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Impact of motivation on employees' performance: A case study of CreditWest Bank Cyprus

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An important role of management is to help make work more satisfying and rewarding for employees and to make employees' motivation consistent with organizational objectives. With the diversity of contemporary workplaces, this is a complex task. Many factors, including the influences of different cultures, affect what people value and what is rewarding to them. From a manager's perspective, this study tries to understand what prompts people, what influences them, and why they persist in particular actions. This study also intends to evaluate motivation of employees in the organization. A good motivational program procedure is essential to achieve goal of the organization. If efficient motivational programmes of employees are made not only in this particular organization but also in any other organization, the organizations can achieve the efficiency also to develop a good organizational culture and the attainment of organisational goals at large.

Key words: Motivation, organisational behaviour, performance, employee.

INTRODUCTION

Since the beginning of time, leaders have risen to take charge of societies and make decisions. These decisions often meant the difference between having food and going hungry, having shelter or being homeless, and sometimes the difference between life and death. As society progressed, there have been great technological advances which have brought convenience to our lives. Despite having advancements, the basic needs for humans still remain the same. A question often asked by managers is, "How do we motivate our employees?" Effectively motivating employees to achieve a desired outcome is one of the most important functions of a manager. There is evidence to show organizations are facing challenges retaining employees due to limited opportunities for advancement and the current competitive labour market. It does not appear things will

get any better in the future. The loss of employees represents a loss of skills, knowledge, and experiences and can create a significant economic impact and cost to corporations as well as impacting the needs of customers. Managers who can motivate employees assist the organization by improving employee retention and reinforcing positive behaviours and consequently, their enduring ability to motivate workers to achieve the highest result determines the success of a business. Motivation is the intention of achieving a goal, an ability to change behaviour, that inner directing drive, leading to goal-directed behaviour towards the attaining goal. Rewards can be either non-monetary or monetary. The following is the proposed model of impact of motivation on employees' performance. The proposed model would be tested with empirical analysis in order to identify the

model fit.

Basic to any explanation of why people behave in a certain manner is a theory of motivation. As Jones (1959), cited in Lawler (1969), pointed out that motivation theory attempts to explain "how behaviour gets started, is energized, is sustained, is directed, is stopped and what kind of subjective reaction is present in the organism." The theory of motivation that will be used to understand employees' performance is "expectancy theory" (Vroom, 1964 as described by Robbins (1998). The expectancy theory used is based upon Lawler and Porter (1967), Porter and Lawler (1968) as quoted by Robert and Hunt (1991). According to this theory, an employee's motivation to perform effectively is determined by two variables. The first of these is contained in the concept of an effort-reward probability. This is the individual's subjective probability that directing a given amount of effort toward performing effectively will result in his obtaining a given reward or positively valued outcome. This effort-reward probability is determined by two subsidiary subjective probabilities: the probability that effort will result in performance and the probability that performance will result in the reward (Lawler, 1969).

Robins (1998) explained thus, "Vroom refers to the first of these subjective probabilities as an expectancy and to the second as an instrumentality. The second variable that is relevant here is the concept of reward value or valence. This refers to the individual's perception of the value of the reward or outcome that might be obtained by performing effectively. Although most expectancy theories do not specify why certain outcomes have reward value, the reward value of outcomes stems from their perceived ability to satisfy one or more needs. Specifically relevant here is the list of needs suggested by Maslow that includes security needs, social needs, esteem needs, and self-actualization needs (Herzberg, 1987). The evidence indicates that, for a given reward, reward value and the effort-reward probability combine multiplicatively in order to determine an individual's motivation. This means that if either is low or not existing then no motivation will be present. According to Lawler (1969), they illustrate a case of a manager who very much values getting promoted but who sees no relationship between working hard and getting promoted. To him, promotion does not serve as a motivator, just as it is not for a manager who sees a close connection between being promoted and working hard but who does not want to be promoted. In order for motivation to be present, the manager must both value promotion and see the relationship between his efforts and promotion"

Thus, for an individual reward or outcome the argument is that a combination of its value and the appropriate effort-reward probability is necessary. However, an individual's motivation is influenced by more than one outcome. Thus, in order to determine an individual's

motivation it is necessary to combine data concerned with a number of different outcomes. This can be done for an individual worker by considering all the outcomes he values and then summing the products obtained from multiplying the value of these outcomes to him by their respective effort-reward probabilities. According to this theory, if changes in job design are going to affect an individual's motivation they must either change the value of the outcomes that are seen to depend upon effort, or positively affect the individual's beliefs about the probability that certain outcomes are dependent upon effort (Vastano, 1985).

Mullins (1999), in his book *"Management and Organisational Behaviour"*, distinguished between two kinds of rewards. As previously seen, the first types are those that are extrinsic to the individual. These rewards are part of the job situation and are given by others. Hence, they are externally mediated and are rewards that can best be thought of as satisfying lower order needs. The second type of rewards is intrinsic to the individual and stems directly from the performance itself. These rewards are internally-mediated since the individual rewards himself. These rewards can be thought of as satisfying higher order needs such as self-esteem and self-actualization. Robert and Hunt (1991) go further to illustrate that these rewards involve such outcomes as feelings of accomplishment, feelings of achievement, and feelings of using and developing one's skills and abilities.

