

#### **COVALENCE ANALYST PAPERS**

## Motivating people on the way towards organizational performance

Kpan Aung Latt | Victoria University (Australia), intern analyst, Covalence SA, Geneva, 02.02.2008

#### Introduction

Numerous organizations are competing to survive in this ever increasing challenging and volatile market environment. Motivation and Performance of employees are powerful tools for the long-term success of the organization. Performance measurement is a critical characteristic of organization's management since it reflects the progress and achievement of the organization.

The purpose of this paper is to analyze the drives of employee motivation to high level of performances based on the research from several authors. Issue that causes employee dissatisfactions due to monotonous jobs and increase of pressure which comes from customers, may one way or the other weaken the organizational performance. Consequently, jobs absenteeism rates may increase and employees might even join competitors that offer better prospects and higher incentives.

The root of motivation to achieve the desired goal can vary from individual to individual. For instance one employee may be motivated in his work to earn higher commission, whereas another employee may be more interested for its satisfaction or the surrounding environment solely (Tietjen & Myers, 1998). The major factors of motivation are one's needs, rewards, wealth, determined goals, beliefs and dignity (Vroom, 1990). Moreover, failure, achievement or else liability may motivate employees to carry out forceful devotion to their work.

### Driving forces behind better motivation and performance

In order to avoid marginalization and sustaining its competitive advantage, organizations today are required to adapt to the latest technologies and globalization. Economic, social, political and technological changes are the inevitable challenges that organizations are facing (Sydanmaanlakka, 2002; Ford, 2005). Since changes are taking place in the external business environment, it is mandatory for all organizations to adapt to the important changes that can be sources of motivation for competitive advantage. All changes have a direct motivation influence on the organization and people. So as to achieve its target, greater levels of skills, commitment and intelligence of employees are required and organization have to make a huge amount of investment. However, due to various aspects such as distrust on employees, economic issues, investment of extra effort and greater levels of doubt and ambiguity, managers are averse to redesign the work place (Vroom, 1990). Nowadays, organizations are employing new technologies and downsizing the numbers of workers, outsourcing or employee motivation since they feel that companies turn out to be less loyal and dependable to them (Boldman & Deal, 2003).

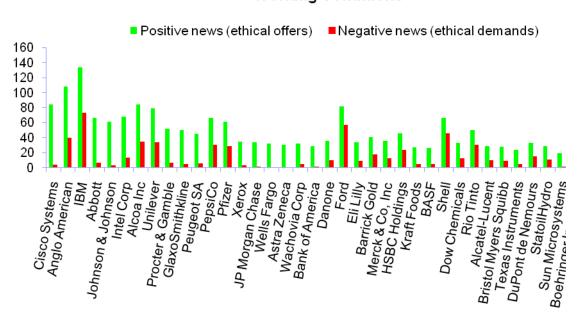
## Identify and fit employee needs

None of the labor contract mentions that workers are protected from stress, dullness, dissatisfaction or feeling powerless. One of the major concerns that employees expect is to work in a healthy and safety working environment. Organization and people are depending on each other to fulfill their desired expectations. Management priority is to detect and deliver a wide range of tactics that will satisfy and match both employees and organization core values (Vroom, 1990; Bacal, 2004). Moreover, management must evaluate carefully employee suggestions scheme and take into account their suggestions with the aim of fulfilling their needs and skills. People are motivated by diverse needs and desires, which include physiological needs, safety requirements and self-actualization (Vroom). Focusing on employees at every level of the workforce and each department in the organization will ease the improvement of work conditions, better understanding of employees concerns and needs and provide quick-fix solutions (Yeo, 2003).

## Performance related pay

Pay is also an influential tactic to induce motivation, since individuals may utilize it to attain their desired wants. Consequently, pay is a recompense that has a great impact in establishing employees' diligence and commitment. According to Cooke (1999) and Fisher (2005), money is considered to be the key motivator for employees. On the other hand, studies have shown that pay does not seem to boost productivity levels in the long term and money does not improve performance (Whitley, 2002). Furthermore, this can deteriorate employees' attitude in which they may work merely in the interest of high pay. Pay is not only the main reinforcer, other non-financial factors such as rewards, social recognition and performance feedbacks are also found to be positive motivational factors (Smith & Rupp, 2003).

