

## **Evaluating Motivational Factors and Its Impact on Employee Performance in Valley Group**

Dr. Wiliaporn Laohakosol/ Mr. Sameer Sharma/Ms. Pragati Adhikari

### **Abstract**

The study examines the motivational factors and its impact on employee performance in Valley group. Employees are the most valuable asset in any organization. A successful and highly productive business can be achieved by engaging them in improving their performance. Not all employees are equal in their working and they have different modes of working in that some have the highest capability regardless of the incentive while others may have an occasional jump-start.

This study gives an overview motivational factors and its impact on employee performance in Valley group. Performance is the important term used in the modern organizational structure. It has been identified from different meanings. According to process view, performance is defined as the conversion of efforts into productivities in order to achieve some particular results. The study consists employee performance on the basis of various kinds of motivational factors. The study found that there exists positive significance in the communication performance of employees at work place which indicates that higher the communication higher would be employee performance.

**Key Words:** Organizational culture  
Working environment  
Team work and communication

## **1. Introduction**

According to Webster's New collegiate dictionary, motive is "something a need or desire which cause a person to act." (Shanks N.H) Motivation is derived from the word motive which means to move, push or influence to proceed for fulfilling wants. Motivations are energizing factors and are the main cause for movement of any living organism including human being. Because, motivation will keep the workers committed to their duties and do their job seriously and joyfully. One of the reasons for successfulness of the employees and thus organization is the presence of motivational factors at high degree in those organizations.

Susan M. Heathfield (2017), motivation is an employee's intrinsic enthusiasm about and drives to accomplish activities related to work. Motivation is internal drive that causes an individual to decide to take action. An individual motivation is influenced by biological, intellectual, social and emotional factors. Most employees need motivation to feel good about their jobs. There are various factors which will motivate the employees in an organization. Some employees are money motivated while others find recognition and reward personally motivating. Motivation levels within the workplace have a direct impact on employee productivity. Worker who are motivated and excited about their jobs carry out their responsibilities to the best of their responsibilities to the best of their ability and production number increase as a result.

Motivations are energizing factors and are the main cause for movement of any living organism including human being. Because, motivation will keep the employees committed to their duties and do their job seriously and joyfully. One of the reasons for successfulness of employees and thus organization is the presence of motivational factors at high degree in those organizations. In most of the organization various motivational factor lead to higher employee satisfaction and better employee performance. Employee performance has become one of the significant indicators in determining organizational success. Employee motivation factor are key for better employee performance. Employees are the most valuable asset in any organization. A successful and highly productive business can be achieved by engaging them in improving their performance.

There are various factors that affect the employee performance in any economy. It was examined the main challenges for the companies was to create and promote the best human resource management practices and to enhance the employee's performance by implementing different strategies. In addition to these approaches were; organizational culture, communication and team work, promotions, compensation to employees, motivation, salary increment and bonus, team team work and communication and performance related pay. Job satisfaction formulates the employee more considerate and concerned for the organization. The multinational organizations always take considerable actions to improve the employee's performance in every stage of their profession. Razek (2011) mentioned, job performance is one of the most important activities that reflect both the goals and the means necessary to achieve it and represents the specialist efficiency or reaching out the desired level of achievement in that work. It is the effort made by the employee within the organization in order to achieve a particular goal. The actual results that companies desire objectively measure. This study has pointed out the effectiveness of job performance through six elements: planning, goal and objectives, organizing, decision making, individual abilities and characteristics.

Shahzadi (2014) examined employee motivation as very important for organizations as every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work. This will help the enterprise in securing best possible utilization of resources. It results into increase in productivity, reducing cost of operations, and improving overall efficiency.

The awareness of the motivation factors and factors leading to increased job satisfaction allow the implementation of targeted strategies of continuous improvement (Unterweger et al, 2007). Bolman and Deal (2008) showed that when worker are dissatisfied with their work they withdraw and exhibit behavior such as absenteeism, rebellion and attitude that affect their performance which leads to loss of productivity and effectiveness in the organization but if they are satisfied with their jobs they effectively utilize their skills and the organization benefits.

Employees have both intrinsic and extrinsic needs (Mustafa, 2012; Nadin, 2012). An employee who is intrinsically motivated, undertakes tasks satisfaction, for the feeling of accomplishment and self-actualization on the other hand, an extrinsically motivated employee may perform activity

duty in order obtain a reward such as salary. Nevertheless, both factors of motivation influence employee performance (Din 2008; Mustafa 2012).