Certain tasks are more likely to arouse motives like achievement and self actualization, and to generate, among individuals who have these motives aroused, the belief that successful performance will result in outcomes that involve feelings of achievement and growth. It is precisely because changes in job content can affect the relationship between performance and the reception of intrinsically rewarding outcomes that it can have a strong influence on motivation and performance (Edwin, 1993).

There appears to be three characteristics which jobs must possess if they are to arouse higher order needs and to create conditions such that people who perform them will come to expect that good performance will lead to intrinsic rewards. The first is that the individual must receive meaningful feedback about his performance. This may well mean the individual must himself evaluate his own performance and define the kind of feedback that he is to receive. It may also mean that the person may have to work on a whole product or a meaningful part of it. The second is that the job must be perceived by the individual as requiring him to use abilities that he values in order for him to perform the job effectively. Only if an individual feels that his significant abilities are being tested by a job can feelings of accomplishment and growth be expected to result from good performance. Finally, the individual must feel he has a high degree of self-control over setting his own goals and over defining the paths to these goals

(Lawler, 1969; Edwin, 1993; <http://incentives.com/employee-motivation.html>; Wiscombe, 2002).

DEFINING THE CONCEPT “MOTIVATION”

Huczynski and Buchanan (2007) argued that “Motivation” is “A combination of goals towards which human behaviour is directed; the process through which those goals are pursued and achieved and the social factors involved”.

Luthans (1992) says, “Motivation is a combination of needs, drives and incentives. Motivation is defined as the process that starts with physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or incentive”.

Mullins (1999) says, “The underlying concept of motivation is some driving force within individuals by which they attempt to achieve some goal in order to fulfil some need or expectation”. Mullins also distinguishes between extrinsic motivation related to tangible rewards such as money; and intrinsic motivation related to psychological rewards such as the sense of challenge and achievement.

There are inexhaustible definitions of motivation in various published works, articles, texts and journals by reputable fellows and organisations studying the concept ‘Motivation’. The aforementioned definitions are just a few to illustrate the concept motivation as used in this work.

Key factors

Goals and ambitions: These must be both realistic and achievable if satisfaction is eventually to occur. Problems arise when the goals set are too low (leading to feelings of frustration) or too high (leading to the constant lack of achievement). They must also be acceptable to the individual concerned- in terms of self image, self worth and self value- so they are likely to be positive and based on the drive for improved levels of comfort, capability and well being. They must also be acceptable (or at least not unacceptable) to the society and environment in which the individual lives and works, and capable of being harmonised and integrated with them (Pettinger, 2002).

Recognition: A critical part of process of developing self esteem and self worth lies in the nature and levels of recognition accorded to the achievement of particular goals. The need for recognition itself therefore becomes a drive. Individuals tend to pursue goals that will be recognised and valued by those whose opinions and judgement are important to them: family, friends, peers and social groups, as well as work organisations.

Dissatisfaction occurs when this recognition is not

forthcoming (Pettinger, 2002).

Achievement: The components of achievement are the anticipated and actual rewards that the fulfilment of a particular goal brings. High levels of achievement occur where these overlap completely, a high level also normally occurs where real rewards exceed those that are anticipated. Low levels occur when the anticipated rewards are not forthcoming; this devaluates the achievement. High and complete achievement is normally seen and perceived as successful. Low achievement or failure to achieve is seen and perceived as failure.

The need for success: People tend to set their sights at what they know or think they can do, or think that they may be able to do, so that success is forthcoming.

Overview of motivational theories

Motivation is not a simple concept; instead motivation pertains to various drives, desires, needs, wishes and other forces. Managers motivate by providing an environment that induces organisation members to contribute. The need-want-satisfaction chain is somewhat oversimplified.

Maslow’s theory holds that the human needs form a hierarchy ranging from the lowest –order needs (psychological needs) to the highest – order needs (the need for self actualisation). According to Herzberg’s two factor theory, there are two sets of motivating factors. In one set are dissatisfiers, which are related to the job content of the job. Vroom’s expectancy theory of motivation suggests that people are motivated to reach a goal if they think that the goal is worthwhile and can see that their activities will help them achieve the goal (Robbins, 1998; Robert and Hunt, 1991). The Porter and Lawler’s model has many variables. Essentially, performance is a function of ability, the perception of task required, and effort. Effort is influenced by the value of rewards and the perceived effort-reward probability. Performance accomplishment in turn, is related to rewards and satisfaction (Robbins, 1998). Equity theory refers to an individual’s subjective judgement about the fairness of the reward received for inputs in comparison with the rewards of others. Reinforcement theory was developed by Skinner, who suggested that people should participate in setting their goals and should receive regular feedback with recognition and praise. According to Robert and Hunt (1991), McClelland’s theory is based on the need for power, the need for affiliation and the need for achievement. McGregor, in his book *the Human side of Enterprise* as quoted by Mullins (2005), argued that the style of management adopted is a function of the manager’s attitudes towards human nature and

behaviour at work he put forward to suppositions called Theory X and Theory Y which are based on assumption about work and people (Mullins, 2005).

