs, desires and expectations in varying strengths. Based on these needs and expectations, people act or behave in a certain way that they believe will lead to the desired goal.

Thereby, according to Steers and Porter (1991), the individual will be provided with feedback about the impact of his/her behaviour. That, in turn may induce the individual to alter his/her present behaviour, or may reassure the individual that his/her current way of acting is correct and may confirm the person in pursuing this course of action.

The motivational process is not as simple and straightforward as it seems. It is, according to Atkinson et al. (1975), a far more complex study. Porter and Steers (1991) refer to Dunnette and Kirchner (1965) and others who identified four aspects, which complicate the simplicity of the model.

The first aspect refers to the fact that motives cannot directly be observed and therefore a need to deduce them exists (Baron, 1983). However, the inference of motives from observed behaviour is associated with difficulties traced back to at least five reasons mentioned by Atkinson et al. (1975).

 These five reasons are:

(1) several motives may be expressed through any single action;

(2) motives may occur in disguised forms;

(3) similar or identical actions may represent several motives;

(4) different behaviour may embody similar motives; and

(5) the modes of expression of certain motives may be mitigated by personal and cultural variations.

The second complication of the model deals with the fact that any person has a host of motives. These motives may change over time and conflict with each other (Baron, 1983).

Third, Porter and Steers (1991) point out that the selection of certain motives over others, as well as the intensity with which such motives are pursued, may differ from person to person.

In addition, they refer to the fourth complication, the fact that an attainment of certain needs, desires and expectations may prompt a person to direct his/her attention to other motives, or to intensify the pursuit of these motives.

2.2 Needs and expectations at work

Individuals are different and therefore also have different needs and expectations, which they attempt to fulfill in many different ways. These needs and expectations, altering and

often conflicting with each other over time, may be classified in several ways. Two out of the variety of classifications will be explained more detailed in the following.

2.2.1 Intrinsic and extrinsic motivation

Needs and expectations (motivators) are often considered in terms of being internal or external to an individual. Internal motivators are, according to Mak and Sockel (2001), concerned with intrinsic needs that satisfy a person, whereas external motivators are considered as environmental factors brought by the company to the individual.

Intrinsic motivation is the desire of an individual to perform his/her work well, in order to achieve the satisfaction of intrinsic needs. In other words, an individual performs a task in order to achieve certain types of internal states, which he/she experiences as rewarding.

Intrinsic motivation relates to psychological rewards such as the recognition of a task completed. External rewards such as food, money, praise, and so on, are not the main reason for a person to engage in activities.

Intrinsic motives can be satisfied by the work itself. In other words, the task itself is the main source of motivation, since it provides interest, stimulation, challenges, and opportunities for personal growth and achievement to the individual. Deci (1975) refers to

intrinsically motivated behavior as behavior that is determined by an individual's need for feeling competent and self-determining.

On the one hand, a person will seek out challenges that allow him/her to behave in ways that provide him/her with a sense of competence and self-determination. On the other hand, an individual is engaged in a process of conquering challenges.

Extrinsic motivation, on the other hand, refers to tangible rewards such as pay, fringe benefits, work environment, work conditions, and job security (Mullins, 1999). Extrinsic motives cannot only be satisfied by the work itself. That means pleasure comes from something the task leads to, such as money. According to Jung (1997,) the effects of work as well as its contributing factors are also of importance for the need satisfaction. Thereby, the work is seen as a means to pursue other motives.

2.2.2 Broad classification for motivation to work

According to Mullins (1999), needs and expectations can be distinguished in economic rewards, intrinsic satisfaction, and social relationships. Economic rewards such as pay, fringe benefits, and material goods are an instrumental orientation to work. Intrinsic satisfaction is provided by the work itself and represents a personal orientation to work.

Friendships, teamwork, and the need for affiliation are part of the social relationship that constitutes the relational orientation to work. The relative strength of all these categories

of needs and expectations together with the extent to which they are satisfied determines an individual's motivation, job satisfaction and job performance.

People differ in their preferences, e.g. some persons may prefer economic rewards, whereas other individuals will favor intrinsic satisfaction and/or social relationships. These preferences may change over time.

2.3 Job satisfaction

Satisfaction is an internal state (Mullins, 1999). Various authors define it as the outcome of a motivational process (Bent et al., 1999). Job satisfaction is the positive and negative feelings and attitudes which an individual holds about his/her work (Schultz and Schultz, 1998). In other words, it is the extent to which an individual favours his/her job (Molander, 1996).

Positive attitudes toward the job are equivalent to job satisfaction, whereas negative attitudes represent job dissatisfaction. Job satisfaction is a complex phenomenon (Sell and Shipley, 1979; Bent et al., 1999) and depends on many work-related as well as personal factors. That means personal factors such as age, gender, and job experience as well as the characteristics of the job influences a person's degree of job satisfaction (Lawler and Porter, 1967).

Even though personal characteristics are unchangeable by the company, they can be used for predictions of satisfaction among groups of employees. The redesign of the work, as well as of the work environment, may lead to increases in job satisfaction and productivity (Schultz and Schultz, 1998).

For example, a redesign of work may provide an employee with the opportunity for personal growth and development. Individuals may be satisfied with some aspects of their work and dissatisfied with others.

However, all attitudes are not measured by the overall job satisfaction. Therefore, it might be of use to break down an individual's attitude toward his/her work as a whole, into attitudes held toward single facets of the job such as pay, security, social conditions, and so on.

Job satisfaction is a main factor for the motivation of employees and is closely related to customer-orientation. According to Blankertz and Robinson, individuals who are satisfied with their job to a high extent, are very motivated and do not prefer to leave their job.

The relationship between job satisfaction and work performance is not explicit. Some theorists think that job satisfaction leads to a better performance. However, the accumulated research evidence only suggests a quite weak correlation between job

satisfaction and performance (Molander, 1996). Vroom (1964) pointed out that there exists no simple relationship between job satisfaction and performance.

According to Vroom (1964), this figure is too low to be of theoretical or practical relevance. Moreover, the opinions of theorists differ in terms of whether job satisfaction leads to improved productivity or the reverse (Mullins, 1999). Lawler and Porter (1967), for instance, described the fact that increased performance leads to satisfaction with the help of a third variable - rewards. They assumed that good performance leads to rewards either in the form of extrinsic or intrinsic rewards, which in turn will cause satisfaction.

Furthermore, job satisfaction and life satisfaction are related positively and reciprocally to each other. That means a person with positive feelings about his/her family and personal life will be likely to develop positive attitudes toward his/her job and vice versa (Schultz and Schultz, 1998).

The more satisfied an individual is with his/her work, the less likely he/she will change the employer. However, there are a lot of other factors such as the organizational commitment of an employee, and the state of the labour market, which have an influence on the turnover behaviour as well (Molander, 1996).

The relationship between job satisfaction and absenteeism inclines is to be negative and less consistent (Vroom, 1964). However, Verhaegen (1979) argued that turnover and absenteeism are related to satisfaction in some way, but since many other factors influence

these variables as well, an explicit relationship can only be identified in some concrete situations.

2.4 Work motivation theories

Since motivation deals with factors that energize, direct and sustain behavior, there are a lot of important variables, which may influence an individual's motivation at work.

These variables can be distinguished in three groups: characteristics of the individual, job characteristics, and work environment characteristics. These sets of variables were considered in the Steers study as well. Steers developed a model which shows the antecedents and consequences of organizational commitment.

Organizational commitment can be described as the extent to which an individual identifies himself/herself with and is involved in the company. Schultz and Schultz (1998) mentioned that organizational commitment includes the fact that a person has to accept the Personal characteristics (need for achievement, age, education). Job characteristics (task identity, opportunities for interaction, feedback), Work experiences (group attitudes, organizational dependability, personal import), Organizational commitment, Outcomes, Desire to remain, has to be willing to expend efforts for the enterprise, and has the desire to remain in the company.

According to Steers and Porter (1983), two types of commitment can be found in the literature - the attitudinal and behavioral commitment. The attitudinal commitment contains an individual's identification with the company and his/ her wish to remain in the organization.

The behavioral commitment, on the other hand, deals with the aspect that a person feels bound to the company, but there is no personal identification with the company goals and values (Schultz and Schultz, 1998). Payment and benefits are, according to Torrington and Hall (1995), means to commit people to the company, but will not necessarily lead to high levels of performance.

According to Steers (1977), mentioned in Dessler (1986), the antecedents of organizational commitment are personal characteristics (need for achievement, age and education), job characteristics (feedback, interesting and meaningful work), and work attitudes (for instance group attitudes).

All antecedents together determine a person's organizational commitment, which in turn influences, among others, a person's job performance and the desire to stay in membership with the company.

