

**DETERMINANTS OF EMPLOYEE MOTIVATION: A CASE STUDY OF A
REPUTED ORGANIZATION'S EXECUTIVE STAFF IN SRI LANKA**

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ABSTRACT

The Human Resource Information System of a reputed organization of Sri Lanka revealed that the executive staff was less motivated in performing their routine operations. The situation has escalated issues in terms of efficiency and high employee turnover of the organization. Therefore, this study was designed to identify the drivers of employee motivation among executive staff members with respect to both organizational and demographic factors. Primary data obtained from a simple random sample of 67 employees via a semi-structured questionnaire were analysed using descriptive statistical techniques, a multivariate multiple regression model and a binary logistic regression model. Results revealed that age, gender, educational level, distance from workplace and additional income sources as key demographic drivers of employee motivation. In addition, organizational factors such as work environment, responsibility, rewards and incentives, promotions, teamwork, relationship with superiors, job safety and security, significantly affect the employee motivation. Furthermore, the study recognized enhancing employee responsibility as a vital intervention. Increased power sharing for accurate managerial decision making and reformations to the existing reward structure to enable an optimistic comfortable work environment are recommended to be improved in the organization. Followed by the recommended improvements on the employees, the extent of motivation can be compared in future studies.

Keywords: *Employee Motivation, Employee Related Motivational Factors, Executive Staff, Organizational Related Motivational Factors*

1 INTRODUCTION

Motivation plays an important role in improving the effectiveness and efficiency of work in an organization. Even with the best strategy and appropriate organizational architecture in place, an organization will be effective only if its members are motivated to perform in a higher level (Owoyele, 2017). Every employee has its own motivational factors that motivate them to perform their work efficiently. This study is mainly focused on the current status of employee motivation in a reputed organization and how it impacts the performance in their routine works in the organization. Motivation had been studied as long as any other managerial topic, yet social scientists still cannot clearly identify all the components of employee motivation (Pinder, 1998). What factors motivate employees remains a question unanswered by past researches. Because motivation is critical in organizations, the study of what motivates employees is highly important.

It was revealed through the Human Resources Information System (HRIS) of the organization that the state of motivation among employees to perform routine works is in an unsatisfactory level affecting the company productivity and management. Therefore, main objective of this study is to determine the factors or determinants that influence employee motivation to perform their routine works in the organization. Specifically, to identify the organization related factors affecting on employee motivation and analyse demographic characteristics of employees in the company which affect employee motivation. Through the finding, it will help the human resource sector to drive and revitalize their current functional state of the organization and help to inform the organization about the motivational problems and development strategies to minimize the issue. As well as it will help the executive staff to realize their obligations and responsibilities towards a better performance in the organization. The research project is expected to be as a reference for future researchers in employee motivation. It is hoped that findings and recommendations of the study will be useful to the human resource managers to increase the employee motivation and consequently ensure a stable and reduced turnover rate of the industries in Sri Lanka.

2 LITERATURE REVIEW

Society for Human Resource Management (2010), defines motivation as the psychological forces that determine the direction of a person's level of effort, as well as a person's persistence within the face of obstacles. Motivation is also stated as determinant of choice to start effort on a specific task, the choice to extend a certain number of efforts, and the choice depends on the efforts over a period of time (Dunnette, Hough, & Charal, 1998).

People are motivated in intrinsic and extrinsic ways. According to Malone and Lepper (1987), intrinsic motivation is what people will do without external inducement such as hunger, a sense of duty, altruism, and a desire to feel appreciated. Deci (1975) declared that extrinsically motivated behaviours as those wherever the dominant mechanism is well seen and Deci and Ryan (1985) declared in their work that extrinsically motivated behaviours are generally done as a consequence of pressure and lead to low self-esteem and anxiety.