# Working Conditions



According to statistical data from Covalence for the 2007, the above chart shows that IBM received the highest score for the most favorable working condition. Following to this, Anglo American, Cisco systems, Alcoa Inc, Unilever, Ford, Shell and Pepsi Co are the most prominent corporate examples in their industries due to the major investment in employee motivation, job security and paying high remuneration. Consequently, the highly loyal, skillful and motivated workforce will definitely make enormous economic profits and on the other way suit customers' needs and satisfaction.

#### The team dynamics

A few decades ago, General Motors was fruitless to meet its production target since they were dismissing employees instead of solving the human resource problems (Vroom, 1990). In workplaces where work is monotonous and unchallenging, employees become easily bored, annoyed and for this reason they demand their work to be more humanized(Vroom). No employee wishes to work in an isolated environment. By encouraging employees to work in team, they become more competent, motivated and flexible enough to undertake multiple tasks as well as deliver outstanding products and services required by the customers (Boldman & Deal, 2003). Since employees are involving in operational decision making process, they do not only feel more devoted to their organization and having responsible positions in their work but also showing enthusiasm in the performance of their duties (Ford, 2005). Moreover, work absenteeism is minimized, since employees are more loyal to their work and have no intention to deceive their team members (Fisher, 2005).

#### Conclusion

Organizations are applying different approaches such as rewards, social recognition, team-based methods for the overall employee motivation and performance. In order to suit organization and employee needs, management should carefully weigh which strategy that will fit the most for the long-term performance of the organization. While considering performance measurement at every employee, managerial levels and work process, it can streamline the goals and objectives of each employee, team and division that will in return ease the decision and planning of shareholders.

Although a few decades ago, organizations tended to be unchanging, nowadays, businesses need to adjust all the time since technological revolution is always changing such as strong presence of the internet that truly create a communications network. Since the rationalization of the structural changes is indeed vital, organizations must apply appropriate motivational tools in order to improve better performance.

As a matter of fact, in the real business world, it is indeed intricate to attain organizational goals and objectives since human behaviors are very subjective to emotions, not predictable and may vary from day to day.

This analysis also made me realize that all the points discussed are from organizational perspective. Motivation is two-way communication; employee's perspective is one of the things we should look into when we talk about motivation. "What kinds of employer motivate employee more or what kind of elements do you want for employer for motivation?" Not only looking at employee how to motivate them, but also reviewing what employer should be. I believe this will open new doors to the research of motivation.

### References:

#### Books

- Bacal, R. 2004, How to Manage Performance: 24 Lessons for Improving Performance, Mc Graw Hill, New York. U.S.
- Boldman, L. G & Deal, T. E. 2003, Reframing Organization: Artistry, Choice, and Leadership 3rd Edition, Jossey-Bass Press, San Francisco, U.S.
- Kouzes, J. M & Posner, B. Z. 2003, Encouraging the Heart: A leader's guide to rewarding and recognizing others, Jossey-Bass Press, San Francisco, U.S.
- Fisher, J. G. 2005, How to run successful incentives schemes 3rd Edition, Kogan Page, London, U.K.
- Ford, L. 2005, Transform your workplace: 52 proven strategies to motivate, energize, and kick productivity up to the next level, Mc Graw Hill, New York, U.S.
- Sydanmaanlakka, P. 2002, An intelligent organization: Integrating performance, competence and knowledge management, Capstone Publishing Limited, Oxford, U.K.
- Vroom, V. H. 1990, Manage people, not personnel: Motivation and performance appraisal, Harvard Business Review, Boston, U.S.
- Whitley, P. 2002, Motivation, Capstone Publishing, Oxford, Great Britain

## Journal articles

- Rupp, A. D. & Smith, W. T. 2003, 'An examination of emerging strategy and sales performance: motivation, chaotic change and organizational structure', Marketing Intelligence & Planning, vol. 21, no. 3, pp. 156-167
- Tietjen, M. A. & Myers, R. M. 1998, 'Motivation and job satisfaction', Management Decision, vol. 36, no 4, pp. 226-231
- Yeo, R. 2003, 'The tangibles and intangibles of organizational performance', Team Performance Management, vol. 9, no. 7/8, pp. 199-204

## Website article

Arnold, J. (n.d.), "What is Motivation?" Retrieved on 9th, April, 2007, from http://esrccoi.group.shef.ac.uk/pdf/whatis/motivation.pdf