Moreover, Steers and Porter (1983) pointed out that

"individuals enter organizations with certain needs, desires, skills, and so forth and expect to find a work environment where they can utilize their abilities and satisfy many of their basic needs.

Where the organization provides such opportunities (e.g., where it makes effective use of its employees, is dependable, etc.), the likelihood of increasing commitment is apparently enhanced. However, where the organization is not dependable, or where it fails to provide employees with challenging and meaningful tasks, commitment levels tend to diminish."

Each of the theories and studies considered in the following deals with at least one of these sets of variables – personal characteristics, job characteristics, and work attitudes.

2.4.1 Hawthorne studies

The importance of studying the attitudes, feelings, and perceptions that individuals hold toward their work was emphasized by the Western Electric studies. Roethlisberger and Dickson (1939), mentioned by Reis and Pena (2001), published their book *Management and the worker* about the first important practical study conducted at the Hawthorne plant of the Western Electric Company in 1939.

This study dealt with informal groups, work restriction norms, productivity and social relations, and stressed the issue of humane leadership. Lot of experiments were performed

under the leadership of Elton Mayo at the Western Electric Company plant in Hawthorne between 1924-1932.

The main conclusions drawn from these experiments are presented in brief below. A better performance was noticed whenever management introduced an environmental change such as changes in lighting, rest breaks, hours of work, system of payment, and so on.

An increased productivity was recognizable even if one of the changes was a return to a previous way of doing (Statt, 1994). Therefore, the researchers concluded that factors other than working conditions influenced the work performance (Mullins, 1999). The experiments identified social relations at work as the source of motivation.

Social incentives such as belonging to a work group seemed to be stronger than monetary incentives (Steers and Porter, 1991; Mullins, 1999). In addition, increased productivity was due to the fact that management showed interest in the employees and paid extra attention to them (Mullins, 1999).

2.4.2 Needs Hierarchy Theory

The following chapter is based on Maslow (1943, 1954), unless otherwise stated. Maslow (1943, 1954) pointed out that human motivation has a hierarchical structure, which he called a hierarchy of needs. There are at least five basic needs, which all individuals uphold.

These are physiological, safety, love, esteem, and self-actualizing. Physiological needs are for instance food, drink, oxygen, sex, and sleep. In short, all needs, which present the basis for life. Safety needs include security, the need for a safe, predictable and organised world, and the avoidance of pain and physical attacks.

Love needs refer to affection and belongingness needs. That means a person will strive for good relations with people and a place in his/her group. Thereby, special attention is given to friends, sweetheart, wife, and children. In addition, all individuals hold the need for a stable and high evaluation of themselves, self-esteem, and respect given to them by other persons.

Esteem needs may be categorized into (1) the desire for strength, for achievement, for independence and freedom, and (2) the desire for prestige and respect from other persons, recognition, attention, importance and appreciation. The fifth needs level, the self-actualising needs, represents the desire for personal development and accomplishment. The form of these needs differs from person to person. As an example, some persons experience these needs in the desire to be a perfect mother, whereas other people express self-actualisation in form of painting pictures.

All five basic needs are arranged in a hierarchy of importance. Thereby, physiological needs represent the starting point for the motivation theory at the lowest level. In a

situation when all needs are unsatisfied and the human being is dominated by the physiological needs, the other needs do not seem to exist or are pressed in the background.

When physiological needs are satisfied, new and higher needs such as safety needs will emerge and dominate the individual. When these new needs in turn are gratified, again new and higher needs such as love needs will appear, and so on. The hierarchy of the basic needs ranges from physiological needs through safety needs, love needs, and esteem needs, to the needs of self-actualizing at the highest level. A need that is satisfied is no longer perceived as a need by a person.

The individual is dominated and his/her behavior is influenced only by needs that are not satisfied. However, if once satisfied needs are thwarted they will emerge again in order to drive a person's behavior. Maslow (1943, 1954) argued that lower level needs have to be gratified before next higher level needs will arise and determine a person's behavior. However, it is not necessary that a need is gratified fully before a subsequent need emerges.

Individual needs have to be identified in order to motivate people's work behavior. The knowledge of an employee's unfulfilled needs may enable companies to influence the work performance. .

Encouragement of complete Self- actualizing employee commitment

Job a major expressive dimension of employee's life

Creation of jobs with scope for achievement, autonomy, responsibility, and personal control Ego - Work enhancing personal identity

Feedback and recognition for good performance (e.g., promotions, "employee of the month" awards)

Work organisation that permits interaction with colleagues

2.4.3 Herzberg's Two-Factor Theory

The following chapter is based on Herzberg (1966) and Herzberg, Mausner, and Snyderman (1999). In the late 50's, Herzberg interviewed two hundred engineers and accountants of Pittsburgh industry in order to investigate what causes their satisfaction and dissatisfaction on the job. The employees were asked to describe a situation at work when they felt good and a situation when they felt bad. Moreover, they were asked why they felt that way. In other words, the employees were asked if their feelings about their job had influenced their work performance, well-being or personal relationships.

The results of this study revealed that a bad environment caused dissatisfaction. However, a good environment led to an individual's satisfaction very seldom. According to this study, employees perceived satisfaction by the intrinsic of their work. Herzberg's work categorised motivation into two sets of factors: motivators and hygiene.

Hygiene factors do not motivate employees; however, they may reduce the extent of dissatisfaction experienced by the individuals. That means if these factors are not present,

or are mismanaged, they may cause dissatisfaction on the job. In an optimal situation, regarding the presence of hygiene factors, the employee will not experience dissatisfaction, but neither will he/she develop positive attitudes toward the work. Hygiene factors are related to the job context. The other set of factors, called motivators, satisfies a person's need for self-actualisation in his/her job and, therefore, leads to positive feelings towards the work. The motivators are related to the job content, in other words, they are intrinsic. Job related factors that promote job satisfaction are achievement, recognition, work itself, responsibility and advancement.

They argued that hygiene factors led to job dissatisfaction due to an individual's need to avoid unpleasantness, whereas the satisfaction generated by motivators was caused by a need for growth and self actualization.

Herzberg (1966) and Herzberg et al. (1999) argued that positive and negative attitudes toward the job are not the opposite of each other, since they are influenced by different factors.

Therefore, they suggested that the opposite of job satisfaction is no job satisfaction, and the opposite of job dissatisfaction is no job dissatisfaction. To sum up, the hygiene factors are extrinsic, aim to prevent job dissatisfaction, and contribute only to a minor extent to positive feelings toward the job.

Herzberg et al. (1999) discussed the effects of job attitudes in terms of performance, attitudes toward the job, attitudes toward the company, mental health, and interpersonal

relations. An employee's feelings toward his/her job had a significant impact on the performance of the tasks.

Improved attitudes toward the job led to an enhanced performance, whereas negative changes in the job attitudes caused a reduction in the work performance. Moreover, favorable attitudes toward the job had an influence on performance rather than unfavorable ones.

Herzberg's two-factor theory represents an extension of Maslow's need hierarchy. Thereby, the hygiene factors can be considered as lower level needs, whereas the motivators can be seen as higher level needs.

Herzberg's theory emphasizes that attention has to be given to hygiene factors as well as to motivators in order to motivate employees. Furthermore, the major role of the work itself as a factor of motivation and job satisfaction is stressed.

2.4.4 The Job Characteristics Model

All motivation theories mentioned before contributed, to a certain extent, to the job characteristics model developed by Hackman and Oldham (1980), which deals with the structure of work in order to achieve a high internal motivation, high job satisfaction and high work effectiveness. This model considers the intrinsic motivation that causes a

person to perform the job well due to interests on the work and challenges in the job. This model will be explained in detail in this chapter that is based on Hackman and Oldham (1980).

3.4.4.1 Conditions for internal motivation

The occurrence of internal motivation is caused by three basic conditions. These conditions influence not only an employee's motivation to work, but also his/her satisfaction on the job.

First, the individual must have knowledge of the results of his/her work performance.

Secondly, the person must feel responsible and accountable for the results of his/her work.

Third, the person must experience work as meaningful. In other words, if the individual does not perceive his/her work as generally important, valuable and worthwhile, he/she will not develop any internal motivation.

Even when a person feels responsible for the work done and receives information about his/her performance, but lacks the feeling for doing a meaningful job, the internal motivation will unlikely to develop. In other words, if one of these conditions is missing the internal motivation will not occur. All three factors - knowledge of results, experienced responsibility and experienced meaningfulness - are necessary to develop and sustain a strong internal work motivation.

2.4.4.2 Job dimensions

The above-mentioned conditions for internal motivation are facilitated by five job characteristics. Three of these characteristics contribute to the experienced meaningfulness of the work, one influences the experienced responsibility for outcomes of the work, and one has an effect on the knowledge of results.

