

The Significance of Motivation on Employee & Organizational Performance: a case study of Real Estate companies in Egypt

Dr. Ashraf Saber Kamel

PhD in Business Management

Abstract: *In today's highly demanding & competitive labor market, organizations are becoming highly focused on boosting employee retention strategies and reducing employee turnover to a minimum level.*

As today's business environment is becoming more demanding, the role of the human resources department is remarkable and has a crucial impact on the organizations' performance.

The main aim for conducting this study is to assess the extent to which intrinsic & extrinsic motivation are crucial for employees' performance & productivity, as well as the overall organizational performance.

For organizations that consider their employees as their most valuable asset, upper management believe that motivating their employees is a really serious aspect that has a crucial impact on productivity & performance.

Many employers are keen to retain their highly talented & qualified employees. According to several studies; it has been proved that motivation is linked to higher levels of output and productivity (Gallup institute).

Keywords: *Employee retention, Turnover, Motivation, Human resources, Management, Productivity, Performance*

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I. Introduction

For many years, Motivation has been a key indicator for employee performance. It has always been a subject of interest and a major concern for Human Resources departments as well as upper management & executives in organizations.

Organizations are constantly attempting to enhance motivational & employee retention factors in order to avoid high turnover rates & massive recruiting & training costs.

Motivation is considered as one of the most imperative matters in all organizations regardless of the field or area of operation. A "motive" refers to a desire or a need of an individual. Therefore, employee motivation refers to a procedure where organizations and upper management inspire their employees with bonuses, increments, rewards etc. to support them to achieve organizational goals. (Dessler, Gary: Human Resources Management)

Various experimental studies and researches have proved the capabilities of motivation as the crucial and ultimate driver of performance in any organization. Therefore, this study aims to analyze the significance of motivation and how it can actually impact the employees' behavior and the overall organizational performance.

Moreover, The study attempts to confirm how motivation & incentives can adversely impact employees' perception of his tasks and jobduties, in addition to the overall employee productivity.

Problem Statement:

The study seeks to identify & analyze the major supportive and motivational means that are in favor of the employees & the organization; by clearly breaking down these means, we will be able to substantiate the research's hypothesis and validate the study's objective. The study also attempts to clarify the extent to which motivation is crucial for the success of any organization.

Hypothesis:

The study's main hypothesis, H1 promotes the fact that organizations which pay special attention to their employees and frequently motivates them via extrinsic means tend to perform better compared to organizations that lack motivation & neglect their human assets.

The study's secondary hypothesis promotes that organizations that frequently motivates its employees via bonuses, incentives, as well as non-monetary factors including promotions and employee recognition tend to experience lower turnover rates and intensified performance and productivity from its employees.

In order to validate and give credence to this study, both qualitative and quantitative methods are executed throughout our data collection & analysis process.

Our study relied mainly on primary and secondary data obtained via self-administrated interviews & questionnaires. Furthermore, the data obtained was analyzed using descriptive statistical analysis.

II. Literature Review

Several studies reveal that psychological factors including motivation are of utmost importance in terms of the employees' relationship with the employer. The majority of interviewees within this study argue that if motivation is to be implemented properly by management, it will eventually lead to outstanding outcomes for both employees & the firm.

In order to analyze the impact of motivation on overall employee performance, we must initially define the term "motivation". Motivation can be defined as internal & external factors that stimulate desire and energy in people to be continuously interested and committed to a job, role, or a task, or to exert an effort to attain a specific goal or objective. (Motivation: Business Dictionary)

Motivation results from the interaction of both conscious and unconscious factors including the intensity of desire, incentive or reward value of the goal, and expectations of the individual towards the employer. (Motivation: Business Dictionary)

Motivation in management describes ways & methods in which managers promote productivity in their workforce. Motivation simply refers to the level of desire employees feel to perform.

Individuals or employees who have no or an inadequate desire to perform are characterized as unmotivated while those who are energized and passionate about performing are considered motivated.

Motivation can significantly enhance virtual human capacities. Motivated employees focus on their job and work-life with additional importance and this leads to constant progress in coordination and work procedures. Employees execute their finest novelties and thoughts with the sense of belonging, enthusiasm, and delight, in highly motivated work environments. Moreover, they work with a sense of responsibility & loyalty and prefer benefits of the organization to theirs. (Chowdhury, M. S. 2007).

