

Identifying Factors Leading for Job Motivation and Better Performance in the Ipko Company

Albana Gazija

Management and Informatics, European College Dukagjini, Peja, 30000, Republic of Kosova

Abstract Employee's motivation has a great importance for the future of the organization and achieving its goal. To provide good and services quality, it is important to develop strategies influencing staff motivation for better performance. The main task of manager is to understand the motives of employees and pay attention to how individuals can be better motivated by means such as incentives, rewards, and leadership and ensure that individuals give consistent results with management's expectations. The study aimed to determine the major motivating factors and employees' job perception, attitudes and motivation. An exploratory quantitative research was carried out among employees in the Ipko Company in Kosovo so as to identify entry points for developing strategies that improve staff performance in workplace. In this paper were interviewed non managerial staffs of the Ipko Company. The study showed that motivation is influenced by both financial and non-financial incentives. The main motivating factors for employees were salary, achievement, recognition, work conditions, work itself. The main discouraging factors were related to promotion and advancement, performance appraisal, interpersonal relation, insufficiency and unfairness of rewards. Activities associated with appreciation such as performance management are currently not optimally implemented, as employees perceive inequity in the allocation of rewards, not offered the opportunity of effective promotion and career advancement and performance appraisal as not useful. The kind of non-financial incentives identified should be taken into consideration when developing HRM strategies.

Keywords Motivation, Employees, Manager, Performance

1. Introduction

Motivating employees is one of the most important and little understood of human resource management. At one time, employees are considered only as an input in the production of goods and services. Human behaviors are complex and attempts to find out what motivates employees have been problem of behaviorist scientists. This way of thinking has changed nowadays. Today people in company considered the most valuable capital and motivating employees is the main focus of managers.

Considering employees are the main pillars of any organization and considered assets of the company, motivation of them has a great importance for the future of the company and achieving its goals. Motivate employees make more efforts and use their ability to achieve the goals of the company which positively affect in growth performance. Managers use motivation in the workplace to inspire people to work, both individually and in groups, to achieve the best results in increasing the quality of products and services, efficiency and productivity.

Peoples are very complex beings that have needs, different requirements and aspirations, which carry with them at work by directing their behavior toward the goal.

The aim of this paper is to identify needs, or motives of the employees and will explore the ways that managers should to fulfill motives that leading to a higher performance. It will also give recommendations for the application of motivational strategies by managers in order to motivate employees and increase their efforts in achieving the goals of the organization.

2. Literature Review

2.1. Defining and Understanding Motivation

The word motivation is derived from the Latin word "move-movere" which means moving or stimulating, but such a word can not express the whole meaning of what actually understand the motivation.¹ Motive is defined as "an inner state that energizes, activates (or moving) and direct (or channels) behavior towards certain goals."² Motivation is something internal that pushes you to move forward, to achieve a goal. That "something" which is the

* Corresponding author:

albanagazija@gmail.com (Albana Gazija)

Published online at <http://journal.sapub.org/hrmr>

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¹ Ramosaj, B. "Menaxhmenti Kreativ dhe Lidershipi", p. 85

² Kondalkar, V. "Organizational Behavior", p. 99

driving force may be a need, a desire or an emotion, that it makes you act in a certain way.³

A person as a social being has a set of needs, requirements and desires, so the motivation is considered as a very complex psychological process because it is required to examine the behavior of people at work.

Motivation is related to factors that affect the people who behave in certain ways. Three components of motivation are:⁴

- direction - what a person is trying to do;
- effort - how hard a person is trying;
- persistence - how long a person continues to try.

To motivate other people means that to do them moving in the direction that you want in order to achieve a result. The motivation is determining the direction and obtains a path of action which will ensure that you arrive there. Motivation can be described as a behavior toward the goal. People are motivated when they expect that the path of action will lead to achieving a goal and taking a value reward that satisfies their needs.⁵

Motivation is a continuous process because the people's need is a continuous phenomenon. If a need is satisfied, another need arises, and so individuals are encouraged to meet their needs and thus created a continuous chain.