Content and process theories

The motivation theories seen above have been divided into two contrasting groups:

Content theories: place emphasis on what motivates and are concerned with identifying people's needs and their relative strengths, and the goals they pursue in order to satisfy these needs. Main content theories include: Maslow's hierarchy needs model; Alderfer's modified need hierarchy model; Herzberg's two factor theory and McClelland's achievement motivation theory (Koontz and Weihrich, 1990; Child, 1984).

Process theories: place emphasis on the actual process of motivation. These theories are concerned with the relationships among the dynamic variables which make up motivation, and with how behaviour is initiated, directed and sustained. Major approaches under this include; expectancy –based models, equity theory goal theory and attribution theory (Koontz and Weihrich, 1990).

Extrinsic and intrinsic

The various needs and expectation at work can be categorised in a number of ways for example the simple divisions into physiological and social motives or into intrinsic and extrinsic motivation.

Extrinsic motivation is related to 'tangible' rewards such as salary and fringe benefits, security, promotion, contract of service, the work environment and conditions of work. Such tangible rewards are often determined at the organisational level and may be largely outside the control of individual managers (Mullins, 2005).

Intrinsic motivation is related to 'psychological' rewards such as opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner. The psychological rewards are those that can usually be determined by the actions and behaviour of individual managers (Mullins, 2005)

Given the complex and variable nature of needs and expectations, the following is a simple and useful three fold classification for reviewing the motivation to work developed by Mullins (2005).

Economic rewards: such as pay, fringe benefits, pension rights, material goods and security.

Intrinsic satisfaction: derived from the nature of the work

itself, interest in the job and personal growth and development. This is a personal orientation to work and be concerned about oneself.

Social relationships: such as friendships group workings, and the desire for affiliation, status and dependency. This is a relational orientation to work and be concerned about other people.

A person's motivation, job satisfaction and work performance will be determined by the comparative strength of these sets of needs and expectation and the extent to which they are fulfilled. For example, some people may make a deliberate choice to forgo intrinsic satisfaction and social relationships (particularly in the short term or in the earlier years of their working life) in return for high economic rewards. Other people are happy to accept comparatively lower economic rewards in favour of a job which has high intrinsic satisfaction and /or social relationships (Mullins, 1999).

Motivational techniques

Perhaps one of the most effective ways of motivating a team is to ensure that they understand and appreciate the aims of an organisation and are supported by their managers in working towards the achievement of those aims. There are a range of motivational techniques that can be used to improve productivity, reduce workplace stress and increase self-confidence. There are a number of ways of inspiring and motivating a team; they are as follows.

Team-building

Despite mixed feelings about team-building activities, the fact that they encourage people to work together outside the office environment can be a definite advantage. They can encourage healthy competition and give each member of staff the opportunity to be on the winning team. Improving team relationships can result in increased productivity and morale, and can lead to a much happier and healthier working environment. Such exercises can also help in the resolution of pre-existing issues within the team. It is important that all team-building exercises are carefully balanced to ensure that they do not play to the particular strengths, or weaknesses, of employees but are designed instead to give everybody a chance of success (Koontz and Weihrich, 1990; Robbins, 1998: 226).

Training

People can be taught to become more motivated by

showing them how to deconstruct tasks and challenges, and how to feel less intimidated by their job roles. Demonstrating to them how to cope in the workplace can lead directly to improved motivation (Daniel, 2001).

Enhanced communication

Communication does not only mean talking to your team but also listening to them. It is important to ensure their understanding of companies' objectives and their individual job roles but it is equally important to show them the importance of their feedback for the achievement of targets and standards (Robbins, 1999; Daniel, 2001).

Targets, rewards and incentives

It is generally accepted that having targets to work towards, as long as they are realistic, is one of the most effective ways of improving performance. Hitting targets improves morale and self-confidence but remember that those who consistently underachieve will end up feeling demotivated. Target achievement can be rewarded not only with financial incentives but perhaps with the offer of increased responsibility or even promotion. Different people are motivated by different things so it is important to make sure that you offer the right incentives to the right member of the team. Motivating a team is always easier if you fully understand that they may not necessarily be motivated by the same things as you. The most effective teams are those that feel valued and supported but also feel that they are progressing and developing through the completion of challenging tasks. If a team understands company's objectives, they are much more likely to want to work harder towards their achievement. Also, most people tend to respond well to being given the opportunity to make decisions and take on additional responsibilities. Whatever motivational techniques work the best, it is always important to ensure that your team feels it is making a valuable and positive contribution (Koontz and Wehrich, 1990; Daniel, 2001; Kelly, 2010).