According to Zahargier and Balasundaram (2011), there are a number of factors that may be affecting the employees' performance. Each employee may have a different impact from different things at the workplace. Their attitude and behaviour can play a vital role in their performance. Employees do not perform in a vacuum. There are a variety of motivational factors, such as:

1. Organizational culture
2. Working environment
3. Communication
4. Team work

Identifying these factors can help improve recruitment, retention and organizational results. Hence, in an attempt to fill the research gap, the present study was initiated to identify the factors which affect employees' performance in Valley group

## **2. Methodology**

The study is based on primary data. This study used quantitative data collected through the questionnaire representing both dependent and independent variables using liker scale and personal information. The questionnaire is distributed to Valley Group employees. This study used self-administered questionnaire and interview as a means of primary data collection. This study have used various statistical tool such as SPSS and Microsoft Excel for analyzing the data. The questionnaire was distributed to 200 employees of valley group where 190 were employees respond to the questionnaire.

In this research descriptive research design is used. This study adopted descriptive research design for fact finding and searching adequate information about motivation factor affecting employee performance.

This study also based on causal comparative design that helps to investigate the possible cause and effect relationship between dependent and independent variable. The causal comparative research design is used in order to determine the impact of motivational factor on employee performance.

### **3. The Model**

This study has been used Multiple Linear regression (MLR). Multiple linear regressions is a statistical model which examines the relationship between two or more explanatory variables and a response variable by fitting a linear equation to observed data. In order to analyze the study, this study will use the descriptive analysis, correlation analysis and the linear regression analysis by using the model given below:

$$EMP_{it} = a + \beta_1 OC_{it} + \beta_2 MOT_{it} + \beta_3 WE_{it} + \beta_4 COM_{it} + \beta_5 TW_{it} + \varepsilon_{it}$$

Where, Dependent variable

EMP (employee performance)

Independent variables

OC (organizational culture)

WE (working environment),

COM (communication) and

TW (team work)

#### **Organizational culture**

Organizational culture was once seen as “how things are done around here” (Drennan, 1992). Schein’s (1985) remained one of the most often used and can be summed up as the learned product of group experience which affects the behaviour of individuals. Organizational culture is differentiated from organizational climate in that it is not as overt. Organizational culture is also differentiated from organization structure in that structure has more to do with the relationships between individuals in an organization. Schein (1985) predicted in organizational culture and leadership that the culture of the future would be the one that heavily promoted active learning and organizational culture, communication and team work.

Organizational culture and performance relation has been examined by many researchers (Ogbonna and Harris, 2000; Rousseau, 1990; Kotter and Heskett, 1992; Marcoulides and Heck,

1993). Based on these literatures, following hypothesis has been developed. Based on it, this study develops the following hypothesis:

H<sub>1</sub>: There is a positive relationship between Organizational Culture and Employees' performance.

### **Working environment**

Spector (2008) stated work environment is an significant factor of job satisfaction of employees that work environment, in the new research, was found to be better factor of job satisfactions by the scholars (Reiner and Zhao,1999; Carlan, 2007; Ellickson and Logsdon, 2001; Forsyth and Copes, 1994). Ceylan(1998)revealed that working conditions have features about the job such as calm and easy workplace, drying, lighting and temperature, bigger, better and cleaner work spaces, and office spaces. These factors have impact on worker job satisfaction. When this is provided by the firm, employee satisfaction raises. Some studies tell that low job-satisfaction levels can be mostly attributed to the physical working conditions (De Troyer, 2000). Masood (2014) found significant positive relationship between working condition and employees' job performance. Based on it, this study develops the following hypothesis:

H<sub>2</sub>: There is a positive relationship between working conditions and employee satisfaction.

### **Communication**

Communication skills are the foundation for success. The ability to communicate effectively and with influence will determine the success in transmitting the message (Palazzolo, 2008). Communication is the exchange and flow of information and ideas from one person to another. It involves a sender transmitting an idea to a receiver. Effective communication occurs only if the receiver understands the exact information or idea that the sender intended to transmit. Many of problems that occur in an organization are the direct result of people failing to communicate. Leaders of organizations who keep everything inside or can't communicate a message leave individuals to their devices to try and figure out what they may, or may not want. This is a failure

of leadership and communication (Baldoni, 2003). Faulty communication causes the most problems. It leads to confusion and can cause a good plan to fail.

