

The Influence of Motivation on Job Performance

Case Study: Managers of Small and Medium Enterprises (SMEs), Kosovo

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Abstract

A motivated and qualified workforce is crucial in increasing productivity and the quality of the organisational services in order to achieve organisational objectives. A great amount of worldwide wealth is expressed in the form of human capital. Human resources play a crucial role in a process of increasing companies' effectiveness.

The theoretical framework of this study includes concepts such as motivation and job performance.

Most organizations acknowledge the importance of having motivated employees in achieving business goals and objectives. Motivated employees are more productive on job performance and help organizations survive.

The study investigates the influence of motivation on the job performance of managers.

The main objective of this study is to determine the relationship between the motivation and job performance for Managers of SME.

A sample was selected from the target population, via cluster sampling. A structured questionnaire was used and the data analyses were made through statistical package (software) for social sciences (SPSS).

The group's dominant locus of control was also measured through the use of an appropriate measuring instrument.

As expected, the findings from the study indicate a positive correlation between managers' motivation and their job performance.

Key Words: Managers, Motivation, Job Performance, SME

1. Introduction

A motivated and qualified workforce is crucial in increasing productivity and the quality of the organisational services in order to achieve organisational objectives. A great amount of worldwide wealth is expressed in the form of human capital. Human resources play a crucial role in a process of increasing companies' effectiveness. Motivated employees are more productive on job performance and help organizations survive. Most organizations acknowledge the importance of having motivated employees in achieving business goals and objectives.

Motivation is typically believed to be influenced by a combination of individual and contextual factors. Motivation plays an important role in everything we do, by ourselves or together as a group. In addition, without motivation it would be hard for people to go to work, pick up the daily groceries, and even spend time with friends and family. Furthermore, motivation to work is of great importance to us since we spend a lot of our time working in organizations.

Furthermore, the importance of motivation to work has been stressed, and plays a noticeable role in organizations. The issue is much debated and a lot of research has been done in the subject in recent time. Motivation is one of the few factors that have an impact on everything we do and experience, for example with our work, family, friends, and of course, the basic needs.

Everyone has motives inspired by certain factors that encourage the desire to enhance performance. People's behavior is determined by what motivates them and their performance is the product of both, ability level and motivation (Mullins, 2007).

Most organizations acknowledge the importance of having motivated employees in achieving business goals and objectives. The reason is survival (Smith, 1994). Motivated employees are more productive and help organizations survive.

Although, many theories have been developed and a plenty of research has been conducted, factors that motivate people to perform well at work are still a controversial topic.

Frey and Osterloch (2002) in their book about successful management by motivation stressed an important fact that can explain relation between performance and motivation. They suggested that different people have different goals in their life.

The characteristics of employees' types presented here suggest that people have different expectations and desires at work. Some rewards can be really rewarding for them but others are rather seen as factors that negatively influence their performance (Frey & Osterloch, 2002).

The fact that people differ on how they view motivation is evidence that the subject can be approached in different perspectives. In the organizational context, Beaumont (2002) posits that there are, in fact, four divergent approaches to employee motivation that have evolved throughout its history. Job Performance and motivation for work are very essential in the lives of managers because they form the fundamental reason for working.

1.1 Problem statement

Researches show that indeed there is a relation between motivation and performance (Deci & Gagne, 2005). The question that can be stated is, if motivation really has influence on job performance.

2. Literature Review

2.1. Motivation

People who are well motivated take actions that they expect will achieve their clearly defined goals (Armstrong, 2007).

Motivation is significant because even people with the required knowledge, skills, and abilities will perform poorly if they are not motivated to devote their time and effort to work (Harris, 2001). Definitions of motivation vary greatly because of the complexity of the concept, and because many authors tend to define motivation in terms of specific theories. However, there appears to be general agreement that motivation activates human energy; that it is a force that leads people to attempt to satisfy their needs; that all human behavior is motivated to some degree; and that the critical factor is the direction of the motivation.

Locke and lathen (2004) described that motivational factor such as internal and external put pressure on employee to perform well. These factors create effectiveness in work. Backon et al. (1996), claim that motivated employees were more important for competitiveness in the company.

Aspects of motivation have been examined. These aspects include need-based (Maslow, 1954; McClelland, 1961), intrinsic (Deci, 1975), social identity (Ashford & Mael, 1989), value-based (Etzioni, 1961), self-concept based (Brief & Aldag, 1981), and developmental (Kegan, 1982). More recently, scholars have examined work motivation, which is defined as the process by which behavior is energized, directed, and sustained in organizational settings (Steers, Bigley, & Porter, 2003). Much of the research on work motivation has been conducted from the content-based perspective. Content-based motivation refers to an assumption that an individual possesses unique factors that energize, direct, and sustain work-related behavior (Steers et al., 2003).

Motivation can be defined as a driving force within a person which stimulates the individual to do something up to the target level in order to fulfill some need or expectation (Mullins, 2007). It is a complex issue of human behavior which varies from person to person; as a result, different people are motivated in different ways (Kressler, 2003).