Psychologists have found that the quality of experience and performance can vary depending on the type of motivation driving such action. (Ryan and Deci, 2000)

In psychology, motivational factors are always categorized under two categories; Intrinsic & extrinsic motivation. Intrinsic motivation refers to performing a task or activity for its inherent satisfaction rather than for some separable consequence. When intrinsically motivated, a person is driven to act for the experience or challenge entailed rather than because of external outcomes, pressures or rewards. (Ryan and Deci, 2000)

On the contrary, extrinsic motivation is the opposite of intrinsic motivation & refers to performing a task or an activity for a separable outcome, rather than for inherent satisfaction. For instance, employees may stay in office after working hours for recognition, bonuses, incentives and rewards which are considered as extrinsic motivation. (Ryan and Deci, 2000)

In some instances, intrinsic & extrinsic motivation may co-exist within the same individual even though they are totally opposite of each other.

Organizations nowadays are more emphasizing on the management of Human Resources. A manager capable of directing his employees towards substituting or merging personal interest for achieving organizations' goals & objectives is certainly a successful manager. (Dessler, Gary: Human Resources Management)

III. Methodology

The study's data collection process relied mainly on primary data & self-administered questionnaires conducted with a total of 100 employees (operating in sales departments) & HR executives in entities operating in the real estate field in Cairo, Egypt. The questionnaire's main aim is to identify the factors that enhance motivation in employees, and to evaluate the extent to which motivation impacts the workforces' productivity, behavior, and attitudes towards the organization. The study's data is cross-sectional analysis; in other terms, the data was collected at a single point in time rather than over a period of time.

The questionnaire was straight to the point and designed to serve the study's purpose and to obtain convenient data.

The data collection process targeted the following info; frequency of title promotions, frequency of monetary rewards, percentage of target achievement, percentage of employee absenteeism and turnover rates.

We then proceeded to categorize our data obtained to represent a dependent and an independent variable.

Our independent variable is the HR motivational aspects; the factors utilized and implemented by the organization to motivate their employees. On the other hand, the dependent variable is the employee/organization performance indicators, which are affected by the independent variable.

Subsequently, the data obtained via the questionnaire was then processed through statistical analysis to identify the association between the independent & dependent variables.

In order to validate & confirm the study's hypothesis, a Bivariate Pearson Correlation Coefficient test was conducted via IBM's SPSS to measure the relationship between the two variables, and whether the independent variable impacts the dependent variable or not.

The following numbers were obtained after conducting a questionnaire with random samples of 25 employees from each of the four organizations, the questions in the first section of the questionnaire are supposed to gather the data used for the independent variable; the HR motivational aspects.

Data Collection:

| Firm 1 | | | | |
|---|-------|----------|----------|-------|
| Independent variable | | | | |
| HR Motivational Factors | | | | |
| Statement | Agree | Moderate | Disagree | Mean |
| Does your company provide adequate Monetary incentives? | 7 | 6 | 11 | 16.66 |
| Does your company frequently provide you with out of the office entertainment activities (including trips, concerts, trainings etc.)? | 5 | 7 | 13 | 16.33 |
| Are title promotions, rewards, and employee recognition frequently present within your workplace? | 9 | 8 | 8 | 19.66 |
| Do you think your organization provides a challenging & competitive work environment? | 10 | 2 | 13 | 16.33 |

| Firm 2 | | | | |
|---|-------|----------|----------|-------|
| Independent variable | | | | |
| HR Motivational Factors | | | | |
| Statement | Agree | Moderate | Disagree | Mean |
| Does your company provide adequate Monetary incentives? | 2 | 4 | 19 | 12.33 |
| Does your company frequently provide you with out of the office entertainment activities (including trips, concerts, trainings etc.)? | 4 | 7 | 14 | 15.66 |
| Are title promotions, rewards, and employee recognition frequently present within your workplace? | 6 | 8 | 11 | 17.66 |
| Do you think your organization provides a challenging & competitive work environment? | 6 | 7 | 12 | 17 |