Encouraging participation

Employees can contribute in a number of decisions that affect them: setting work goals, choosing their own benefits package, solving productivity and quality problems, and the like. This can increase employees' productivity, commitments to work goals, motivation and job satisfaction (Robbins, 1998). It is also a means of recognition. It appeals to the need for affiliation and acceptance. Above all, it gives people a sense of

accomplishment, but encouraging participation should not mean that the managers weaken their positions. Although they encourage participation of subordinates on matters with which they can help, and although they listen carefully on matters requiring their decision they must decide themselves. The best subordinates ever have respect for a weak superior (Koontz and Wehrich, 1990).

Job enrichment

According to Koontz and Wehrich (1990), this is the attempt to build into jobs a higher sense of challenge and achievement. A job may be enriched in variety, by giving workers more freedom in deciding about such things as work methods, sequence, and pace or the acceptance or rejection of materials; giving workers a feeling of personal responsibility for their tasks; taking steps to make sure that workers can see how their tasks contribute to a finished product and the welfare of an enterprise; involving workers in the analysis and change of physical aspects of their work environment, such as layout of the office or plant temperature, lightening and cleanliness.

Quality of working life programs

These programs as described by Koontz and Wehrich (1990) and Bateman and Snell (2004) create a workplace that enhances employees' well being and satisfaction. The general goal of QWL programs is to satisfy a full range of employees' needs. People's needs are divided into eight categories: Adequate and fair compensations, safe and healthy environments, jobs that develop human capacities, chance for personal growth and security, social environment that fosters personal identity, freedom from prejudice, sense of community, and upward mobility, constitutionalism, or rights of personal privacy, dissent and due process, work role that minimises infringement on personal leisure and family needs and socially responsible organisational actions. QWL programs mean much more than each person's quantity of work output. It also indicates turnover, absenteeism, accidents, theft, sabotage, creativity, innovation and especially the quality of work.

Checking system for equity

Rewards should also be perceived by employees as equating with inputs they bring to the job. This should mean that experience; skills, abilities, efforts and other obvious inputs should explain differences in performance and, hence, pay job assignments, and other obvious rewards (Robbins, 1998).

Money

Whether in the form of wages, piecework (getting paid for units produced at a certain quality level) or any other incentive pay, bonuses, stock options, company-paid insurance, or any of the other things that may be given to people for performance, money is important; it could also mean status or power. For some people money will always be of the utmost importance, while for others it may never be. It is probably quite true that in most kinds of businesses and in enterprises money is used as a means of keeping an organisation adequately staffed and not primarily as a motivator. People in various positions, even though at a similar level, must be given salaries and bonuses that reflect their individual performances. The way to ensure that money has meaning, as a reward for accomplishment and as a way of giving people pleasure from accomplishment, is to base compensation as much as possible on performance (Koontz and Weihrich, 1990; Edwin, 1993).

Recognising individual differences

Employees have different needs. It is important not to treat them all alike. Important note should be made to understand what is important to each employee. This allows for individualising goals, levels of involvement, and rewards to align with individual needs (Robbins, 1998).

Impact of motivation on employees' performance

According to Herzberg's two-factor theory of motivation, money is not even a motivator (Herzberg, 1987). Today's workforce is becoming more and more skilful and technologically inclined. Managers have to think of new ways to manage this knowledge workforce. With knowledge and skills come higher salary demands. These knowledge workers will no longer "work for beans." According to Maslow's hierarchy of needs, people have physical, security, social, ego and self-actualization needs. People are motivated to fulfil lower-level needs before they move on to fulfil higher-level needs, such as ego (esteem) and self-actualization. (Herzberg 1987) Knowing what people need can help us understand how to motivate today's knowledge workers. Given the fact that these workers command high-paying jobs, we can infer that money alone does not provide enough of an incentive as a motivator for performance. This is, of course, an element of Herzberg's theory of motivation.

Managers need to provide challenging jobs in order to better motivate today's knowledge workers. Because the physical or material, and social needs that come with the jobs are already fulfilled, these knowledge workers tend

to move on to higher-level of needs such as ego (esteem) and self-actualization. The survey we conducted suggests growth opportunities and challenges have a positive effect on a person's motivation in the work place. The majority of people we surveyed rank growth opportunities higher than pay when it comes to job motivation. Most of the people in the survey answered that they would take a high-profile job with more responsibilities but without any pay increase when given the opportunity. This behaviour suggests that people prefer recognition associated with the job. Also, the behaviour in choosing the job with more responsibilities suggests that people are not afraid of challenges associated with the job when they are presented in the right context. In this case, by taking on the challenges, people may expect a certain amount of recognition. Managers should keep this in mind when assigning work to their employees.

Work itself is a motivator according to Herzberg's two-factor theory. A worker derives a sense of self-worth in the process of performing the job and, upon completion of that job, a sense of accomplishment. Studies have shown that satisfied workers are more productive (Schermerhorn et al., 2003). In dealing with today's knowledge workforce, managers need to design jobs that are both challenging and satisfying. In order to design the "right" job for the right person, the job designing process needs to involve employees because their needs have to be addressed. A significant number of jobs in the workplace are apparently not very challenging. In situations like these, managers can set goals and objectives so employees know what is expected of them. These goals and objectives need to be specifically stated in order to have most motivating effect. Having a clear goal can make a previously routine job become more of a challenge. With this view, the worker becomes more motivated in order to achieve that goal. Whether the job is by design or by goal setting, a highly motivated worker is likely to be one who has the necessary skills and supplies to accomplish the job.