Maslow's Hierarchy of Needs (Chapman, 2001) states that people must satisfy each need in turn, starting with the first, which deals with the most obvious needs for survival itself. Hosoi (2005) proposes that Alderfer's ERG Theory provides an alternative to Maslow's theory and is based on a 3-fold conceptualisation of human needs: existence, relatedness and growth.

Company Policies, as adopted from an article by Heller (2004), affect employees in their understanding of how things get done. Motivating factors may also have visible effects on working groups. The working group is the venue with which the individuals acquire or develop their attitudes, opinions, goals and ideals (Accel-Team, 2005).

The research on Equity Theory, as cited in (Hosoi, 2005), explains an employee's behaviour is according to his/her perception of "fair" treatment at work. The Expectancy Theory, developed by Vroom (1964), cited in Hosoi (2005) assumes that motivation is a function of three components; for an individual to be motivated:

- (1) valence; the reward must be valued by the person

- (2) instrumentality; the person must believe that higher performance will result in greater rewards and
- (3) expectancy; that additional effort will lead to higher performance.

This is based on the individual's personal, educational and social background and on his or her perception on the degree of difficulty of the task to be performed. It is affected by self-efficacy, goal difficulty and perceived control over performance (Scholl, 2002).

The instrumentality aspect (Bares, 2006) is the belief that if one does meet performance expectations, he or she will receive a greater reward.

2.2. Job Performance

Armstrong (2009) in highlighting the concerns of performance management states that performance management is concerned with enabling expectations to be defined and agreed in terms of role responsibilities and accountabilities skills and behaviours. A performance appraisal system is important to any organizational work performance because it determines the organizational success or failure (Simeon, 2010).

Performance feedback creates opportunities for learning and the energy so critical for a culture of thriving (Gretchen, 2012). By resolving feelings of uncertainty, feedback keeps people's work-related activities focused on personal and organizational goals and the quicker and more direct the feedback is, the more useful it is (Christine, 2012).

According to Nyaoga (2010) employees should be appraised at least once a year as this will contribute towards increased employee efficiency, productivity and morale. The appraisal process offers a valuable opportunity to focus on work activities and goals as well as identify and correct existing problems and to encourage better performance (Magutu, 2010).

Performance evaluation can be defined as "the process of assessing performance of each member of staff during a specific time of period, estimated on the level and quality of performance itself; this performance may include work implementation assigned to individual on his or their behavior", Albarnti (2001).

Anne (Feb2010), stressed on her research work entitled" Performance appraisal applied to leadership", Performance appraisal is a measurement process of how well an individual is doing her or his job. In most organizations, this appraisal is an annual event. Scott (2004) on "Group

Performance and decision making", focuses on research on group performance and decision making, discussion on brainstorming; Group process losses and gains; Cognitive centrality of group members. David (2003), in his article "Performance evaluation and compensation feedback messages: An integrated model", assured a theoretical model is developed which looks at both performance evaluation and compensation decisions as feedback messages.

Taamenih (2003) stresses and emphasizes on positive performance as it is an ongoing process, aims to identify and measure evolution of institutional performance, the information collected by systematic observation is not only objected to measure current performance accurately, but also to meet positive promotion and to identify weaknesses in obtaining important information for using it as necessary for evaluation.

Babin and Boles (1998) define performance as "the level of productivity of an individual employee, relative to his or her peers, on several job related behaviors and outcomes". Griffin (1990) states that in most instances, employee performance is determined by three things:

1. Ability
2. The work environment and,
3. Motivation

If there is a work environmental problem, the solution is to change and customize the work environment so as to promote higher performance.

Rabey (2001) after studying various researches of motivational theories has come to conclusion that motivation:

- ✓ Influences performance;
- ✓ Reduces absenteeism and turnover;
- ✓ Influences commitment to the organization;
- ✓ Leads to job satisfaction; and
- ✓ Attracts people to the organization.

Borman and Motowidlo (1993) divided performance into task and contextual performance. Task performance was defined as the effectiveness with which job incumbents perform activities that contribute to the organization's technical core, Borman (1997).

Contextual performance was defined as performance that is not formally required as part of the job but that helps shape the social and psychological context of the organization, Motowidlo (1993). Contextual performance has

been further suggested to have two facets: interpersonal facilitation and job dedication. (1) Interpersonal facilitation includes “cooperative, considerate, and helpful acts that assist co-workers’ performance”. On the other hand, (2) job dedication, includes “self-disciplined, motivated acts such as working hard, taking initiative, and following rules to support organizational objectives”, Scotter (1996). Contextual performance and related elements of performance, such as organizational citizenship behavior, Organ (1983); pro-social organizational behavior, Brief (1986), and extra-role performance, Van Dyne et al. (1995), contribute to organizational effectiveness. According to the fact that the concept of contextual performance has several related constructs in other names, the existing theories and empirical studies reviewed in this study also include contextual performance and all related constructs.