The probable future impact on the organization will continue to be detrimental and further distance the relations between line and staff personnel if communication barriers are not identified and alternatives for internal organizational communications cannot be evaluated and implemented. In hundreds of surveys at different companies, employees cite poor communications as the greatest source of wasted time, effort and material as well as internal and external conflict (Dyne and Ng, 2005). Organizational mistrust, decreased employee morale, lack of production, and quality of service being provided could all be contributed to ongoing poor internal communications if not corrected or improved upon. Based on it, this study develops the following hypothesis:

H<sub>3</sub>: There is a positive relationship between Communication and Employees' performance.

### **Team work**

Teamwork is defined by Scarnati (2001) as a cooperative process that allows ordinary people to achieve extraordinary results. Lee et al. (2003) explained that a team has a common goal or purpose where team members can develop effective, mutual relationships to achieve team goals. Teamwork relies upon individuals working together in a cooperative environment to achieve common team goals through sharing knowledge and skills. The literature consistently highlights that one of the essential elements of a team is its focus toward a common goal and a clear purpose (Fisher and Hunter, 1997; Szalma, 2009, 1999; Chao et al., 1994; Snipes et al., 2005). Teams are an integral part of many organizations and should be incorporated as part of the delivery of tertiary units. Successful teamwork relies upon synergism existing between all team members creating an environment where they are all willing to contribute and participate in order to promote and nurture a positive, effective team environment. Team members must be flexible enough to adapt to cooperative working environments where goals are achieved through collaboration and social interdependence rather than individualized, competitive goals (Luca and Tarricone, 2001).

Bowers et al. divide human teamwork into three dimensions: cognitions, skills, and attitudes. The cognition or knowledge category includes information about the task such as a team mission,

objectives, norms, problem models, and resources. Teamwork skills include behaviours such as adaptability, performance monitoring, leadership, communication patterns, and interpersonal coordination. Attitudes measure the participants' feelings about the team: team cohesion, mutual trust, and importance of teamwork. Based on it, this study develops the following hypothesis:

H<sub>4</sub>: There is a positive relationship between Teamwork and Employees' performance.

#### **4. Presentation and Data Analysis**

##### **Correlation analysis**

The correlation analysis has been carried out to examine the direction and magnitude of the relationship of different motivational factor and employee performance. The correlation measures the strength of the linear relationship between variables. The strength of linear association between two numerical variables in a population is determined by the correlation coefficient. The Pearson correlation coefficient of different independent variables with employee performance for the 20valley groups of the study has been presented in Table.

##### *Pearson's correlation matrix for the dependent and independent variables*

*This table presents bivariate Pearson correlation coefficient between employee performance and different motivational factor of Valley group. Factors from employee performance consists EMP as employee performance whereas as factor for different motivational factor consists OC as organizational culture, WE as working environment, COM as communication and TW as team work.*

Variables	EMP	OC	WE	COM	TW
EMP	1				
OC	0.573**	1			
WE	0.659**	0.824**	1		
COM	0.615**	0.841**	0.852**	1	
TW	0.657**	0.827**	0.840**	0.904**	1

*Source: SPSS results based on responses on survey questionnaire*

*Notes:*

1. \*\*sign indicates that correlation is significant at 1 percent level.
2. \*sign indicates that correlation is significant at 5 percent level.



The result shows that there is positive relationship of employee performance with organizational culture which indicates that better the organizational culture, higher would be the employee performance. Similarly, the positive relationship between working environment and employee performance reveals that an increase in betterment of working environment leads to an increase in the employee performance. The result shows that communication and employee performance are positively correlated, which indicates that higher the flow of communication, higher would be employee performance. Likewise, team work has positive relationship with employee performance which indicates that an increase in team work leads to an increase in the employee performance.

### Regression analysis

This section basically deals with regression results from various specifications of the models to examine the estimated relationship of employee performance with its determinants: organizational culture, working environment, communication and team work. Table presents the regression results of organizational culture, motivation, working environment, communication and team work.