2.2. Theories of Motivation

On the issue of people's motivation are preoccupied many psychologists and scientists who had different views. Most influential theories are classified as follows:

- *Instrumentalist theory*, states that the rewards or punishments (carrot or stick) serve as a tool to ensure that people behave or act in desired ways. The theory was born in the second half of the nineteenth century and has its roots in Taylorism, therefore scientific management methods of F. Taylor. His goal was to reduce tiredness at work and pay affordable wages for worker because he thought that worker motivated by money as a reward, but tiring tasks reduced productivity.⁶ This theory states that people work only for economic reasons. The philosophy of the relationship between manager and workers summed up in two words only: reward and punishment, ie wages and financial incentives will improve efficiency and performance, and the punishment or the threat will motivate employees to work make use of their capabilities.⁷

While E. Mayo finds the psychological preparation of workers and their moods, namely the development of good relations are decisive factor in increasing the efficiency, to meet their needs and their satisfaction through advancement in the profession, establishing better relations in the group,

improving working conditions, personal progress of each individual, etc.⁸

Theory X and Y is presented by Douglas McGregor (1906-1964) in 1957, which is based on two opposite diagonally views of human behavior by studying Theory X of Taylor and Theory Y of the Mayo. Theory X is the traditional theory who assumed that people do not like work and do not want to work, try to avoid it if possible. Employees are lazy, without ambition, and they should be checked, and punished to achieve organizational goals. Theory Y offers a positive outlook. This assumes that people like the work and take it as natural, no need to punish and control to make people work towards achieving the objectives and also accept and seek responsibility.⁹

- *Theory of Content* focuses on motivation content and finds that motivation is undertaking to satisfy the needs and identifies the key needs that influence behavior. The theory of needs originated by Abraham Maslow who has identified five different types of needs that are listed in a hierarchy, starting from the bottom where physiological needs arise, then the security needs, society, and respect, to self-development. Moreover, these needs not be raised all at once; each need caused step by step, only when a following need in the hierarchy is met.¹⁰

Clayton Alderfer constructs ERG theory on some thoughts of Maslow but reduces the total number of needs from five to three needs: existence, relatedness and growth.¹¹

Herzberg et al (1957) lists needs which bring satisfaction and dissatisfaction at work. Motivation-hygiene theory of Frederick Herzberg suggests that internal factors are related to job satisfaction and motivation, while external factors are associated with job dissatisfaction. The factors associated with job satisfaction were internal such as achievement, recognition, responsibility, advancement, and development, work itself. On the other hand, when employees are dissatisfied, are mentioned external factors such as company policy and administration, supervision, interpersonal relations, working conditions, wages, safety, status.¹² Theory of Need of David McClelland and his associates was developed to help explain the motivation. This theory focuses on three needs: achievement, power and affiliation.¹³

- *Process Theory* focuses on psychological processes that affect motivation, referring to expectations. Vroom decided that motivation (M), expectation (E), instrumentality (I) and valence (V) are related to each other by the equation: $M = (E) \times (I) \times (V)$.¹⁴

Latham and Locke show that objectives to work towards a goal are the main source of motivation to work. A goal is what an individual is trying to accomplish. Goals tell

³ Thomas, M. "Gurus on Leadership", p.58

⁴ Armstrong, M. "A Handbook of Human Resource Management Practice", p.252

⁵ Armstrong, M. "A Handbook of Human Resource Management Practice", p.253

⁶ Hayward, Sh. "Applying Psychology to Organizations" p.21

⁷ Ivanchevic, J. "Human Resource Management" p. 309

⁸ Laci, Sh. "Manaxhimi", p.121

⁹ Robbins, S & Decenzo, D. "Bazat e menaxhimit: Koncepte dhe aplikime themelore", p.409

¹⁰ Mustafa, I. "Udhëheqja, efienca dhe efektiviteti" p.110

¹¹ Thomas, M. "Gurus on Leadership", p.106

¹² Wagen, L. "Human Resource Management for Events" p. 229

¹³ Wilson, J. "Fundamentals of Organizational Behavior" fq.110

¹⁴ Schermerhorn J., Hunt J., & Osborn, R. "Organizational Behavior" p.161

employees what to do and how much effort will be spent.¹⁵

Equity Theory of Adams finds that people will be more motivated if they are treated equally and unmotivated if they are treated unequally. In theory of process, the emphasis is on psychological processes or forces that affect the motivation and basic needs.¹⁶

This theory relates to people's perceptions of their working environment and the ways in which they interpret and understand it.

2.3. Types of Motivation

Motivation at work can be done in two ways. First, people can motivate themselves by performing at work that satisfies their needs or at least expect that their goals will be achieved. Second, people may be motivated by management through methods such as pay, promotion, praise, advancement, etc.