The survey conducted also indicated that a majority of the respondents consider the opportunity for growth to be more of a factor in job motivation than pay. Today's knowledge workers also demand growth opportunities from their work place. These workers value new knowledge and new skills. Companies that can provide these growth opportunities reap the benefits of having a motivated workforce with improved skills. These growth opportunities can involve on-the-job training or company-paid technical training. Managers need to understand that challenging work and opportunities for growth really go hand in hand. Workers who routinely perform challenging work inherit personal growth and thus become even more motivated and productive. Designing challenging work and providing growth opportunities can be cost-effective

ways to boost employees' motivation.

Non-cash rewards also play an important role in any organization, as rewards for exceptional performance are vital for employee motivation. Employees want and need recognition on the job, and an effective way of satisfying this need is through non-cash rewards. Non-cash rewards appeal to employees on a personal level. Because non-cash rewards have proven to be effective motivators, companies that "want rewards to be cost-effective but memorable are seeking the services of firms that specialize in employees' recognition. According to the survey we conducted, 94% of those surveyed felt that non-cash rewards can be very effective in motivating employees. This seems to demonstrate that money is not everything when it comes to motivating a person on the job. Non-cash awards play an important role in employees' motivation and knowing their contributions count is vital to employee performance. As previously mentioned, recognition is another important factor that managers must identify in motivating their employees according to the interview conducted. Recognition can come in many forms, most of them with little or no real cost to a company. A compliment such as "a simple 'thank you' still goes a long way in motivating employees" (Kelly, 2010), or it can be more formal such as an "employee of the month" award. "The value of recognition is the attention they receive" (Wiscombe, 2002).

Gelleman (1992) states in his book, *Motivation in the Real World: The Art of Getting Extra Effort From Everyone – Including Yourself*, "If you are dealing with individuals who, regardless of their demographics, want to take charge of their own life, at least to the extent that circumstances permit them to do that, you can motivate them. What that kind of person needs is plenty of opportunity for achievement and recognition" (Gellerman, 1992). Employees and people in general want to feel like they are individuals and that they can distinguish themselves by doing an exceptional or outstanding job. This concept would relate to the level of "ego" in Maslow's theory on the hierarchy of needs, which deals with independence, achievement, freedom, status, recognition, and self-esteem. By acknowledging the excellence and well-performed activities of employees, managers can determine the type of recognition required. The level of appreciation from recognition rises if it is an honest and well-deserve recognition because "if employees believe you are a fair, honest and caring boss, most of them will remain loyal and respond in kind" (Wiscombe, 2002).

METHODOLOGY

This research work is carried out within the workforce of the CreditWest Bank Cyprus; a centralised human resource department of the bank helped in conveying the questionnaire to the 13 branches of the bank, and 134 respondents were interviewed.

Quota sampling (employees of the Credit West) and simple random sampling method have been used to select target respondents for the study. The employees of the bank have been informed on the purpose of the study and the willing employees participated in the study. Selective questions were asked and respondents just ticked appropriately. Open ended questionnaire was used for the pilot study and the result of the open ended questionnaire was used to formulate the closed end structured questionnaire. The questionnaire contained questions used to determine the non-monetary motivation techniques: recognition, trainings, authority, freedom, job autonomy, challenging work schedules, job security, prestigious job titles and responsibility. A second part contained questions used to determine monetary motivation variables such as fringe benefits, money, bonuses, pensions, profit sharing and performance pay. And a final part on questions used to determine extraneous variables such as rewards and incentives, team building activities, participation, recognition of individual differences, performance pay, enhanced communication and job enrichment.

The statistical tools used for the analysis of the questionnaire are frequency analysis, descriptive analysis, ranking method, mean analysis (Attitude scale), one sample T-test, and principle component factor analysis, specific model developed to identify the impact of motivation techniques on employees' performance, Cronbach's Alpha reliability analysis (Testing the reliability and validity of collection instrument).

RESULTS AND DISCUSSION

50% of the respondents would prefer the organisation to recognise them for performance with higher position, 24% of the employee would prefer nothing, both or all of the above (20%) indicated cash reward while 6% would prefer to be recognised for performance with more responsibility (Table 1)

From the above analysis, 50% indicated higher position. It can be inferred that the majority of the respondents used for this study prefer higher position.

Recognition scored 405 and ranked 1st, authority has 606 and it is ranked 2nd, advancement and opportunity scored 593 and it is ranked 3rd, autonomy has 551 score and it is ranked 4th. Job security scored 543 and ranked 5th, responsibility ranked 6th scoring 520, job title ranked 7th scoring 510 while challenging work scored 427 ranking 8th.