The three characteristics that have an influence on the meaningfulness of the work are skill variety, task identity, and task significance. First, skill variety is the extent to which a job requires different activities in order to perform the work. These activities entail the use of various skills and abilities. Hackman and Oldham (1980) point out that a challenge and stretch of an employee's abilities and skills by his/her tasks will lead to the fact that the employee will perceive the work as meaningful.

In addition, the more skills can be used, the more meaningful the task appears to be. Second, task identity refers to the degree to which a job involves doing a whole unit of work from beginning to end with a visible outcome instead of performing only a tiny part of the overall piece of work. When people are doing a whole job (providing a complete unit or putting together an entire product) they care more about their work and perceive their job as more meaningful. A worker who is responsible for assembling a complete coffee machine will find his/her work more meaningful than another worker who solders electrical connections on coffee machine after coffee machine, even though similar skill levels are necessary to perform the jobs.

Third, task significance is the degree to which the job has a meaningful impact on other people lives and well being, either inside or outside the company. When people understand that their work outcome will have an impact on someone's well being (e.g. happiness, safety, or health) they will care more and experience meaningfulness in their work. If all three characteristics are present in a job, an employee is more likely to perceive his/her job as meaningful. Even if one or two characteristics are quite low, a person can experience his/her job as meaningful.

The characteristic of the job that influences the experienced responsibility for the work outcome is autonomy. Hackman and Oldham (1980) refer to autonomy as the degree of freedom and independence that an individual has in scheduling and organizing his/her work provided by the job. A person will feel that the work outcome depends on his/her own efforts, initiatives and decisions when the degree of autonomy provided by the job is high.

That person will feel more personally responsible for the success or failure of his/her work outcome in comparison to a person who follows the instructions of his/her boss, or acts according to a manual of job procedures. Finally, the job characteristic that influences the knowledge of results is the feedback, which a person receives directly from the work activities themselves. Feedback is the extent to which the job itself provides an individual with information about the effectiveness of his/her work performance.

A job may provide one or more of these five characteristics to a high extent, but at the same time the others may be quite low. Therefore, it is advisable to consider a job in terms of each characteristic. Furthermore, it may be of value to combine the scores of a job on the five dimensions into a single index in order to understand the overall potential of a job to facilitate internal work motivation.

A job has a high motivating potential if at least one of the three factors that foster the experienced meaningfulness of a job is provided to a high extent, and the degree of both autonomy and feedback is high as well .The presence of these characteristics is necessary to create the conditions for the internal motivation - the experienced meaningfulness of the work, the experienced responsibility for outcomes of the work, and the knowledge of the actual results of the work activities.

3.4.4.3 Moderators

Since job characteristics only set the stage for internal motivation, the role of differences among people has to be considered as well. Several attributes of people influence their response to highly motivating potential jobs.

Three of them are considered in more detail below.

The first attribute is "knowledge and skill". If a job is low in motivating potential, a person's feelings will not be greatly affected by how well he/she performs, irrespective of that person's job-related knowledge and skills. If a job is high in motivating potential, then, a person who has sufficient knowledge and skills to perform the job well will receive

satisfaction from doing well. However, a person who has insufficient knowledge and skills will receive negative feelings from doing poorly.

"Individual growth need strength" is the second attribute. Jobs with a high motivating potential often offer the opportunities for learning and personal accomplishments at work. However, complex, challenging work is not appreciated by all persons. Individuals with "strong growth needs" such as need for personal accomplishment, for learning and developing themselves, experience a high internal motivation from performing a complex and challenging work.

They react in a positive way to opportunities provided by enriched work. On the other hand, persons with "low growth needs" do not strive to exploit opportunities for personal growth that are provided by such a job. Furthermore, it seems that they do not recognize that such opportunities exist, or may perceive such opportunities as a threat.

The affects of "growth need strength" on people's reaction to their work can be recognized at two points in the model. First, the link between the job dimensions and the conditions for internal motivation means that the conditions for internal motivation are more strongly experienced by an individual with "high growth needs", when he/she performs an enriched work, than by a "low growth need person".

Second, the link between the conditions for internal motivation and the internal motivation means that a "high growth need person" will show more positive responses to the conditions for internal motivation, when they are present, compared to a person with a "low growth need strength". Finally, the satisfaction with the work context is the third variable influencing a person's response to work.

The degree of satisfaction with the work context may be of importance for an individual in order to use opportunities of personal accomplishments provided by the job.

That means a person satisfied with pay, job security, co-workers and supervision would react more positively to challenges and enrichment of his/her work compared to a person who is dissatisfied with the work context.

On the other hand, an individual with (1) knowledge and skills to perform a complex and challenging work, (2) a high need for personal growth, and (3) satisfied with the aspects of work context, would be expected to experience a high degree of personal satisfaction and work motivation, and to perform best his/her tasks.

A work high in motivating potential would fit best with the talents and the needs of that person.

CHAPTER 3 RESEARCH METHODOLOGY

The following chapter provides the reader with information about the research process in order to enable him/her to understand and to evaluate the investigation and the results.

3.1 The research process - a short overview

Each research problem is in some way unique, and therefore requires a tailored research procedure. In the following, the research processes of this study are

- Formulation of the problem and the research questions

- Frames of reference

- Methodology

- Conclusion

- Analysis

The first step in doing this research was the formulation of the problem and the creation of the research questions. Thereafter, the first course of action was thinking about the methodology which would best fit the problem under research.

After that, the efforts were made to gather secondary data in the form of books and articles in order to improve my understanding of the research problem. At this time, the process was started to write the research report. The questionnaire about motivation and work was created, based on the knowledge of the theoretical research.

Thereby, several decisions such as the form of the questions, the language used in the questionnaire, as well as the procedure in performing the mail questionnaire had to be made. The questionnaire was tested and several days later sent by mail to each employee of the company. One week later the questionnaires were collected and a period of editing and analyzing the data started.

These results were used for carrying out interviews with several employees in order to get a deeper understanding of the questionnaire results. After carrying out the interviews, a period of writing down the results of the mail questionnaire and interviews in connection with the theoretical framework followed.

During the entire time between determining the methodology and the end of writing down the analysis the frames of reference was created. Finally, the research report was completed by adding the conclusion and the closing comments.

Nature of Research

Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions who, what, where, when and how.

Although the data description is factual, accurate and systematic, the research cannot describe what caused a situation. Thus, descriptive research cannot be used to create a causal relationship, where one variable affects another. In other words, descriptive research can be said to have a low requirement for internal validity

Sampling Design

A sample design is a finite plan for obtaining a sample from a given population. Simple random sampling is used for this study.

Sample Size

Number of the sampling units selected from the population is called the size of the sample. Sample of 50 respondents were obtained from the population.

Sampling Procedure

The procedure adopted in the present study is probability sampling, which is also known as chance sampling. Under this sampling design, every item of the frame has an equal chance of inclusion in the sample.

3.2 Collection of data

The collection of data represents a prerequisite for carrying out a research and can be derived from a number of different sources. These sources are classified into secondary and primary data.

McNeill (1985) pointed out that secondary data is material that has been gathered previously, and primary data consists of new material collected by the researcher for the purpose at hand by the use of questionnaires, interviews, and participant observation.

Secondary data

Secondary data, in comparison with primary data holds the advantage that it is cheap and most of the time easy to access. However, it may also entail a large amount of flawed and/or inappropriate data. According to the literature, the researcher should first focus on secondary data in the process of data collection. Although a problem is not completely solved by secondary data, it contributes to a better statement of the problem under investigation. It offers improved methods or data. I have used several forms of secondary data in my research. These include books, articles and course literature with useful information for this study.

Primary data

As mentioned above, secondary data rarely solves a research problem completely. Therefore, additional information to the problem at hand - primary data - is needed. Once secondary data has been examined, primary data can be selected by communication or observation (Churchill, 1995).

Communication involves the asking of questions to respondents in an oral or written form by the use of questionnaires. According to Churchill (1995), communication may be served by mail questionnaires and interviews conducted either in person or over the telephone. Observation means that the researcher observes particular situations in order to record facts, actions, or behaviours that may be of interest for solving the research problem.

The selection of primary data by communication is faster and cheaper than observation, and holds the advantage of versatility. On the other hand, according to Churchill (1995), observational data is more objective and accurate due to the fact that the collected information is not influenced by a person's memory, mood, or reluctance to provide the desired data.

As mentioned before, the combination of several methods allows the researcher to consider the units under study from several directions and to enhance the understanding (Jick, 1979). The methodology employed in this research consisted of a mail questionnaire and the use of sample interviews. For instance, the questionnaire gathers only data about issues, which are a part of it, and may neglect other important things. This weakness might be compensated by the use of interviews additionally to the mail questionnaire.