#### *Regression of different motivational factor on employee performance*

The results are based on panel data of 20 valley groups with 190 observations by using linear regression model. The model is,  $EMP_{it} = \alpha + \beta_1 OC_{it} + \beta_2 MOT_{it} + \beta_3 WE_{it} + \beta_4 COM_{it} + \beta_5 TW_{it} + \varepsilon_{it}$ , where, dependent variable is EMP (employee performance) and independent variables are OC (organizational culture), WE (working environment), COM (communication) and TW (team work). The reported results also include the values of F-statistics (F) and coefficient of determinants (R<sup>2</sup>).

Model	Intercept	OC	WE	COM	TW	R <sup>2</sup>	SEE	F-value
1	1.766 (6.57)**	0.769 (10.99)**				0.39	0.655	120.76
2	2.149 (7.87)**					0.32	0.682	88.54
3	1.879 (6.38)**		0.722 (9.64)**			0.33	0.676	92.96
4	1.876 (6.27)**			0.717 (9.48)**		0.32	0.680	89.90
5	2.17 (7.14)**					0.27	0.705	70.07

6	2.418 (9.11)**				0.606 (8.66)**	0.29	0.699	75.26
7	1.744 (6.39)**	0.700 (4.70)**				0.39	0.647	60.28
8	1.961 (6.61)**					0.33	0.679	45.86
9	1.637 (5.47)**			0.481 (4.79)**	0.311 (3.45)**	0.36	0.661	53.50
10	1.543 (5.26)**	0.547 (3.93)**	0.196 (1.34)	0.078 (0.51)		0.40	0.642	41.88
11	1.433 (4.98)**	0.522 (4.24)**	0.109 (0.822)		0.227 (2.55)*	0.42	0.632	45.36
12	1.43 (4.88)**	0.518 (3.76)**	0.105 (0.71)	0.009 (0.059)	0.226 (2.49)*	0.43	0.634	33.84

Note:

1. Figures in parentheses are t-values.
2. the asterisk (\*\*), (\*) sign indicates that the results are significant at 0.01 and 0.05 level of significance respectively.
3. Dependent variable is employee performance

The regression of dependent variables of employee performance shows that beta coefficient for organizational culture, working environment, communication and team work are positive as indicated in table. The result shows that valley groups with better organizational culture would have higher employee performance. The finding is similar to the findings of Gelade and Ivery (2003). In the same way, better working environment leads to an increase in employee performance. The finding is related with the finding of Singh (2014). Similarly, higher the flow of communication, higher would be the employee performance. The finding is alike with the finding of Aktar et al. (2012) and Meyerson and Dewettinck (2012). Likewise, increase in team work leads to increase in employee performance. The finding is similar to the finding of Konovsky and Pugh (1994). The beta coefficient is significant for organizational culture, working environment, communication and team work.

## **5. Summary and Conclusion**

1. The majority of the respondents were male (65 percent) and remaining 35 percent were female respondents. Majority of respondents (54.2 percent) fall under the age group 20 to 30 years whereas, 6.3 percent of the respondents fall under the age group of 40 years and above.
2. The majority of respondents having academic qualification of Master's degree is 55.8 percent and the minimum numbers of the respondents having academic qualification of intermediate is 7.9 percent.
3. Among the 190 respondents, the maximum work experience group fall under the category of 0 to 5 years with 51.6 percent and minimum work experience group of respondents fall under the category of 10 and above with 15.8 percent.
4. The result shows that 89.5 percent of the respondents think that motivational factor is important for employee's performance in Valley group.
5. As per the survey, majority of the respondents (64.21 percent) obviously felt that the organization with well managed motivational factors performs better. Similarly, 26.31 percent of the respondents have felt that the statement is not applicable in Nepalese context. Whereas, 9.48 percent of the respondents have felt that to some extent the organization with well managed organizational factors.
6. Mean rank score for the "organizational culture" is 2.15 making it the most important factor influencing employee performance level from motivational factors. The second most important factor is "motivation" with mean score of 2.72. "Working environment" has been ranked third by the respondents with the mean score of 2.78. Mean score for "communication" and "team work" is regarded as the least important factors and are ranked as fourth and fifth respectively.
7. Weighted average mean value for organizational culture is 3.79 which indicate that organizational culture provided by the valley group is reasonable and valley group has executed it properly. This shows variation does not exists in the perception of the employees regarding the organizational culture.