Sterns & Miklos (1995) stated that biological, physiological and social functioning changes that occur through time affect individuals at personal, organizational and social level. Buttner (1993) explained that women and men are influenced and motivated in different ways such that women are motivated highly by family needs and men are motivated by economic motives. Present researches explain that there are number of differences between gender groups though there are many similarities between them in organizations (Ryan & Deci, 2000; Moran, Kilpatrick, Abbott, Dallat, & McClune, 2001). According to Spies (2006), the distances that the employees cover between their home and workplace make daily commuting unfeasible. Employee level motivation is also enhanced by the quality of the working environment by both its physical attributes and degree to which it provides meaningful work. While comfortable physical environment is correlated with employee motivation, the relationship is not merely as strong as the relationship between motivation and the managerial behaviour (Yazdani, Yaghoubi, & Giri, 2011).

According to Lai (2011), employee participation is a key factor of responsibility which enhances motivation and job satisfaction by power sharing. According to Kamalian, Yaghoubi, & Moloudi (2010), rewards and recognition are essential factors in enhancing employee motivation and job satisfaction which are directly associated with organizational achievement. Moreover Ryan & Deci (2000) furthermore explained that salary and monetary compensations as the most important inducement in people's decision to accept or reject a job offer. It has the ascendancy to magnetize, retain and motivate individuals towards higher performance.

Turkyilmaz , Akman, Ozkan, & Pastuszak (2011) believed that the desire for promotion is generally strong among employees as it involves change in job content, pay, responsibility, independence and status among others. Harmonious interactions between an individual and their fellow employees have a positive influence on individual level organizational commitment and motivation (Iqbal, 2010). Empirical investigation indicates that there is a positive relationship between job security as a motivational factor and employee performance (Latham & Locke, 2007).

3 METHODOLOGY

The study population comprised 101 members of executive staff in the organization based on 08 departments (Admin, Finance, Engineering, Essence, Logistics, Finance, HR, IT, ICF, SDF). A simple random sample of 67 employees was isolated and data were collected via a structured questionnaire. Employee demographic characteristics and organization related factors were captured through the questionnaire. Five-point Likert scale was incorporated in assessing the factors related to the organization on employee motivation.

A reliability test was conducted to test the reliability of the questionnaire by using a pre-test. Cronbach's alpha is a measure of internal consistency which is how closely connected a set of items are as a group. It is considered to be a measure of scale reliability. For Cronbach's Alpha values this study assumes the rules of thumb values as proposed by Gliem and Gliem (2003).

A multivariate multiple regression analysis was conducted to evaluate the relationship between motivators and socio demographic factors of the employees in the company. Demographic factors such as age of the employee, gender, marital status, education qualifications, job tenure, availability of other income, distance from workplace to home and family relationship (living with or living alone) are included in the model as explanatory variables. Dependent variables are motivators that include organization related factors such as work environment, responsibility, recognition, rewards and incentives, promotion, team work, relationship with superior and safety and security that affected to employee motivation. Nine employee related factors affecting for each motivator in employee motivation for performance in an organization.

$$\text{Multivariate } (Y) = b_0 + b_1 + b_2AGE + b_3GEN + b_4MS + b_5EDU + b_6JP + b_7SER + b_8OI + b_9DIS + b_{10}LIVING + \varepsilon \text{ ----- (1)}$$

- Y = Employee motivation
- b_0 = Constant
- b_1 to b_{10} = Coefficients
- ε = Error term

Notation	Variable	Notation	Variable
Y ₁	Work Environment	AGE	Age of the employee
Y ₂	Responsibility	GEN	Gender
Y ₃	Recognition	MS	Marital status
Y ₄	Rewards & Incentives	EDU	Educational qualification
Y ₅	Promotion	JP	Job position
Y ₆	Team work	SER	Service years
Y ₇	Relationship with superior	OI	Other income
Y ₈	Safety & Security	DIS	Distance from work place to home
		LIVING	Living with family or not

A binary logistic regression model was estimated to predict a logit transformation of the probability of presence of the characteristic of interest. It was used to evaluate organization related factors affecting employee motivation within the company.

$$\ln \left[\frac{p}{1-p} \right] = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \varepsilon$$

$$\text{Odds Ratio} = \frac{p}{(1-p)} = \frac{\text{Probability of presence of characteristic}}{\text{Probability of absence of characteristic}}$$