3.3 Variables of the Study

The direct variable of the study is the employee motivation

Indirect variables are the incentives, interpersonal relations, career development opportunities and performance appraisal system.

3.4 Presentation of Data

The data are presented through charts and tables.

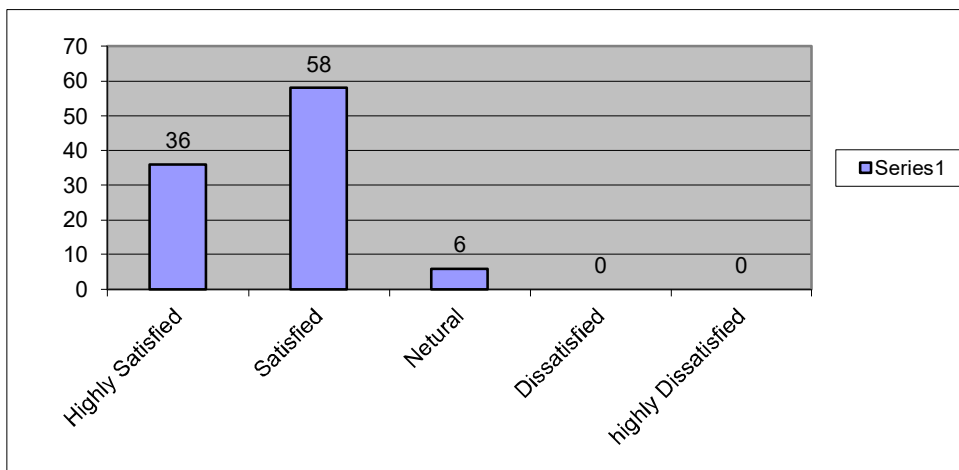# CHAPTER 4 DATA ANALYSIS

4.1 Description of Findings

4.1.1 Response about the support from the HR department

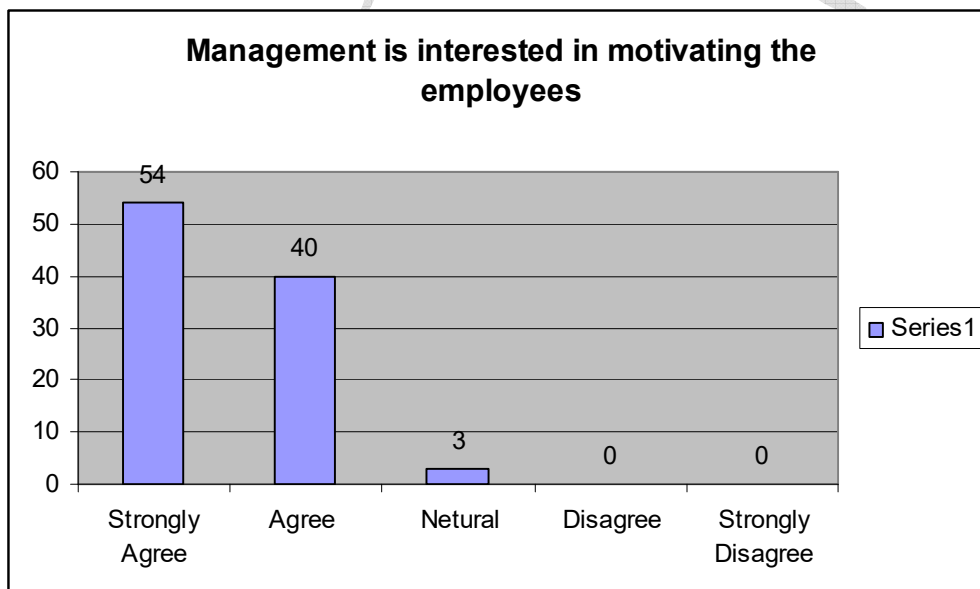| SL NO	PARTICULAR	No. of Respondents	Percentage
1	Highly satisfied	18	36
2	Satisfied	29	58
3	Neutral	3	6
4	Dissatisfied	0	0
5	Highly Dissatisfied	0	0
	Total	50	100

(Table 4.1)

Interpretation

The table shows that 58% of the respondents are satisfied with the support they are getting from the HR department.

4.1.2 Management is interested in motivating the employees

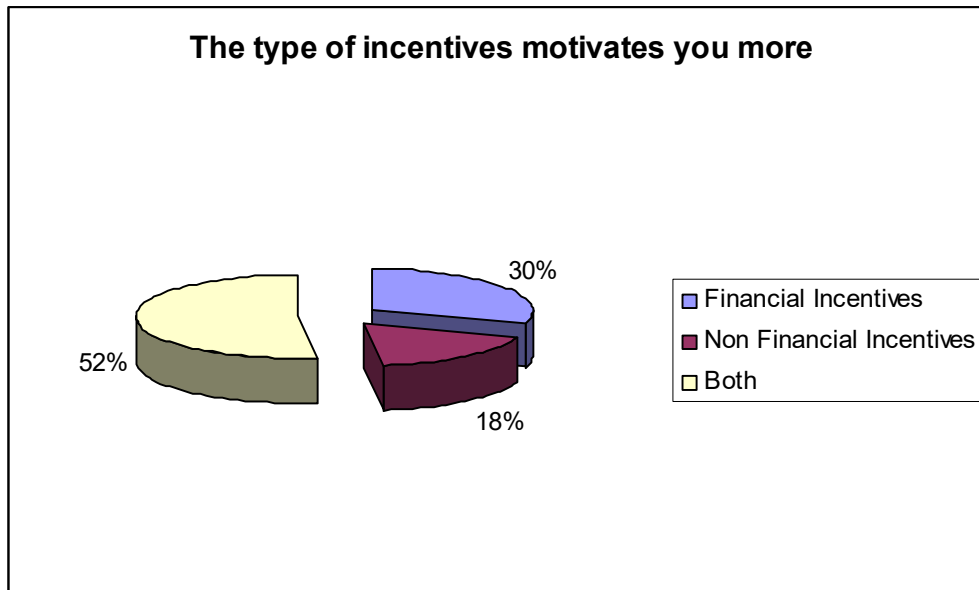| SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	27	54
2	Agree	20	40
3	Neutral	3	6
4	Disagree	0	0
5	Strongly Disagree	0	0
	Total	50	100

(Table 4.2)

(Chart 4.2)

Interpretation

The table shows that 54% of the respondents are strongly agreeing that the management is interested in motivating the employees.

4.1.3 The type of incentives motivates you more

SL NO	PARTICULAR	Number of Respondents	Percentage
1	Financial Incentives	15	30
2	Non financial Incentives	9	18
3	Both	26	52
	Total	50	100

(Table 4.3)

The type of incentives motivates you more

30%

52%

18%

- Financial Incentives
- Non Financial Incentives
- Both

(Chart 4.3)

Interpretation

The table shows that 52% of the respondents are expressing that both financial and non-financial incentives will equally motivate them.

4.1.4 Satisfaction with the present incentives scheme

SL NO	PARTICULAR	Number of Respondents	Percentage
1	Highly satisfied	18	36
2	Satisfied	29	58
3	Neutral	3	6
4	Dissatisfied	0	0
5	Highly Dissatisfied	0	0