8. Weighted average mean value for working environment is 3.94 which reveal that working environment for employees have been executed properly by the valley groups. This shows that the employee performance with regard to working environment is satisfactory in valley groups of Nepal.
9. Weighted average mean value for communication is 4.00 which reveal that better communication plays important part in achieving employee performance level by the Valley group. This shows variation does not exists in the perception of employee at communication.
10. Weighted average mean value team work is 3.90 which indicate that team work plays a vital role in the valley grouping sector for generating satisfied employee, highly satisfied employee are likely to be better team work.
11. Weighted average mean value for the employee performance is 3.73 which indicate that employee performance plays vital role for Valley group and must provide better organizational factor to their employees. This shows variation does not exists in the perception of various organizational factor regarding employee performance.
12. From the analysis, organizational culture, working environment, communication and team work is found to have positive relation with employee performance.
13. It is revealed that beta coefficient of organizational culture is positive with employee performance which indicates valley groups having better organizational culture have higher employee performance. The beta coefficients are significant at 1 percent level of significance.
14. The result indicates that positive beta coefficient for working environment with employee performance, which means that increase in working environment, increases in employee performance. However, the beta coefficient is significant for working environment.
15. The result found positive beta coefficient for the communication with employee performance, which indicates that with an increase in flow of communication the employee performance will increase and vice versa. The coefficients are also significant at 1 percent level of significance for flow of communication.
16. The result reveals that the beta coefficient is positive of team work for employee performance. The team work is significant at 1 percent level of significance. The result hence indicates that higher the team work, higher would be employee performance.

17. Similarly, the study revealed that the value of R square is 0.43 which means that around 43 percent variation in employee performance is explained by the regression equation involving explanatory variables organizational culture, working environment, communication and team work. This implies strong explanatory power for the whole regression. In this regression model, the f value is 33.84 which are significant.

## **Conclusion**

The major conclusion of this study is that different motivational factor is one of the most essential parts in a company's development and success. It is hence vital for an employer to understand what motivates the employees and how to maximize their overall job performance. Based on the study the result revealed that organizational culture and communication has positive relationship with employee performance. The result also showed the motivation shows the significant impact on employee performance; however the result showed that the most important organizational factor for that better performance of the employees is motivation. It implies that motivation offered to employees in Valley group are increased, and then there would be an equivalent enhancement in employee performance.

The study also concludes that working environment has significant impact on employee performance. The result shows that good working condition, refreshment and recreation facility, health and safety facility, fun at workplace increase the degree of job satisfaction and effectual human resource management and preserving progressive work environment would consequences the performance of organization as well as entire economy. Likewise, team work is positively correlated with employee performance. It has been seen that provision of team work in the Valley group is based on strategic and systematic approach and also it has been observed that top management within the Valley group are well aware of the importance and need of team work.

## **6. Refrences**

- Abu, L. J. (2003). *Job attitude and employees performance of public sector organizations in Jaffna district, Srilanka*. GITAM Journal of Management, 6(2), 66-73.
- Aktar, S., Sachu, M. K., & Ali, M. E. (2012). *The impact of rewards on employee performance in valley groups of Bangladesh: an empirical study*. Journal of Business and Management, 6(2), 9-15.
- Awolusi, O. D. (2013). *Effects of motivation on employee's job commitment in the Nigerian valley grouping industry: an empirical analysis*. International Journal of Services and Operations Management, 15(1), 28-43
- Chapagaim, R. R. (2011). *Impact of employee participation on job satisfaction in Valley group*. PYC Nepal Journal of Management, 4(1), 40-51.
- Chaudhary, N., & Sharma, B. (2012). *Impact of employee motivation on performance (productivity) in private organization*. International Journal of Business Trends and Technology, 2(4), 29-35.
- Khan, M. I. (2012). *The impact of training and motivation on performance of employees*. Journal of Business Review, 7(2), 84-95.
- Kiruja E. K, and Mukuru, E. (2013). *Effect of motivation on employee performance in public middle level technical training institutions in Kenya*. International Journal of Advances in Management and Economics, 2(4), 73-82.
- Lok, P., & Crawford, J. (2004). *The effect of organizational culture and leadership style on job satisfaction and organizational commitment: A cross-national comparison*. Journal of management development, 23(4), 321-338.