It can be seen from the above analysis that both recognition and authority have the highest score and they are both ranked 1st and 2nd respectively. This shows that both factors are the most important in the expected non-monetary motivation variables. Career advancement and opportunity is the next expected non-motivation variable that most respondents choose to be important followed by autonomy, job security, responsibility, job title and challenging work.

Recognition scored 654 and ranked 1st, advancement and opportunities scored 393 and ranked 2nd, challenging work scores 498 and ranked 3rd, responsibility scored 492 and it is ranked 4th. Job security scored 491 and ranked 5th, authority scored 479 and ranked 6th, autonomy

Table 1. Ranking of Kinds of recognition expected by employee for performance.

Recognition for performance	Number of respondents	% of Respondents
Cash reward	27	20
Higher position	68	50
More responsibility	8	6
Null	32	24
Total	134	100

scored 478 and ranked 7th and lastly job title scored 469 and ranked 8th.

It can be seen from the above analysis that recognition scored the highest and ranked 1st followed closely by advancement opportunities, challenging work, responsibility, job security, authority, autonomy and job title scoring last all in the 2nd, 3rd, 4th, 5th, 6th, 7th and 8th categories respectively. This shows that recognition and advancement opportunities are the actual non monetary motivation variables implemented by the bank. Challenging work is the next actual non- monetary variable that most respondents choose to be important followed by responsibility, job security, authority, autonomy and lastly job title.

$$f(\text{nmiepj}) = \left[\sum_{i=1}^n Aoi - \sum_{i=1}^n Eoj \right] \div \sum_{i=1}^n Eoj$$

Aoi = Actual output (Happiness of employee on non-monetary motivation)

Eoj = Expected output (Expectation of employee on non-monetary motivation)

F(nmiepj) = Impact of non-monetary motivation variables on employee performance

It is evident from the above that the non-monetary motivation techniques have positive and negative impact on the employees' performance. The following factors portray the positive impact of non-monetary motivation techniques on employees' performance such as recognition and challenging work. Advancement and opportunities, authority, autonomy, job security, job title and responsibility tend to have a negative impact.

It could be seen from the above analysis that recognition and challenging work have a positive impact on employees' performance, while advancement and opportunities, authority, autonomy, job security, job title and responsibility have a negative impact on employees' performance.

High impact on employees' performance (>-27)

Low impact on employees' performance (<-27)

(Actual output-Expected output)

Aoi = Actual output (Happiness of employee on non-monetary motivation)

Eoj = Expected output (Expectation of employee on non-motivation motivation)

F(nmiepj) = Impact of non-monetary motivation variables on employee performance

It is evident from the above that the non-monetary motivation techniques have high and low impact on the employees' performance. The following factors portray the high impact of non-monetary motivation techniques on employees' performance such as authority, autonomy, job security, job title, and responsibility. The non-monetary motivation variables having low impact include recognition, advancement and opportunities and challenging work.

From the above analysis it is shown that authority, autonomy, job security, job title and responsibility are shown to have a high impact on employees' performance, while recognition, Advancement and opportunities and challenging work have a low impact on employees' performance.

Fringe benefits scored 573 ranking 1st, salary scored 527 and ranked 2nd, performance pay scored 519 and ranked 3rd. Bonuses became 4th scoring 500, profit sharing is 5th scoring 447, while pensions scored 410, ranking 6th.

It can be seen from the above analysis that fringe benefits and salary have the highest score and they are both ranked 1st and 2nd respectively. This shows that both factors are the most important expected monetary motivation variables. Performance pay is next expected monetary motivational variable that most respondents choose to be important followed by bonuses, profit sharing and lastly pensions.

Fringe benefits scored 487 and ranked 1st, bonus has 420 score and it is ranked 2nd, salary has 388 score and it is ranked 3rd, performance pay has 387 score and it is ranked 4th. Profit sharing scored 372 and ranked 5th, while pensions scored 345 and ranked 6th.

It can be seen from the above analysis that fringe benefit has the highest score and it is ranked 1st. This

Table 2. Expectation of non-monetary motivation variables.

Determinants	Score	Rank	Mean ratios	Level of agreements
Recognition	614	1	4.51	Highly agree
Advancement and opportunity	593	3	4.36	Highly agree
Authority	606	2	4.45	Highly agree
Autonomy	551	4	4.05	Highly agree
Challenging work	427	8	3.13	Agree
Job security	543	5	3.99	Agree
Job title	510	7	3.75	Agree
Responsibility	520	6	3.82	Agree

shows that this factor is the most important actual monetary motivation variable. Bonuses are the next actual monetary motivation variable that most respondents choose to be important followed by salary, performance pay, profit sharing and lastly pensions.