	Total	50	100

(Table 4.4)
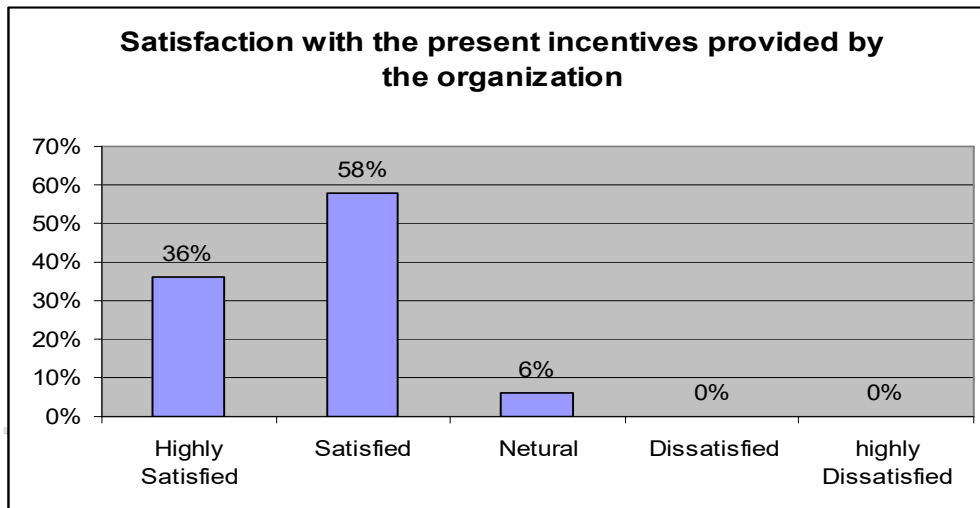
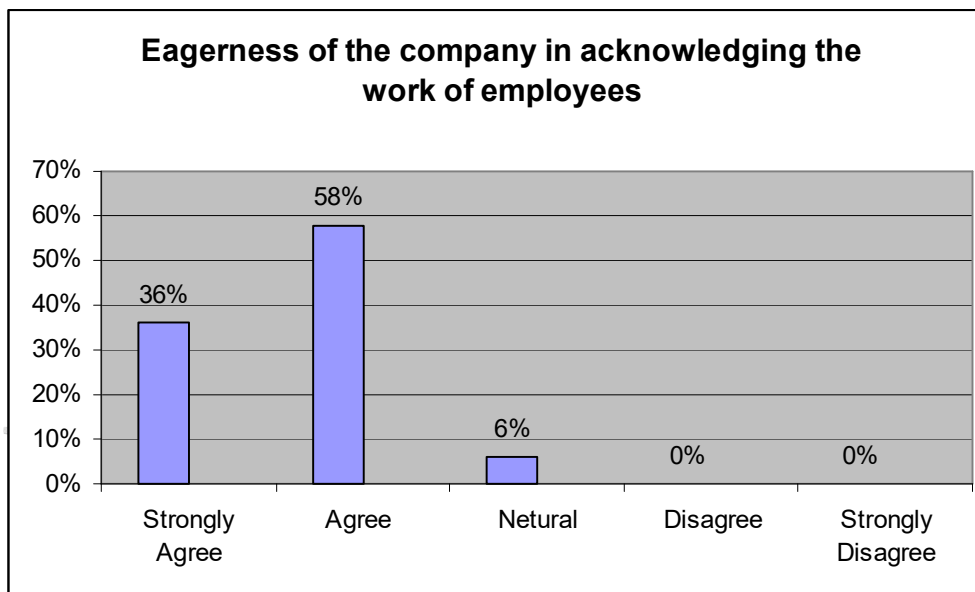(Chart 4.4)

Interpretation

The table shows that 58% of the respondents are satisfied with the present incentive scheme of the organization.

4.1.5 The company's eagerness in recognizing and acknowledging employee's work

SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	18	54
2	Agree	29	58
3	Neutral	3	6
4	Disagree	0	0

5	Strongly Disagree	0	0
	Total	50	100

(Table 4.5)

Eagerness of the company in acknowledging the work of employees

|	
Strongly Agree	36%
Agree	58%
Netural	6%
Disagree	0%
Strongly Disagree	0%

(Chart 4.5)

Interpretation

From the study, 58% of employees agreed that the company is eager in recognizing and acknowledging their work, 36% strongly agreed and only 6% showed neutral response.

4.1.6.1 Periodical increase in salary

SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	12	24

2	Agree	23	46
3	Neutral	3	6
4	Disagree	9	18
5	Strongly Disagree	3	6
	Total	50	100

(Table 4.6)
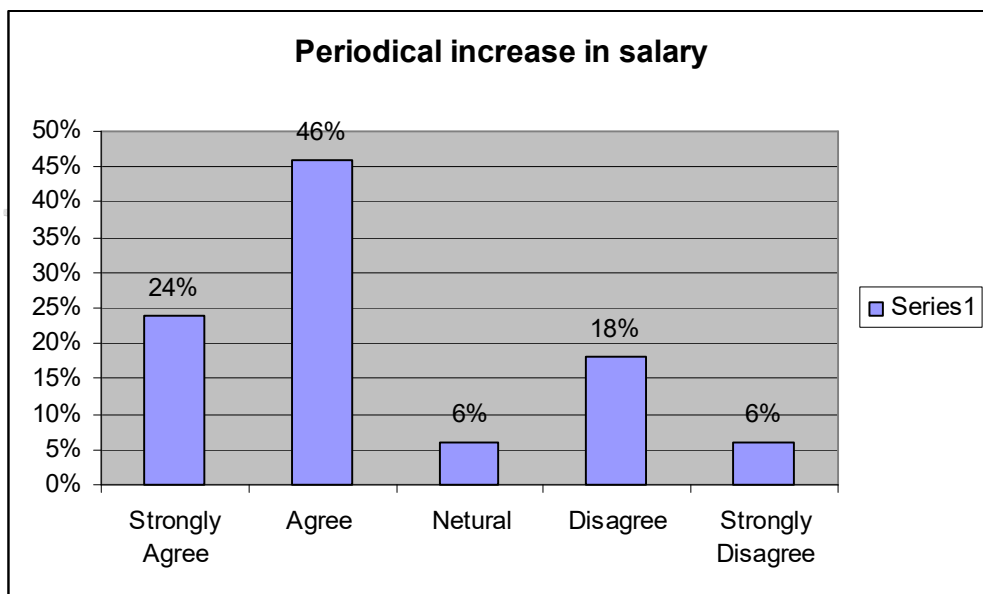
(Chart 4.6)

Interpretation
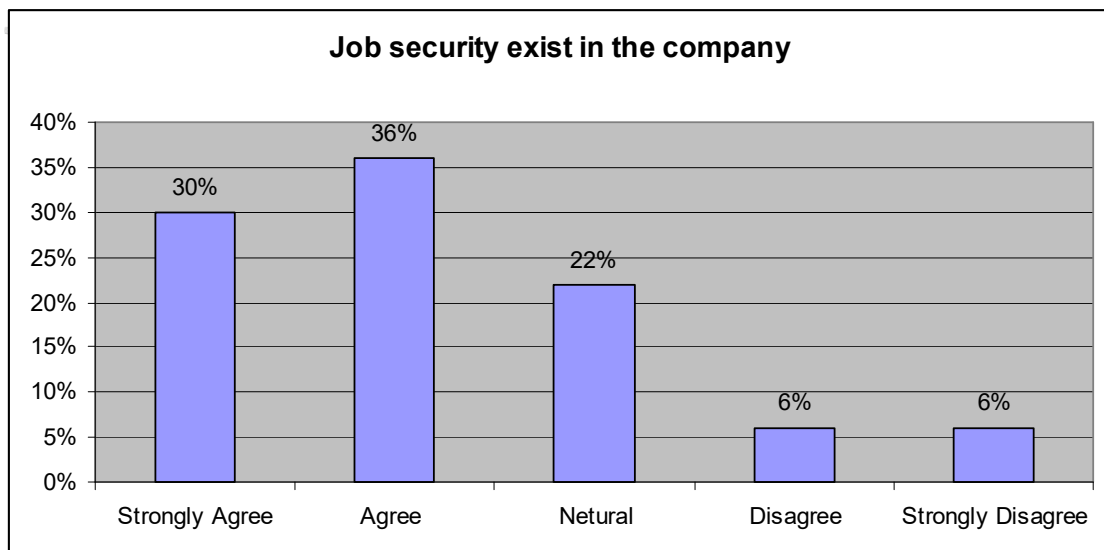
The table shows 46% of employees agree that there is a periodical increase in the salary.

4.1.6.2 Job Security existing in the company

SL NO		Number of	

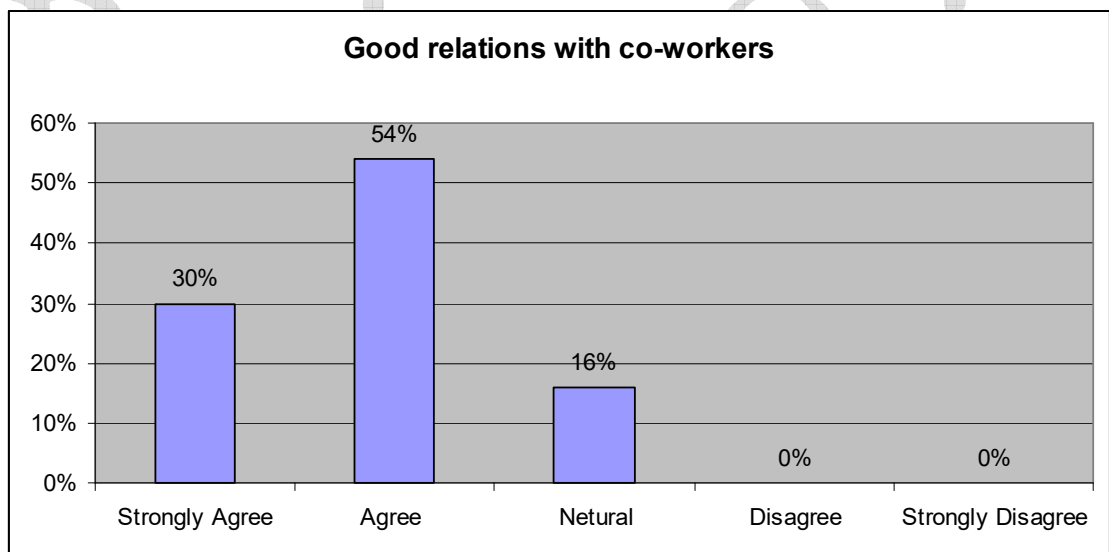|	PARTICULAR	Respondents	Percentage
1	Strongly Agree	15	30
2	Agree	18	36
3	Neutral	11	22
4	Disagree	3	6
5	Strongly Disagree	3	6
	Total	50	100

(Table 4.7)

(Chart 4.7)

Interpretation

The table shows 35% of employees agree with good job security exist in the company.

