The Impact of Employee Motivation on Organisational Performance. An Empirical Study at Hayat University-Erbil/Iraq

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Abstract

This paper aims to analyse the drivers of employee motivation to high levels of organisational performance. The literature shows that factors such as empowerment and recognition increase employee motivation. If the empowerment and recognition of employees is increased, their motivation to work will also improve, as well as their accomplishments and the organisational performance. In this study, the specific problem addressed to examine the impact of employee motivation in order to improve the organisational performance in Hayat University in Kurdistan Region/Iraq.

In this study a survey questionnaires are distributed to a sample of teaching staff members who were teaching in various scientific departments in Hayat University for Science and Technology. The data collected from the questionnaires analysed quantitatively using SPSS program. The findings show that motivation plays a significant role in affecting academic staff’s performance and ultimately organizational performance in Hayat University.

Research Problem:

The limited understanding of the factors affecting the performance of the organization is the main reason behind focusing on this study. Additionally, there are only few studies carried out on this field in Kurdistan Region/Iraq. As a result, efforts are performed to enhance the performance of the organization by improving employees’ motivation.

Research Objectives:

The main objective of conducting this study is to examine and analyze the impact of employee motivation on organisational performance. The sub-objectives of the study are:

- To determine the factors that can motivate employees.
- To examine the relationship between organizational performance and employees motivation.
To find out the challenges that Hayat university face in its attempt to motivate employees.

Literature Review

In today’s competitive environment, one of the key drivers of success is motivation of employees. The highly motivated employees serve as a synergy for achievement of high efficiency, business’s goals, organisational plans, growth and performance. The concept of motivation refers to extrinsic together with intrinsic factors that makes a person to take specific actions (Adair, 2009). Besides, motivation according to Bartol and Martin (1998) is a powerful method that strengthens behavior and activates the tendency to continue. While, Rusu and Avasilcai (2013) indicates that motives correspond to the cause which direct actions to occur, that impetus which leads to action. In other words, motivation is an internal force to achieve a certain goal and to satisfy an unsatisfied need.

On his part, Luthan (1998) defines motivation as, “a process that starts with a physiological deficiency or need that activates a behavior or a drive that is aimed at a goal incentive”. Furthermore, Daft (2006) defined motivation as the forces of internal and/or external that activate actions that continue until a achieving a certain goal. Motivation according to Bartol and Martin (1998) is an influential implement that reinforces triggers and behavior the tendency to continue. They further indicates that motivation is an internal force to achieve a certain goal and to satisfy an unsatisfied needs. In addition, it is considered to be a method that begins through a psychological or physiological needs that motivates a performance set by an objective. These activate actions of behavior in business firms are various needs that workers are motivated to satisfy through various extrinsic and intrinsic rewards they receive at work (Bateman & Snell, 2007).

Over the years the relationship between employees’ motivation and organisational performance has provoked arguments among academic researchers and personnel management professionals. Employee motivation is significant to the organisation and the factors of motivation play a vital role in increasing employee job satisfaction, as a result leads to the improvement of organisational performance. Motivated employee is a valuable benefit who produces value for revenue growth and strengthening organisations business. Motivation works if the right employee with appropriate
skills is made responsible for the job or otherwise it will lead to job dissatisfaction and the wastage of time and resources (Armstrong, 2009).

Motivation and satisfaction are linked to employee performance which can be influenced negatively or positively (Micle, 2009). Furthermore, the differences between satisfaction and motivation should be aware by managers. Dobre (2013) indicates that motivation is influenced by forward looking perceptions about the relationship between performance and rewards. Satisfaction, on the other hand, is the results of events that happen in past and refers to employee’s feelings about rewards they have received. Consequently, this difference is important when trying to enhance the performance of organization, because they have to focus on all the possible means to improve motivation (Dobre, 2013).

There are many factors that enhancing employees’ motivation such as; Rewards, Job security, Empowerment, Training and Development, Feedbacks, Leadership, Recognition, Promotional opportunities, Objective setting appraisal, Increased responsibilities, the loyalty of management to workers, sympathetic understanding of their personal problems, and many other factors. Financial rewards have the capacity to motivate and maintain employees towards higher performance, as employees might employ the financial rewards to satisfy their needs. As a result, financial rewards has an important impact in setting up employees’ commitment and diligence, being a powerful motivator for workers.

On different level, studies found the different factors that affect the employee motivation. A study by Yang (2011) concluded that personality, work experience, good pay and personal characteristics, and monthly income factors affects employee motivation in china. Hailesilasie (2009) exams the Ethiopian public organization, Hailesilasie concluded that motivation experience, and role perception are the factors that affects employee motivation.