And,

$$\text{Logit (p)} = \ln \left[\frac{p}{1-p} \right]$$

Therefore,

$$\ln \left[\frac{p}{1-p} \right] = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \varepsilon$$

$$\text{Logit (Y)} = \beta_0 + \beta_1 WE + \beta_2 RES + \beta_3 REC + \beta_4 RI + \beta_5 PROMO + \beta_6 TW + \beta_7 RS + \beta_8 RI + \varepsilon \quad (2)$$

Notation	Variable
Y	Employee motivation
WE	Work environment
RES	Responsibility
REC	Recognition
RI	Rewards & incentives
PROM	Promotion
TW	Team work
RS	Relationship with superior
SS	Safety & Security

4 RESULTS & DISCUSSION

4.1 Descriptive Statistics

The scale utilized in the survey shows good to excellent reliability according to rule of thumb alpha value. Out of the sample, 71.64% of employees are males. The organizational policies consider male employees as more energetic and efficient than female employees. When the employees were divided into four age groups, it was found that over half of the employees are between 21-30 years of age which depicts that the employees of the organization are relatively young. Majority of young employees are degree or diploma holders and there are few postgraduate employees (8.96%). A larger proportion of employees live less than 25 km from the workplace (50.75%) and only few live at a greater distance. Therefore, majority of the employees stated that they are able to reach the organization easily. Moreover, transportation facilities are being provided for the employees who live far away. A workplace that enables employees to achieve work-life balance particularly motivates its employees. Since the majority of the employees live with their families (82.08%) they tend to stay with their works and it may be more productive than those who live without their family. Majority of the employees are relatively less experienced as they have less than 5 years job tenure. Furthermore, 30% of the employees are experienced since they have served 9 to more than 12 years in the organization. Therefore, the organization consists of a higher proportion of inexperienced employees which may be a major challenge in terms of survival of the organization. Findings revealed that the main income source of the employees is from the organization and majority (86.57%) of the employees do not possess other income sources.

4.2 Inferential Statistics

Table 1: Multivariate multiple regression analysis for employee motivators and demographic factors of employees

Variables	Reg1 Y1-WE	Reg2 Y2-RES	Reg3 Y3- REC	Reg4 Y4-RI	Reg5 Y5- PROM	Reg6 Y6-TW	Reg7 Y7-RS	Reg8 Y8- SS
Age	.101**	.076***	.065***	.087***	.089***	.035	.091**	.022
Gender	-1.107*	-.481	-.894**	-.336	-1.005*	-1.811***	-.716	-.928*
Education	.491*	.190	.026	.086	.007	-.057	.349	-.259
Marital Sta.	.536	.708	-.172	-.467	.081	1.330**	-.302	-.026
Job Tenure	.058	-.026	-.003	.025	-.001	-2.01***	-.068	-.092*
Designation	1.327*	.247	-.097	-.133	-.033	-.291	-.599	-.374
Distance	-.010	-.007	-.010**	-.015**	-.016**	.001	-.006	.003
Living with family or not	-.977	-.269	-.758	-.955	-1.518*	.166	-.878	.630
Availability of other Income	-1.671**	-1.046**	-.417	-.836	-1.014	-1.091	.028	-.398
R ²	.357	.314	.299	.259	.275	0.337	.258	.130
R	.597	.560	.547	.509	.524	.580	.508	.361
F value	3.509177	2.892378	2.705	2.212320	2.40057	3.218354	2.201	.948
Sig.	.002	.007	.011	.034	.022	.003	.035	.492

*Significant at 10%, ** Significant at 5%, ***Significant at 1%

The results indicate a positive relationship with motivators such as work environment, responsibility, recognition, rewards and incentives, promotions and relationship with superiors with the age of the employee. In other words, if employees are matured in age, they will have greater satisfaction and motivation towards those motivators (Table 1). However, employee age is found insignificant with teamwork and safety & security.