There are two types of motivation identified by Herzberg (1957):¹⁷

- *The internal motivation* - internal factors that influence people to behave in a particular way or move in a particular direction. These factors include responsibility (feeling that the work is important), autonomy (freedom to operate), and used the opportunity to develop abilities and skills, interesting and challenging work and opportunities for advancement.

- *External motivation* - including bonuses, such as high fees, praise or promotion and punishments, such as disciplinary action, the prohibition of salary, or criticism.

External motivators may have an immediate and powerful effect, but it will not necessarily last long. Internal motivators, who are associated with quality of work, are likely to have a deep and longer-term, because they are inseparable from individuals and not imposed from outside.

2.4. The Importance of Motivation

Motivation of employees has a great importance for the future of the organization and achieving its goals. Therefore, managers should pay attention to the motivation of their subordinates, because that affects on:¹⁸

High performance: It is the duty of every manager to ensure that employees have a high degree of motivation. They should provide financial and non-financial incentives. Motivated employees will be regularly to work and have a sense of being part of the organization. Quality products and services will improve, costs will be minimal, will increase productivity and performance level will be high.

Reduction of absenteeism and fluctuation: Fluctuation or movement of employees and absenteeism caused due to the low level of motivation. When the workers' dissatisfied are high, they certainly did not enjoy their work and consequently they often miss at work. Workers concerned to

seek another job and leave the organization if they have the opportunity. The high level of absenteeism causes low production, high costs, poor quality, etc. Increased fluctuation is devastating for any organization which incurred expenses for the recruitment, selection, training and development of young workers.

Acceptance of the changes in the organization: Managers must constantly examine the external and internal environment. There has been a major influence social change and evolution of technology in the motivation of employees. Social change and enhances the aspirations of employees and puts additional requirements on an organization, which should be considered as positive in order to help create the working environment. Technical innovations, good work conditions, encouraging employees and the existence of better policies, must be part of any organization. This will facilitate the retention of employees. Management should ensure that the changes introduced in the organization and explain its benefits to workers. The job enrichment, job rotation, introduction of new technology and new processes will make to increase employees' morale and increase motivation in a high degree.

The image of the organization: Employees are mirrors of each organization. Managers should arrange for staff training and development programs to improve employee skills. This will have a positive impact on employees and the organization's image will improve. This will also reduce the fluctuation of employees, on the one hand, and in turn the best workers will look forward to joining the organization, which is a result of its good image. The good image of the organization will contribute towards building the brand image of products and services organization.

2.5. Motivation as a Key Factor in Company Success

People in the company play an important role and are considered the main asset of the company. Therefore modern companies should put in balance work assignments and variables:¹⁹

- Employees' satisfaction
- Profitability
- Customers' satisfaction.

The aim of each company is profit maximization. To achieve this purpose it should motivate employees in a financial form if either non-financial in order to meet the needs and desires of employees to realize the achievement of company goals. Workers' satisfaction leads to customer satisfaction, while satisfied customers lead to successful business. Satisfied employees are more likely to be friendly, confident and responsible that customers appreciate it. On the other hand, dissatisfied employees makes the customers to be dissatisfied, which is disastrous for business. Employees are the key to the success of any organization, so their motivation is a key factor in the success or failure of the company. Without the motivation of employees,

¹⁵ Wilson, J. "Fundamentals of Organizational Behavior" fq.115

¹⁶ Armstrong, M. "A Handbook of Human Resource Management Practice", p.261

¹⁷ Armstrong, M. "A Handbook of Human Resource Management Practice", p.253

¹⁸ Kondalkar, V. "Organizational Behavior", p.101

¹⁹ Havolli, Y. "Menaxhmenti i Resurseve Njerëzore" p. 88

productivity, morale, profits, products and services will suffer.

To stay competitive, the company should invest in creating effective strategies that lead to staff motivation. Motivation factors differently motivate individuals and teams otherwise. Some people are motivated to make more money; others are motivated by the possibility of professional development, risk taking, flexible scheduling, advancement, etc.

To understand personal motivation, it is important to know what gives you energy, what activities, what people, which places and which situations are personally stimulating and fulfilling. For someone working in a team or innovation are key to stimulating.

By managers, understanding the factors that motivate employees is importance to achieving the advantage that leads to success and challenging market. Employees motivated perform better, which also results in customer satisfaction. For the development of the working environment and rewarding employees for their work, it is necessary hiring and retaining quality employees. If workers know that they are valued, they are much more efficient and will be an integral part of the organization by giving their contribution in meeting the objectives of the organization. It's a known fact that hard working, talented workers lead in productivity and help the company achieve new successes in the business. In a large extent they affect in company profits and credibility, eventually paving the way for the company's success. Therefore, it is very important to keep employees motivated and to full power, which gives them incentive to work harder and bring beneficial results to the organization.