The Goal theory developed by Latham and Locke (1979) highlights four mechanisms that connect goals to performance outcomes. They direct attention to priorities, they challenge people to bring their knowledge and skills to bear to increase their chances of success and the more challenging the goal, the more people will draw on their full repertoire of skills (ibid). Armstrong (2009) agrees that this theory underpins the emphasis in performance management on setting and agreeing objectives against which performance can be measured and managed.

3. Methodology

This research is designed to check the relationship between motivation and job performance. Questionnaire was designed to get the required data about work motivation and job performance. Data analysis is done through descriptive statistical method. It includes Mean, standard deviation and correlation. Regression analysis is used to check the effect of motivation on job performance of managers.

3.1. Population and sample

The study was conducted among Managers of small and medium enterprises (SMEs) in Kosovo. The sample was drawn on 200 managers from small and medium enterprises in Kosovo. While we had 200 questionnaires, only 189 of them met the conditions for analysis. A convenient sampling technique was used to select the managers. This was based on the managers’ readiness to participate in the study.

3.2 Statistical Analysis of Data

In analyzing the data, descriptive and inferential statistics were used. Descriptive statistics was used because it provides an understanding of the data through their frequency distribution, mean, and standard deviation. Pearson correlation was also used to test the hypothesis because it involves a relationship between two variables, that is motivation and job performance.

The independent samples t-test was used to test the second hypothesis because it involves one independent variable on two levels (intrinsic & extrinsic motivation) and one dependent variable (job performance).

4. Results

Relationship between managers' motivation and job performance

Table 1: Sample structure

Variables		Frequency	%	Valid %	Cumulative %
Gender	Male	173	91.53	91.53	91.53
	Female	16	8.47	8.47	100.00
Age	Below 30	30	15.87	15.87	15.87
	30-49 years	115	60.85	60.85	76.72
	>50	44	23.28	23.28	100.00
Qualification	BA	55	29.10	29.10	29.10
	MA	129	68.25	68.25	97.35
	PHD	5	2.65	2.65	100.00
Management Level	Higher	39	20.63	20.63	20.63
	Middle	90	47.62	47.62	68.25
	Lower	60	31.75	31.75	100.00

N=189

Table-1. Show the demographic factors of the respondents. It is clear from the table that most of the respondents are male Managers of small and medium enterprises. 61% of the respondents' age is between 30-49 years. Most of the respondents are graduate or more than graduate. 48% of the respondents are from Middle level of Management.

Table 2: Results of correlation between motivation and job performance
Relationship between managers' motivation and job performance

	N	r	p
Motivation	189	.30	.000
Job performance	189		

** $r = 2.98$, $p < 0.01$ (1 tailed)

$N=189$

The above result (table 2) indicates that there is a significant positive relationship between motivation and job performance among managers ($r(189) = .30$, $p < 0.01$).

The implication is that the more motivated managers are, the higher their performance is and vice versa. This therefore supports the hypothesis that there will be a positive and significant correlation between managers' motivation and their job performance.

Table 3: Regression

Mode	F	Sig.	Unstandardized Beta	t-test	Sig.
Motivation	16.391	0	0.507	3.814	.000

$N=189$

Table 3 shows the results of regression. F test shows the fitness of goodness of measure and the significant level is .000 which clearly shows that the measure is good fit. The value of unstandardized Beta is 0.507 which shows a change in the dependent variable due to change in independent variable. Therefore, the motivation is positively changing the job performance. The T-test is also significant at .000 p-value. It means there is a significant relationship between motivation and job performance. Furthermore, we have developed the regression equation:

$$Y = \beta_0 + \beta_1 X_1$$

Where: Y: dependent variable ± overall job performance

β_0 : regression of coefficient of intercept

β_1 : partial correlation coefficient of latent independent variables

X_1 : latent independent variables

5. Conclusions

Managers are important resource for organizations. The study was conducted to find out the influence of managers' motivation on their job performance. The study has produced interesting findings which will help in shaping company policy, especially motivational variables and their impact on managers' job performance.

Motivation is the driving force that puts the willingness in a person to perform the task. There is a significant relationship between the motivation and job performance. The company increases the level of motivation for employees; it can result in an increase of the level of job performance.

This study explores the managerial working environment of small and medium enterprises.

These findings imply that motivation indeed influences the job performance of managers: the more motivated managers are the higher they perform, and vice versa. This could be due to the fact that managers work in order to provide for themselves and their families a source of income. For others, it enables them to make use of their potentials, skills and abilities. When a manager feels that he is earning a reasonable amount of money or he is making use of his skills and abilities, then that manager will be of a higher performance. On the other hand, when a manager feels that he is not earning enough or he is not making use of his abilities, then that manager will perform poorly.

Analysis of the results revealed that there is a positive correlation between motivation and managers' job performance.

This finding demonstrates that to get the best from our managers, we need to give them the best.

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