| Firm 3 | | | | |
|---|-------|----------|----------|-------|
| Independent variable | | | | |
| HR Motivational Factors | | | | |
| Statement | Agree | Moderate | Disagree | Mean |
| Does your company provide adequate Monetary incentives? | 18 | 5 | 2 | 21.66 |
| Does your company frequently provide you with out of the office entertainment activities (including trips, concerts, trainings etc.)? | 14 | 7 | 4 | 22.33 |
| Are title promotions, rewards, and employee recognition frequently present within your workplace? | 16 | 9 | - | 20.5 |
| Do you think your organization provides a challenging & competitive work environment? | 16 | 5 | 4 | 22.33 |

| Firm 4 | | | | |
|---|-------|----------|----------|-------|
| Independent variable | | | | |
| HR Motivational Factors | | | | |
| Statement | Agree | Moderate | Disagree | Mean |
| Does your company provide adequate Monetary incentives? | 17 | 6 | 2 | 23.66 |
| Does your company frequently provide you with out of the office entertainment activities (including trips, concerts, trainings etc.)? | 18 | 7 | - | 21.5 |

| | | | | |
|---|----|---|---|-------|
| Are title promotions, rewards, and employee recognition frequently present within your workplace? | 14 | 7 | 4 | 22.33 |
| Do you think your organization provides a challenging & competitive work environment? | 17 | 5 | 3 | 23 |

The following table illustrates the data obtained from the employees & HR Managers & executives of four different entities, operating in the real estate development field in Cairo, Egypt:

| Independent Variable | | | | |
|--|----------|----------|----------|----------|
| HR/Management Motivational Aspects | Entity 1 | Entity 2 | Entity 3 | Entity 4 |
| Monetary Incentives and bonuses | 16.66 | 12.33 | 21.66 | 23.66 |
| Non-Monetary incentives -out of the office activities (including trips, exhibitions, internships & training) | 16.33 | 15.66 | 22.33 | 21.5 |
| Title promotions & employee recognition | 19.66 | 17.66 | 20.5 | 22.33 |
| Providing a challenging ,competitive & dynamic work environment | 16.33 | 17 | 22.33 | 23 |
| Dependent Variable | | | | |
| Employee/Organization Performance Indicators | Entity 1 | Entity 2 | Entity 3 | Entity 4 |
| Annual Turnover Rate | 31.28 % | 37.43% | 11.62% | 8.79% |
| Percentage of sales target achievement | 51.31% | 46% | 82.41% | 86.36% |
| Annual Absenteeism Percentage | 8.24% | 12.76% | 5.41% | 3% |

Data Analysis & Research Findings:

The Pearson Correlation Coefficient analysis is either conducted via SPSS, or manually using the below equation:

$$r = \frac{\sum XY - \frac{(\sum X)(\sum Y)}{n}}{\sqrt{\left(\sum X^2 - \frac{(\sum X)^2}{n}\right) \left(\sum Y^2 - \frac{(\sum Y)^2}{n}\right)}}$$

After Conducting the Bivariate Pearson Correlation Coefficient analysis, we obtained the following results:

- Y= ax+b**
- A= 0.0323**
- B= -0.109**
- R²= 0.75**
- R= 0.95**

As we've assumed in our hypothesis, there is a positive linear correlation/association present between the two variables. The R value represents a strong positive relationship present between the two variable motivational aspects and sales employee performance. This means that as motivational factors increase in an organization employee performance also tends to increase.

Therefore, our research hypotheses has been substantiated and supported by the previous results. Motivation has been proved to have a strong positive impact on the sales employees in this study in terms of lower absenteeism rates, lower turnover rates, and increased sales & target achievement rates.

IV. Conclusion

According to our data analysis, it is apparent that motivation has a crucial impact on employees' performance & productivity. It has been confirmed that entities & organizations which frequently motivates their employees via monetary & non-monetary aspects tend to perform better in terms of increased employee performance, lower turnover rates, minimized employee absenteeism, and higher employee satisfaction.

HR executives state that motivation is crucial in terms of cultivation employee loyalty and this contributes extensively to the productivity of the business.

Motivation is vital for HR departments in order to elicit a certain behavior or attitude. Motivated employees tend to have a remarkable impact on productivity and this is reflected upon higher target achievement rates, decreased absenteeism, and lower turnover rates.

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