It is evident from Table 8 that the monetary motivation techniques have positive and negative impact on the employees' performance. The following factors portray a negative impact of monetary motivation techniques on employees' performance; they include: fringe benefits, salary, bonuses, pensions, profit sharing and performance pay.

$$f(nmiepj) = \left[\sum_{i=1}^n Aoi - \sum_{i=1}^n Eoj \right] \div \sum_{i=1}^n Eoj$$

Aoi = Actual Output (Happiness of employee on monetary motivation)

Eoj = Expected Output (Expectation of employee on monetary motivation)

F(nmiepj) = Impact of monetary motivation variables on employee performance

From the above analysis it is shown that all the variables have a negative impact on employees' performance.

$$f(nmiepj) = \left[\sum_{i=1}^n Aoi - \sum_{i=1}^n Eoj \right]$$

Aoi = Actual Output (Happiness of employee on monetary motivation)

Eoj = Expected Output (Expectation of employee on monetary motivation)

F(nmiepj) = Impact of monetary motivation variables on employee performance

It is evident from the above that the monetary motivation techniques have high and low impact on the employees' performance. The following factors portray a high impact

of monetary motivation techniques on employees' performance; they include; fringe benefits, salary and performance pay. It also reveals bonuses, pensions and profit sharing have a low impact on employees' performance.

From the above analysis it is shown that fringe benefits, salary and performance pay have a high impact on employees' performance, while bonuses, pensions and profit sharing have a low impact on employees' performance.

Reliability analysis – scale (ALPHA)

Reliability analysis of overall collection tool

Reliability coefficients

Number of cases = 134.0: Number of items = 42

Alpha = .8285

The reliability (alpha) analysis has been done to identify the reliability of the questionnaire. The analysis produced reliability coefficients of .8285 which is on the very high side. The design of the questionnaire and the respondents' response were reliable and duly validated.

Findings

Majority of the respondents used for this study would prefer to be rewarded for performance with a higher position (Table 1).

- From the data collected from the respondents it can be seen that majority of respondents agree that recognition and authority are the most important of expected non-monetary motivation variables, followed closely by advancement and opportunities, autonomy, job security, responsibility, job title and challenging work (Table 2).

Table 3. Actual of non-monetary motivation variables.

Determinants	Score	Rank	Mean ratios	Level of agreements
Recognition	654	1	4.808823529	Highly agree
Advancements and opportunities	587	2	4.316176471	Highly agree
Authority	479	6	3.522058824	Agree
Autonomy	478	7	3.514705882	Agree
Challenging work	498	3	3.661764706	Agree
Job security	491	5	3.610294118	Agree
Job title	469	8	3.448529412	Agree
Responsibility	492	4	3.617647059	Agree

Table 4. Modelling of the impact of non monetary motivation on employee performance.

Non-monetary motivation	Model value	Rank	Impact
Recognition	6.51465798	2	Positive impact
Advancements and opportunities	-1.01180438	3	Negative impact
Authority	-20.9570957	8	Negative impact
Autonomy	-13.2486388	7	Negative impact
Challenging work	16.62763466	1	Positive impact
Job security	-9.57642726	6	Negative impact
Job title	-8.03921569	5	Negative impact
Responsibility	-5.38461538	4	Negative impact

Table 5. Gauging the impact of non monetary motivation variables on employee performance.

Non- monetary variables	Model impact	Impact
Recognition	40	Low impact
Advancements and opportunities	-6	Low impact
Authority	-127	High impact
Autonomy	-73	High impact
Challenging Work	71	Low impact
Job security	-52	High impact
Job title	-41	High impact
Responsibility	-28	High impact

- If all actual non-motivation variables are considered it can be seen that recognition ranked highest followed by advancement and opportunity, challenging work, responsibility, job security, authority, autonomy, and job title (Table 3).

- Recognition and challenging work have a positive impact on employees' performance, while advancement and opportunities, authority, autonomy, job security, job title and responsibility have a negative impact on employees' performance (Table 4).

- Authority, autonomy, job security, job title and responsibility are shown to have a high impact on

employees' performance, while recognition, advancement and opportunities and challenging work have a low impact on employees' performance (Table 5).

- Fringe benefits and salary have the highest score, showing that both factors are the most important expected monetary motivation variables. Performance pay is next expected monetary motivational variable that most respondents choose to be important followed by bonuses, profit sharing and lastly pensions (Table 6).

- Fringe benefit has the highest score and it is ranked 1st, showing that this factor is the most important actual monetary motivation variable. Bonuses are the next

Table 6. Expectation of monetary motivation variables.

Determinants	Score	Rank	Mean ratios	Level of agreements
Fringe benefits	573	1	4.21	Highly agree
Salary	527	2	3.87	Agree
Bonuses	500	4	3.67	Agree
Pensions	410	6	3.01	Agree
Profit sharing	447	5	3.28	Agree
Performance pay	519	3	3.81	Agree

Table 7. Actual of monetary motivation variables.

Determinants	Score	Rank	Mean ratios	Level of agreements
Fringe benefits	457	1	3.36	Agree
Salary	388	3	2.85	Disagree
Bonuses	420	2	3.08	Agree
Pensions	345	6	2.53	Disagree
Profit sharing	372	5	2.73	Disagree
Performance pay	387	4	2.84	Disagree

Table 8. Modelling the impact of monetary motivation on employee performance.