Gender is significantly associated with recognition, promotion, teamwork and safety & security. As long as the employee's gender is female the above factors are negatively correlated. In support of this finding, a research conducted amongst teachers in South Africa by Schulz and Steyn (2003), found those female educators' needs that were not satisfied included salary. Steyn showed that females were satisfied by evaluation of merit and promotion, participation in decision-making and a fair workload. The female educators were powerfully motivated by factors such as relationship with learners, pride in their work, self-esteem and love of their particular subject.

When the educational level is expected to rise, employee would be motivated in his work environment. Being a married employee he or she is highly motivated to teamwork in the organization. It is interesting to observe that job tenure of employees is highly significant that is when there's a unit increase in the service period employees are less motivated in teamwork and their job security also declines. Designation being an executive they are highly motivated with the work environment.

As results show, Long distance to the workplace will decline the recognition, rewards and incentives and promotions in the organization. It is revealed that as the relationship with family increases tendency to receive promotion decreases. It will be due to numerous responsibilities that one will have to bear inside the family thus it will affect to achieve promotions in the organization. Moreover, if employees have other income sources in addition to the monthly salary, they won't be satisfied with their work environment in the organization and will lead to de-motivate in the work environment.

4.3 Factors Affecting Employee Motivation in the Organization

Binary logistic regression was used to evaluate factors affecting employee motivation within the organization.

Table 2: Model Summary

	-2 Log likelihood	R Value	Sig
1.	51.842 ^a	.335	.000

Table 2 exhibits that the employee motivation is significantly determined by responsibility, promotions, relationship with superiors, safety and security.

Table 3: Binary Logistic Regression Model results for the organization related factors

Employee Motivation	Coefficient	Sig.
Work Environment	.200	.235
Responsibility	.626**	.033
Recognition	-.689*	.076
Rewards & Incentives	-.119	.668
Promotion	.447**	.050
Teamwork	-.163	.535
Relationship with Superiors	.630**	.040
Safety & Security	-.733**	.031

*Significant at 10%, ** Significant at 5%, ***Significant at 1%

Results in Table 3 unravel that, for a unit increase in responsibility, promotion, relationship with superiors the expected log of the odds of being motivated increases respectively, holding all other variables constant. People are

motivated when their responsibilities are meaningful and incorporate their abilities and values (Blašková, 2014).

For a unit increase in recognition, and safety & security, log of the odds of being motivated decreases. However, despite the finding the study conducted by Howard (1997) at Wichita University of 1500 employees, found that the most powerful motivator was having the boss personally congratulate individuals on a job well done. Promotion has a positive relationship with the employee motivation which leads to employee motivation in the organization. Takahashi (2006) shows in his research, the effect of wage and promotion incentives on the motivation levels of Japanese employees where both promotion and wages positively influence employees' work motivation.

Regression outcomes depict that the relationship with the superiors has a positive coefficient which affects for the rise of employee motivation to perform routine work in the organization. It was confirmed by the study that the supervisors and subordinate's relationship have an impact on job satisfaction and efficiency: the case of obstetric clinics in Greece conducted by Tsitmideli, Skordoulis, Chalikias, Sidiropoulos, & Papagrighoriou (2016). Analysis shows that there is no significant relationship between employee motivation and work environment, rewards and incentives and teamwork.

5 CONCLUSION & CONTRIBUTIONS

The results revealed that the motivators such as work environment, responsibility, recognition, rewards and incentives, promotion, teamwork and relationship with superiors are strongly related to the age of employees. Being a female, recognition, promotion, teamwork and safety and security are negatively significant. As well as marital status of employees are strongly significant and positively related with team works in the organization. Distance is significantly related with recognition, rewards and incentives and promotions. The regression results revealed that the relationship with the family is negatively related with the promotions. As well as availability of other income of employees are highly related with the work environment in the organization. The responsibility, promotion, relationship with superiors and safety and security are the factors that significantly affect the overall employee motivation in the organization. Recognition and safety & security negatively affect to motivation.

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