4.1.6.3 Good relations with the co-workers

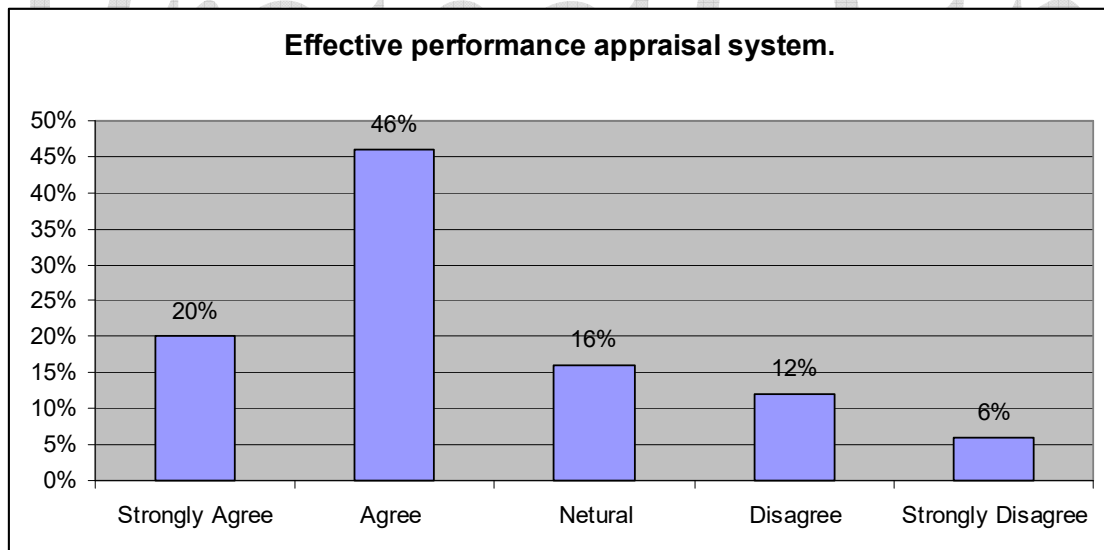| SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	15	30
2	Agree	27	54
3	Neutral	8	16
4	Disagree	0	0
5	Strongly Disagree	0	0
	Total	50	100

(Table 4.8)

(Chart 4.8)

Interpretation

The table shows 54% of the respondents agree that they have good relations with co-worker.

4.1.6.4 Effective performance appraisal system

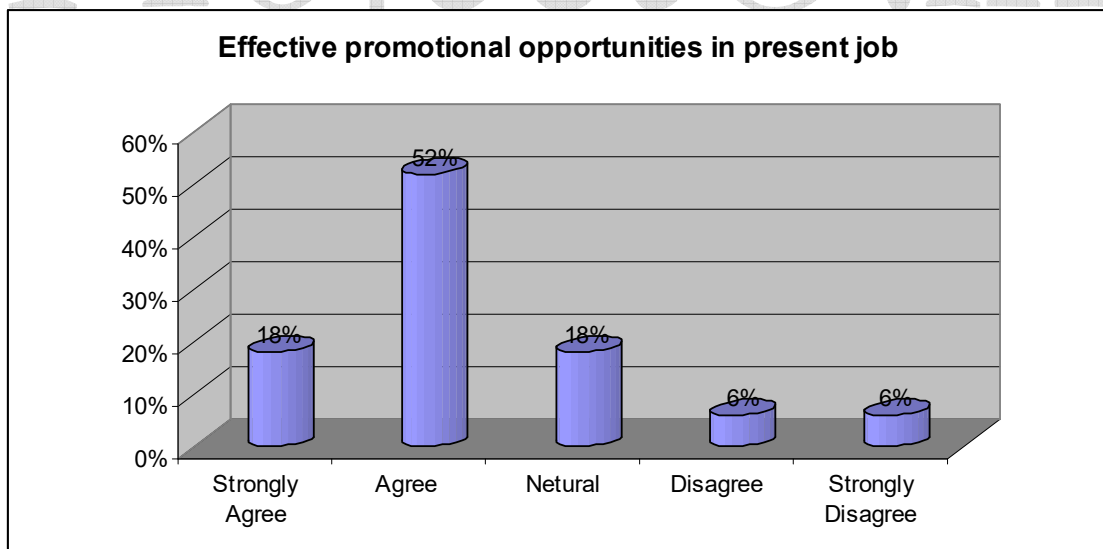| SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	10	20
2	Agree	23	46
3	Neutral	8	16
4	Disagree	6	12
5	Strongly Disagree	3	6
	Total	50	100

(Table 4.9)

(Chart 4.9)

Interpretation

The table shows 46% of the respondents agree to effective performance appraisal system existing in the company.

4.1.6.5 Effective promotional opportunities in present job

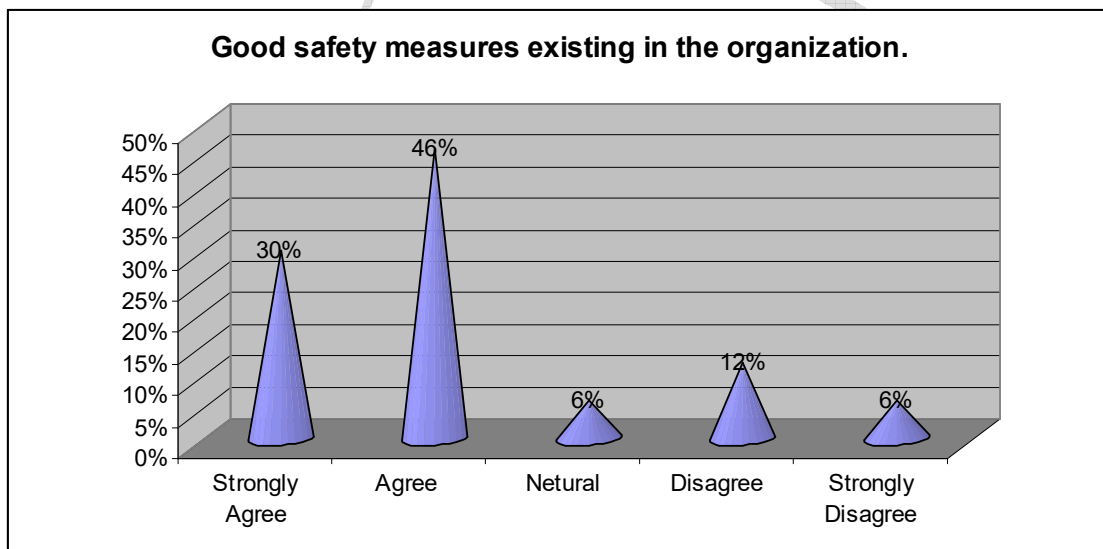| SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	9	18
2	Agree	26	52
3	Neutral	9	18
4	Disagree	3	6
5	Strongly Disagree	3	6
	Total	50	100

(Table 4.10)

(Chart 4.10)

Interpretation

The table shows 52% of the respondents agree with effective promotional opportunities in their present job.