2.6. The Role of Motivation in Employees' Performance

Organizations are concerned with what should be done to achieve high levels of performance through people. This means that managers should pay attention to how individuals can be better motivated by tools such as incentives, rewards, leadership, and ensure that individuals give results in line with management expectations.

For managers it is essential to increase the efficiency of employees in order to improve performance in the organization. While the machines, processes, high level of technology can be made available to individuals, high productivity can be achieved only if the employees are highly skilled and motivated appropriately. Effective motivation increases performance and improves the skills of employees.²⁰ To perform effectively, the employee must be motivated or stimulated to work. This is essential for any business to survive and succeed.

Effectiveness of a person depends on performance. Performance in the workplace will be deemed to be a function of ability and motivation, so:²¹

$$\text{Performance} = \text{Ability} \times \text{Motivation}$$

Ability depends on education, experience and training while its progress is a long process. On the other hand, motivation can be improved quickly, even through the implementation of various strategies. Motivation combines the skills and abilities of a person, understanding the role and opportunities to influence in work performance.²² Knowledge, skills and special abilities of some people cause them to perform their jobs better than others. For example, a tall, a strong man likely to be a professional basketball player better than a very short, weak, even if he is very motivated.

Companies often make large investments to train employees to give them opportunities to be successful, regardless of their levels of motivation.

Performance means achieving the required results. The performance prompted by:²³

- Clear expectations of employees;
- Competence and confidence of workers to perform their work;
- Happy and safety environment;
- Job satisfaction;
- Recognition and given awards.

2.7. Managerial Strategies to Increase Motivation

Given the importance of motivating employees in the success of the company, there are some strategies which are presented below that managers should pay attention to in order to achieve the goals of the company:

- Money as motivation factor.
- Effective communication manager- subordinate.
- Involving employees in decisions, especially in those decisions that will affect to them.
- Planning of promotion opportunities and professional development of employees.
- Changing of working time, including shortening the work week, flexibility of hour's daily, working with two consecutive tournaments, the division of labor.
- Assessment of employees.
- Creation of working conditions.
- Restructuring work as motivation factor of employees includes job enrichment, job enlargement and job rotation.
- Division of compensation fairly.

3. Results of Research

The survey was conducted in the Ipko Company. To achieve the main aim of this paper about how motivated employees are and what are the motivators of employees in this company, as a method of data collection used the technique of employee survey using questionnaires.

Results are as follows:

Based on the results obtained have achieved to identify many advantages, disadvantages and new opportunities that may affect the growth of motivation and better performance. The table.1. shows that exist big advantage in this company

²⁰ Christofer, W. "Holistic management: managing what matters for company success", p.145

²¹ Kondalkar, V. "Organizational Behavior", p.113

²² Beer, M. "Organizational Behaviour and Development" p. 30

²³ Carter, E. & McMahon, F. "Improving Employee Performance" p.20

is that employees are generally satisfied with their work and their relationships they have with managers. Also a large portion of workers are satisfied with their salary. This means that their salary meets their needs. However, there is also a part of workers who are not satisfied with their salary, which means that the salary that do not meet their needs.

Table 1. Level of satisfaction

Nr		Very satisfied	Satisfied	Not satisfied	Neutral
1	Are you happy with your job?	26%	59%	4%	11%
2	What is the level of satisfaction of your manager-worker?	36%	47.5%	4%	12.5%
3	Are you satisfied with your salary?	19%	59%	5%	17%

Table 2. Views of employees related to work

Nr.	What is your view on the following statements?	Strongly agree	Agree	Not agree	Neutral
4	There are good relationships with colleagues.	44%	41%	9%	6%
5	Often absent at work, even without any specific reason.	0%	10%	72.5%	17.5%
6	Will leave from work just offered me an opportunity.	5%	13%	51%	31%
7	My job is monotonous.	7%	14%	57%	22%
8	My performance is rewarded fairly.	54 %	0 %	46 %	0 %
9	There are good conditions for work in the company.	40%	54%	4%	2%
10	There is possibility of effective promotion and career advancement.	12.5%	34%	42.5%	11%

The table.2. shows that the company has provided for employees a safe working environment, both physically and mentally and also good conditions to carry out their work. In general there are good relations between coworkers, but there are bad relations between a number of employees, that may cause conflict and stress in the company. Also, a large part of the workers were not rewarded fairly for their job performance. Unfairness in the allocation of awards contributes to increased job dissatisfaction and reduced motivation. For a significant portion of workers job is interesting and attractive, while, for the others their job is

monotonous, often lacking at work and will leave soon be offered a job opportunity. We can conclude that in this company exist a low level and the possibility of absenteeism and fluctuation that would be due to dissatisfaction at work.