Empowerment is an approach to leadership that give powers to subordinates as a main constituent of managerial and effectiveness of an organization. Furthermore, workers are given the freedom and authority to make decisions, which encourages them to find out and use their full potential (Bennis, 1989). Thus, the process of empowerment focuses on solving the problems of the organizations by workers. In addition, empowering leads
employees that their feedback on performance is valuable for the organisation as well as they fell appreciated. In other word, empowerment gives employees authority and responsibility to perform as if they are organize of their own destinies. It is important that organisation identify the quality and the results of the employees’ work, as in the future they might be even more efficient to get more recognition (Dobre, 2013). leadership is another factor that motivate employees, which it is about getting thing completed by the correct way. The leader must increase the employees’ trust and motivating them in order to achieve organisational goals as well as to follow the leader.

Employee empowerment and participation is about the contributions of the employees in decision-making and supervision regarding the objectives, policies, and the organization strategy. as a result employees’ perception of the organizational norms and goals are positively related to worker motivation. with regards to high levels of motivation can be achieved through empowerment, this process also leads to organizational growth (Dobre, 2013).

Within organizations it should be clarify that supervisors must consider the process of motivation as a significant issue predicting and influencing work performance and employees’ actions (Rusu and Avasilcai ,2013). Encouragements refers to additional allowances such as house allowances, travel allowance, and medical allowance, etc. organisation can increase the performance of employees by providing this encouragement. Another motivation factor is job security, which by providing job security, organisation increases the performance employees or productivity. While by providing Promotion opportunity organization increases the employee productivity (Zameer et al, 2014).

Organizational performance according to Pitt and Tucker (2008: p. 243), is “a vital sign of the organization, showing how well activities within a process or the outputs of a process achieve a specific goal". The opportunity for human resources to career enhancing skills and develop jobs is a key factor in motivation employees. Opportunity must be given to employees to grow and develop. The most significant factors in employee motivation is training and development program. This will expressive the opportunity to generate, highly motivated, devoted, and growing workers who will promote both the
organization and employees through training and development programs.

There is no single universal method that be able to be utilize to assess overall the performance of organization as clearly literature on performance of organization demonstrates a general consensus among theorists that. In addition, traditional financial methods are not accepted as the sole indicators for performance of organization (Harrim, 2010). The successful organizations are mostly because the employees continuously view for methods to improve their work. Getting the employees to reach their full potential at work under stressful conditions is a tough challenge, but this can be achieved by motivating them (Dobre, 2013, 55).

Horngren, et al (2000) states that any ultimate objective of a business organization is to maximization of wealth or financial performance for stakeholders. In general, the performance of organization is indicated by efficiency (organization properly use resources) effectiveness (achieves the organization objectives), employee satisfaction, and quality of services or products, innovation, and customers, and maintain a unique human pool ability (Katou & Budhwar, 2007).

Predominantly, organisations seeks to have an active and continuous enlargement through productivity, employees satisfaction and profit. As the success or failure of an organisation mainly centers on the employees capabilities (Aluko, 1998). While, (Bratton and Gold, 2007) pointed out that the role of workers in organisations can never be over emphasized. Consequently, applying an adequate motivation of employee which will attain the desired organisation's purpose must be effective. Furthermore, an effective motivation method can be illustrated as the technique to influence and enhance employee towards the performance of an organisation.

Theoretical Framework:

Employees’ Motivation

This study involves Empowerment, Leadership, promotional opportunities, Job enrichment, and Rewards factors as independent variables.

Organisational performance

According to literature review Organisational performance is treated as dependent variable.
Research Design:

Data obtained by using a survey questionnaire and distributed directly to 45 participants selected as a study sample. The questionnaire was designed in the form of a nominal scale, and a five-point Likert scale (ranging from 1 strongly disagree to 5 strongly agree) was associated with a towards only one object at a time.

Research Hypothesis:

H₀₁: There is statistically a significant relationship between Empowerment and organizational performance.

H₀₂: There is statistically a significant relationship between Leadership and organizational performance.

H₀₃: There is statistically a significant relationship between promotional opportunities and organizational performance.

H₀₄: There is statistically a significant relationship between Job enrichment and organizational performance.

H₀₅: There is statistically a significant relationship between Rewards and organizational performance.

Results and Discussion

45 academic staff in the Hayat University responded to this questionnaire, the results show that the majority of the respondents n=36 (80%) were male and n=9 (20%) were female. According to the age of the respondents n=18 their age where between 31-40 years, followed by n=14 their age where between 21-30 years, followed by n=10 their age where between 41-50 years, followed by n=3 their age where between 51-60 years. The length of service were categorised into three different groups. The largest group is less than 2 years services with 30 respondents (66.7%) and 11 with (24.4%) their services are between 2 to 5 years. and 4 respondents (8.9%) their services are more than 5 years. The education qualification were categorised into two different groups. The largest group is those academic staff who are holding MSc. degree n=34 with
(75.6%). and n=11 (24.4%) are holding PhD degree.