4.1.6.6 Good safety measures existing in the organization

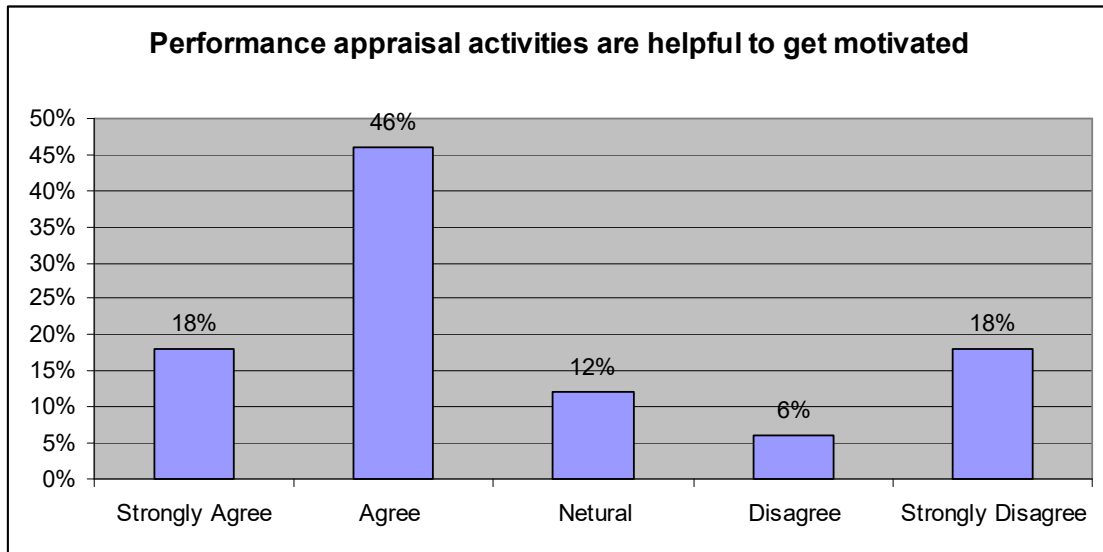| SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	15	30
2	Agree	23	46
3	Neutral	3	6
4	Disagree	6	12
5	Strongly Disagree	3	6
	Total	50	100

(Table 4.11)

(Chart 4.11)

Interpretation

The table shows 46% of the respondents agree that there is a good safety measure existing

in the company.

4.1.6.7 Performance appraisal activities are helpful to get motivated

SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	9	18
2	Agree	23	46
3	Neutral	6	12
4	Disagree	3	3
5	Strongly Disagree	9	18
	Total	50	100

(Table 4.12)

**Performance appraisal activities are helpful to get motivated**

(Chart 4.12)

Interpretation The table shows 46% of the respondents agree that the performance appraisal activities are helpful to get motivated.

4.1.6.8 Support from the co-worker is helpful to get motivated

SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	12	20
2	Agree	29	46
3	Neutral	0	0
4	Disagree	6	12
5	Strongly Disagree	3	6
	Total	50	100

(Table 4.13)

Chart title: **Support from the co-worker is helpful to get motivated**

Bar values: Strongly Agree 24%, Agree 58%, Netural 0%, Disagree 12%, Strongly Disagree 6%
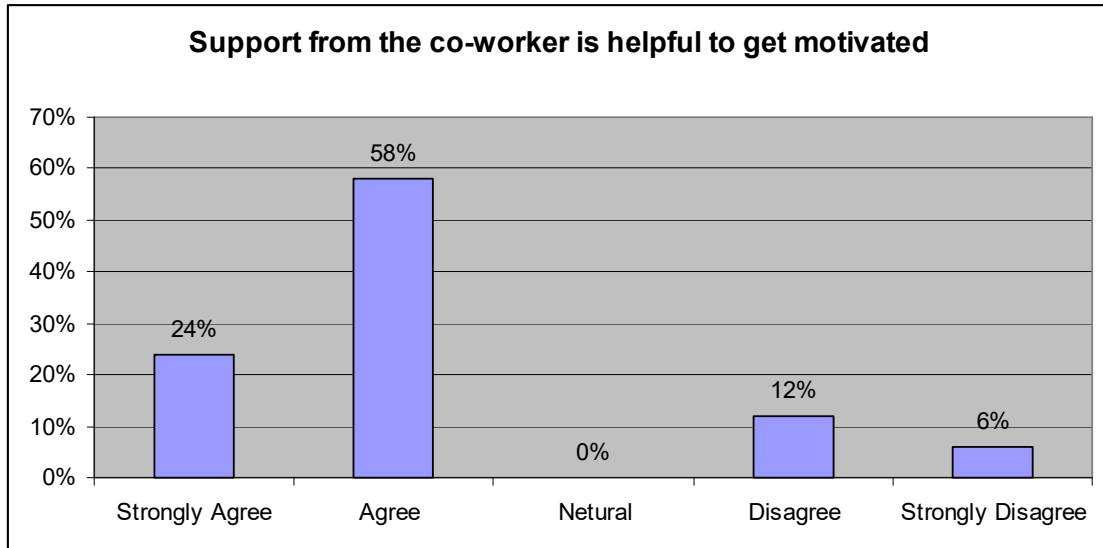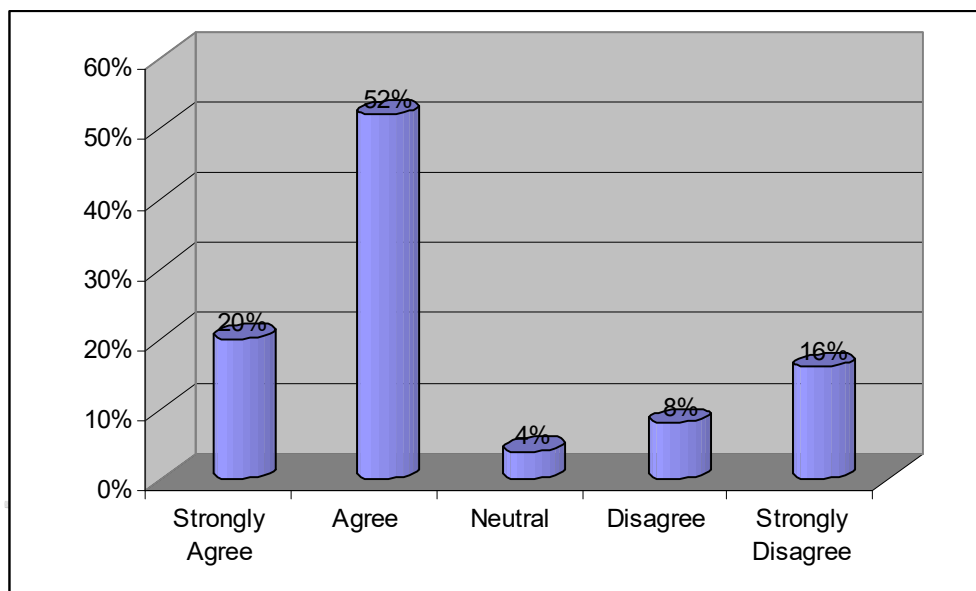
(Chart 4.13)

Interpretation The table shows 58% of the respondents agree that the support from the co-worker is helpful to get motivated.

4.1.6.9 Career development opportunities are helpful to get motivated

SL NO	PARTICULAR	Number of Respondents	Percentage
1	Strongly Agree	10	20
2	Agree	26	52
3	Neutral	2	4
4	Disagree	4	8
5	Strongly Disagree	8	16

|	Total	50	100

(Table No.4.14)

(Chart 4.14)

Interpretation The table shows 52% of the respondents agree that the career development opportunities are helpful to get motivated.

4.1.7 Factors which motivates you the most

SL NO	PARTICULAR	Number of Respondents	Percentage
1	Salary increase	21	42
2	Promotion	15	30
3	Leave	3	6
4	Motivational talk	5	10