Monotonous work comes because of not implementing such strategies as job rotation, job enrichment and enlargement. Implementing these strategies will help eliminate the monotony at work of employees and increase job satisfaction.

Many employees were not offered the opportunity of promotion or career advancement, which can cause dissatisfaction of workers who have ambitions to advance in the profession.

In the table below are presented the factors that motivate and de-motivate employees of Ipko Company.²⁴

From the results we see that salary 66%, is the first factor and the most important motivating the employees of the Ipko Company, followed then personal development 59%, achievement 57% the recognition or assessment 51% , the environment and working conditions 42%, safety at work 38%, etc. While de-motivating factor for the most employees are punishment and threat 100%, followed by supervision 91%, company policies and administration 54%, interpersonal relationships 44% , bonuses 36%, work itself 32%, etc.

Table 3. Motivation and Demotivation

Motives	Motivation	De-motivation			
	Rank	%	Rank	%	
Salary	1	66%	7	28%	
Development	2	59%	12	0%	
Achievement	3	57%	10	0%	
Promotion	4	51%	11	3%	
Environment and working conditions	5	42%	9	6%	
Safety at work	6	38%	8	7%	
Work itself	7	31%	6	32%	
Bonuses	8	27%	5	36%	
Interpersonal relations	9	16%	4	44%	
Company policies and administration	10	11%	3	54%	
Supervision	11	2%	2	91%	
Punishment and threat	12	0%	1	100%	

4. Conclusions and Recommendations

To make and keep your business competitive and to achieve maximum benefit, it is necessary to motivate employees and strengthen the desire to work so that your staff can use their talent and work maximally. No matter how skilled and talented workers are, if managers do not offer them a vision and motivation to keep the spirit of their

²⁴ Note: motives are ranked according to the survey results, and not according to the original questionnaire. Employees have chosen three factors that lead to motivation and three factors that lead to their de-motivation. For this reason the percentage is greater than 100%.

maximum level of work, business success can not be achieved.

A successful business is based on meeting its goals, an act that can be achieved by motivating its employees. Installing the same purpose and desire to achieve it to every employee can be a difficult and complex. Finding a group of people to work towards a certain goal can be a delicate matter, since every individual has the personality, characteristics and style of his work that make it distinct from each other.

Performance is influenced by individual attributes such as knowledge, skills, abilities, experience and intellectual capacity of the individual; efforts at work - are the respective point of the level of motivation and the amount of energy that an individual fails to perform in a particular job. If employees are motivated, their efforts to work will be larger and, hence, their performance will be high. Individual performance is linked directly to the reward that he will likely get. People try to estimate the probability of a given level of effort leading to a desired level of performance and the possibility of that performance that leads to rewards. When the individual experience the internal and external rewards of the work performance, motivation will be influenced directly and positively. It is therefore necessary that the company pay great attention to the reward system. Satisfaction awards resulting from internal and external, and the perception that those rewards are shared fairly. The individual will compare his present awards to the perceived rewards. If the current rewards are equal or greater than the perceived rewards, the individual will feel happy. Sharing fairly rewards can contribute to increased job satisfaction of workers in order to avoid fluctuation and absenteeism which would bring the company huge costs related to recruitment, selection, development and training of young workers. Motivation can also occur when the excitement in job rewards resulting from internal or external, that are experiencing that are shared fairly. When employees feel the injustice negative results, satisfaction will be low and motivation will be reduced.

Activities associated with appreciation such as performance management are currently not optimally implemented, as employees perceive inequity in the allocation of rewards, supervision as control, and performance appraisal as not useful. The kind of non-financial incentives identified should be taken into consideration when developing HRM strategies.

Manager should consist in recognizing the needs of each worker; manage to achieve the goals of the company to meet the individual goals of employees.

To understand if the employees are motivated and what motivates them, the manager may use various techniques, as:

→ Survey of employees, where the opinion on what motivates him to work,

→ To evaluate their behavior in various work situations,
 → To measure their efforts to work
 → Managers should apply strategies for motivating employees.

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