**Reliability Analysis:**

Cronbach's alpha was used to test the reliability of the research and it was equal to (0.838) this represents high reliability (Sekaran, 2005), which means that the questionnaire is 83.8% reliable.

**Table (1) Reliability Statistics**

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.838</td>
<td>25</td>
</tr>
</tbody>
</table>

**Pearson Correlation Coefficient and Regression Analysis**

Table (2) shows the correlation matrix indicates that the independent variables (Empowerment, Leadership, promotional opportunities, Job enrichment, and Rewards) were positively correlated with Organisational Performance. Furthermore, the table shows that (Empowerment) achieved the highest positive correlation with organisational performance. However, (Job enrichment) has the lowest correlation with organisational performance. Moreover, table (2) shows that Empowerment, Leadership, and promotional opportunities, have significant relationship with Organisational Performance at the value of (0.000), which is less than 0.05. Job enrichment has significant relationship with Organisational Performance at the value 0.007 which is less than 0.05. Rewards have significant relationship with Organisational Performance at the value 0.002 which is less than 0.05. In addition, the results explains that increase in Empowerment, Leadership, promotional opportunities, and rewards will lead to increase the Performance of the Organisation. As a consequence, all the hypotheses were accepted.

**Table (2) Pearson Correlations**

<table>
<thead>
<tr>
<th></th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>X5</th>
<th>X6</th>
</tr>
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<tbody>
<tr>
<td>X1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>1</td>
<td>.074</td>
<td>.043</td>
<td>.006</td>
<td>-.003</td>
<td>.490**</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(.324)</td>
<td>(.545)</td>
<td>(.961)</td>
<td>(.903)</td>
<td>0.000</td>
</tr>
<tr>
<td>X2</td>
<td>.074</td>
<td>1</td>
<td>-.014</td>
<td>.093</td>
<td>.115</td>
<td>.291**</td>
</tr>
<tr>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>(.324)</td>
<td>1</td>
<td>(.806)</td>
<td>(.223)</td>
<td>(.135)</td>
<td>0.000</td>
</tr>
</tbody>
</table>

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Multiple regression analysis

In this study, The level of significance is 0.000, the value of F is 48.474 which is greater than 5. The value of adjusted R2 is 0.611. Therefore, the results are justified.

Table (3) Multiple regression of Employee Motivation factors on Organisational performance

<table>
<thead>
<tr>
<th>Employee Motivation</th>
<th>Standard error</th>
<th>Beta</th>
<th>t-value</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Constant</td>
<td>0.29</td>
<td>0.326</td>
<td>6.378</td>
<td>0.000</td>
</tr>
<tr>
<td>Empowerment</td>
<td>0.030</td>
<td>0.441</td>
<td>8.674</td>
<td>0.000</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.021</td>
<td>0.197</td>
<td>3.859</td>
<td>0.000</td>
</tr>
<tr>
<td>promotional opportunities</td>
<td>0.031</td>
<td>0.457</td>
<td>9.009</td>
<td>0.000</td>
</tr>
<tr>
<td>Job enrichment</td>
<td>0.028</td>
<td>0.256</td>
<td>5.002</td>
<td>0.000</td>
</tr>
<tr>
<td>Rewards</td>
<td>0.030</td>
<td>0.441</td>
<td>8.674</td>
<td>0.000</td>
</tr>
</tbody>
</table>

N=45, Adjusted R Square = 0.611, overall model significance = 0.01 level
Table (4) Summary of the Hypothesis Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 There is statistically a significant relationship between Empowerment and organizational performance.</td>
<td>Accept</td>
</tr>
<tr>
<td>H2 There is statistically a significant relationship between Leadership and organizational performance.</td>
<td>Accept</td>
</tr>
<tr>
<td>H3 There is statistically a significant relationship between promotional opportunities and organizational performance.</td>
<td>Accept</td>
</tr>
<tr>
<td>H4 There is statistically a significant relationship between Job enrichment and organizational performance.</td>
<td>Accept</td>
</tr>
<tr>
<td>H5 There is statistically a significant relationship between Rewards and organizational performance.</td>
<td>Accept</td>
</tr>
</tbody>
</table>

In conclusion, the significance of motivation in the routine performance of employees’ responsibilities cannot be over emphasized, particularly when it results lead to organisational growth and enhancing performance of organisation. From the results of this study, it can be simply inferred that employees motivation method matters a lot and should be a concern of both the organisation and workers. The findings obtained from the hypotheses illustrated that employees place great value on the different motivations presented to them by Hayat University. As a result, when these motivation factors are not obtained, employees have a tendency to express their dissatisfaction through poor performance and non-commitment to their actions. Consequently, It is essential for the organisation to think about the feelings and needs of its employees.

References:
Awolowo University, Ile – Ife Nigeria Vol. 15, No 1.