5	Recognition	6	12
	Total	50	100

(Table 4.15)
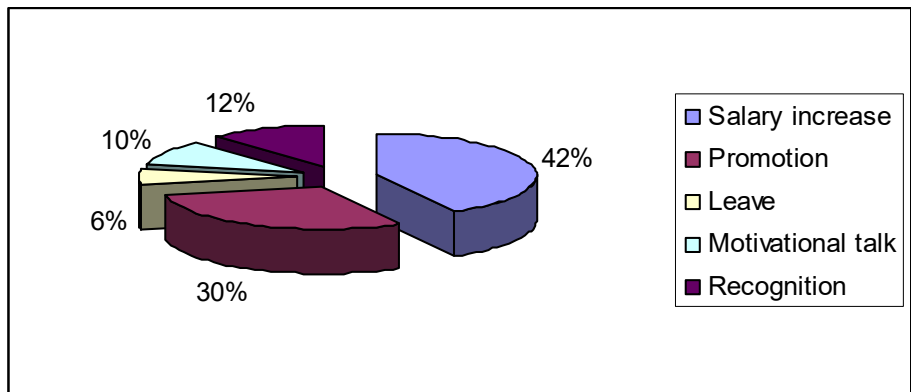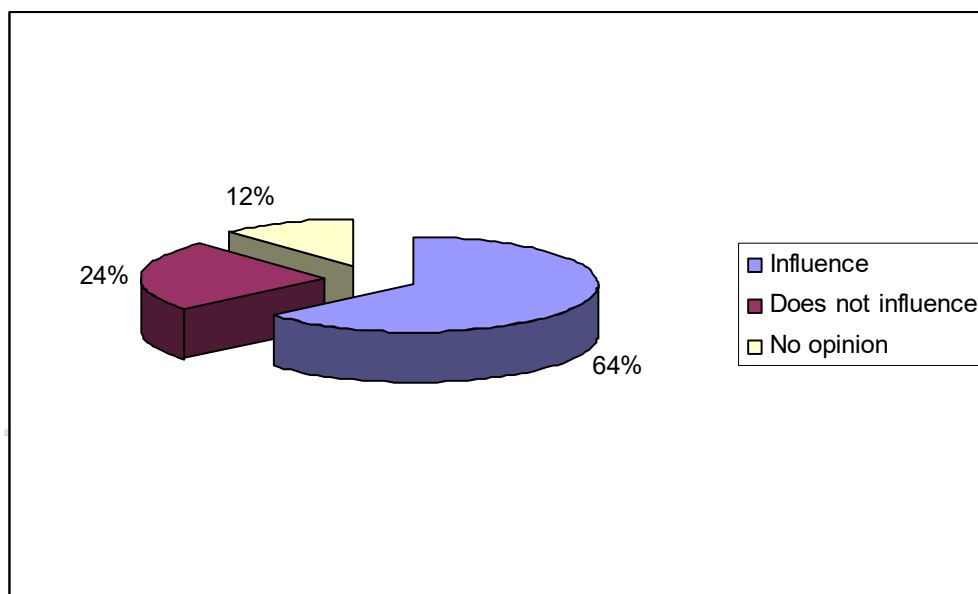

(Chart 4.15)

Interpretation

The table shows that the 42% of the respondent is responding that increase in salary will motivate them the most.

4.1.8 Incentives and other benefits will influence your performance

SL NO	PARTICULAR	Number of Respondents	Percentage
1	Influence	32	64
2	Does not influence	12	24

3	No opinion	6	12
	Total	50	100

<div align="center">(Table 4.16)</div>

<div align="center">(Chart 4.16)</div>
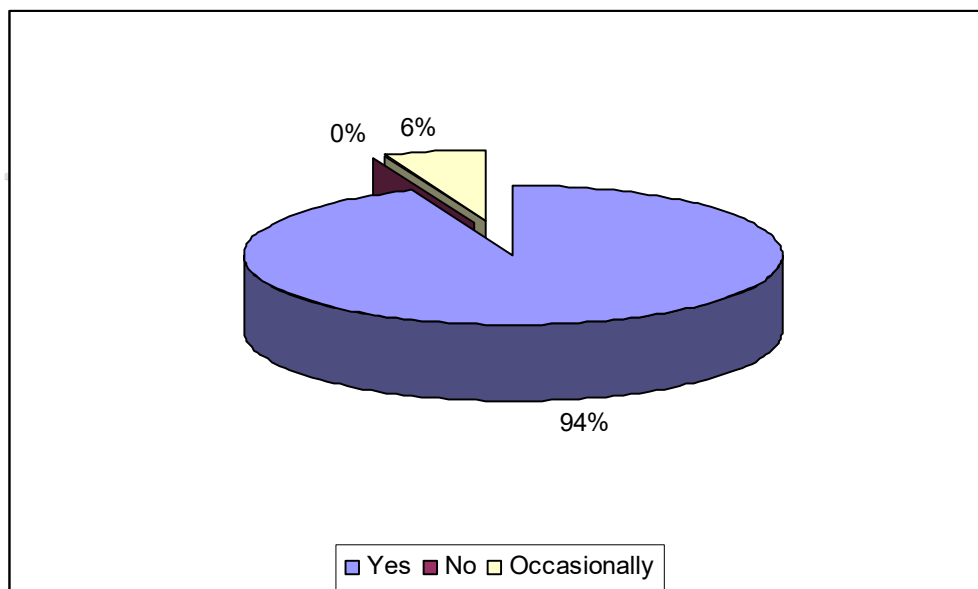
Interpretation

The table shows 64% of the respondents responded that incentives and other benefits will influence their performance

4.1.9 Management involves you in decision making which are connected to your department

SL NO		Number of	

	PARTICULAR	Respondents	Percentage
1	Yes	47	94
2	No	0	0
3	Occasionally	3	6
	Total	50	100

(Table 4.17)

(Chart 4.17)

Interpretation

The table shows 94% of the respondents agree that they the Management involve them in decision making which are connected to your department.

CHAPTER 5 FINDINGS AND CONCLUSIONS

This chapter aims at providing employees and management members with information that can be beneficial both personally and professionally. Every business enterprise has multiple objectives including of adequate profit for payment of a reasonable rate of return to the owners and for investment in business through satisfaction of customers, maintenance of a contended workforce and creation of a public image.

The basic job of management of any business is the effective utilization of available human resources, technological, financial and physical resources for the achievement of the business objectives.

5.1 Background

This project entitled as "Employee motivation" was done to find out the factors which will motivate the employees. The study undertakes various efforts to analyze all of them in great details. The researcher in this project at the outset gives the clear idea of the entire department existing in the company.

From the study, the researcher was able to find some of the important factors which motivate the employees. Factors like financial incentives and non financial inventive, performance appraisal system, good relationship with co-workers, promotional opportunities in the present

job, employee participation in decision making are very much effect the level employee motivation.

It is also clear from the study that the company is so eager in motivating their employees and their present effort for it so far effective.

The human resources can play an important role in the realization of the objectives. Employees work in the organization for the satisfaction of their needs. If the human resources are not properly motivated, the management will not be able to accomplish the desired results.

Therefore, human resources should be managed with utmost care to inspire, encourage and impel them to contribute their maximum for the achievement of the business objectives.

5.2 FINDINGS

The findings of the study are follows

- The BPO organizations have a well defined organization structure.

- There exists is a harmonious relationship in the organization between employees and management.

- The employees are really motivated by the management.

- The employees are satisfied with the present incentive plan of the company.

- Most of the workers agreed that the company is eager in recognizing and acknowledging their work.

- The study reveals that there is a good relationship exists among employees.

- Majority of the employees agreed that there job security to their present job.

- The company is providing good safety measures for ensuring the employees safety.

- From the study it is clear that most of employees agrees to the fact that performance appraisal activities and support from the coworkers in helpful to get motivated.

- The study reveals that increase in the salary will motivates the employees more.

- The incentives and other benefits will influence the performance of the employees.

5.3 Suggestions

The suggestions for the findings from the study are follows

- Most of the employees agree that the performance appraisal activities are helpful to get motivated, so the company should try to improve performance appraisal system, so that they can improve their performance.

- Non financial incentive plans should also be implemented; it can improve the productivity level of the employees.

- Organization should give importance to communication between employees and gain co-ordination through it.

- Skills of the employees should be appreciated.

- Better carrier development opportunities should be given to the employees for their improvement.

- If the centralized system of management is changed to a decentralized one, then there would be active and committed participation of staff for the success of the organization

5.4 LIMITATIONS OF THE STUDY

The limitations of the study are the following

- The data was collected through questionnaire. The responses from the respondents may not be accurate.

- The sample taken for the study was only 50 and the results drawn may not be accurate.

- Since the organization has strict control, it acts as another barrier for getting data.

- Another difficulty was very limited time-span of the project.

- Lack of experience of Researcher.

5.5 CONCLUSION

The study concludes that, the motivational program procedure in BPO organizations is found effective but not highly effective. The study on employee motivation highlighted so many factors which will help to motivate the employees.

The study was conducted among 50 employees and collected information through structured questionnaire. The study helped to findings which were related with employee motivational programs which are provided in the organization.

The performance appraisal activities really play a major role in motivating the employees of the organization. It is a major factor that makes an employee feels good in his work and results in his satisfaction too.

The organizations can still concentrate on specific areas which are evolved from this study in order to make the motivational programs more effective. Only if the employees are properly motivated- they work well and only if they work well the organization is going to benefit out it.

Steps should be taken to improve the motivational programs procedure in the future. The suggestions of this report may help in this direction.

5.6 SCOPE FOR FUTURE RESEARCH

The present study on employee motivation helps to get clear picture about the factors which motivates the employees. This in turn helps the management to formulate suitable policy to motivate the employees. Hence, the motivational level of the employees may also change.

The factors that motivate the employees may change with change in time because the needs of employees too change with change in time. So continuous monitoring and close observation of factors that motivate the employees is necessary to maintain a competent work force.

Only with a competent work force an organization can achieve its objective. Moreover, human resource is the most valuable asset to any organization. A further study with in dept analysis to know to what extent these factors motivate the employees is required.

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