Monetary motivation	Model value	Rank	Impact
Fringe benefits	-20.2443281	4	Negative impact
Salary	-26.37571157	6	Negative impact
Bonuses	-16	2	Negative impact
Pensions	-15.85365854	1	Negative impact
Profit sharing	-16.77852349	3	Negative impact
Performance pay	-25.43352601	5	Negative impact

Table 9. Gauging the impact of monetary motivation variables on employee motivation.

Monetary motivation	Model impact	Impact
Fringe benefits	-116	High impact
Salary	-139	High impact
Bonuses	-80	low impact
Pensions	-65	low impact
Profit sharing	-75	low impact
Performance pay	-132	High impact

actual monetary motivation variable that most respondents choose to be important followed by salary, performance pay, profit sharing and lastly pensions (Table 7).

- From the analysis, modelling the impact of monetary motivation variables, fringe benefits, salary, bonuses, pensions, performance pay and profit sharing all have a

negative impact on performance (Table 8).

- From the analysis, monetary motivation variables, fringe benefits, salary and performance pay have a high impact on employees' performance, while bonuses, pensions and profit sharing have a low impact on employees' performance (Table 9).

Conclusion

This empirical study was carried out to identify the impact of monetary and non-monetary motivation on employee. The non-monetary motivation variables discussed include: Recognition, challenging work, advancement and opportunities, job autonomy, authority, job security, prestigious job titles and responsibility. The monetary motivation variables discussed include: Fringe benefits, salary, bonuses, pensions, profit sharing and performance pay. Identifying the impact of each of these variables on employees' performance from the data

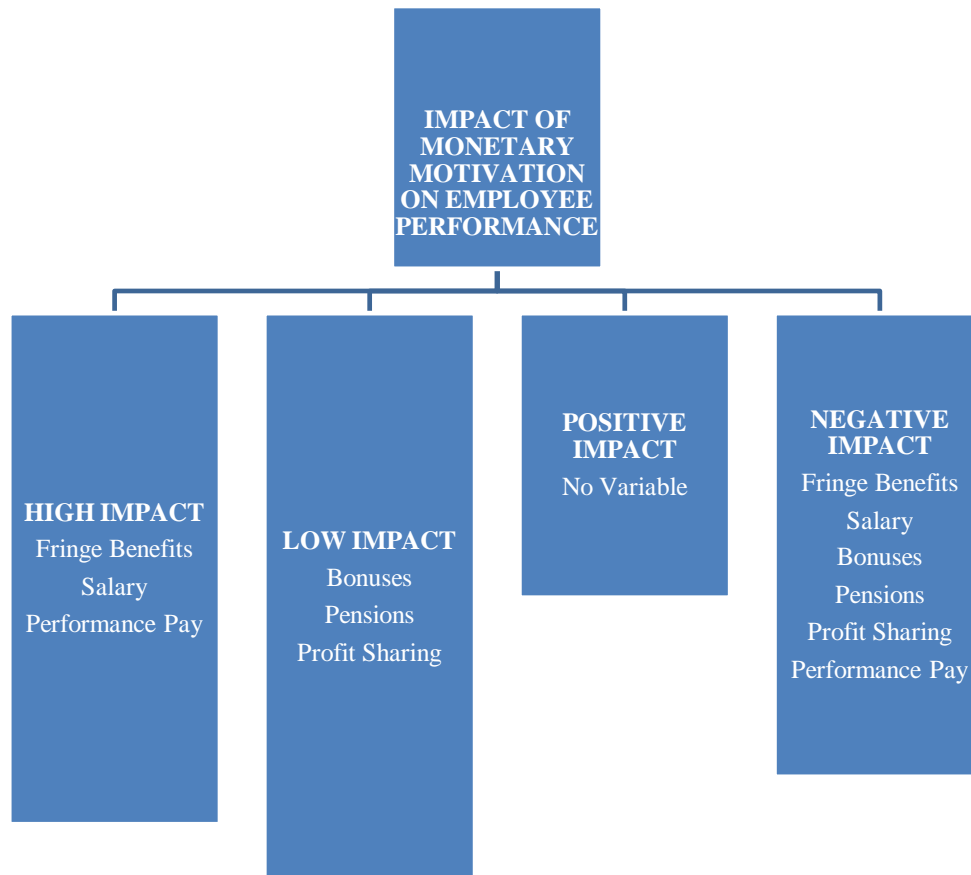


Figure 1. Impact of monetary motivation variables on employee performance.

analysis and interpretation, the following conclusions were drawn:

If managers wish to be effective, they need to have at least a basic understanding of motivation and the different motivational theories that try to explain the concept of motivation. They must be able to grasp the key components of theories such as Maslow's hierarchy of needs, and Herzberg's two-factor theory and make an effort to truly understand their employees. It is only by grasping these concepts that they can hope to effectively bring about continual high performance in their workers. Our research, survey results, and interviews have given us some valuable insight into motivation and its role in the workplace. Managers need to provide growth opportunity and challenging jobs in order to better motivate today's workers. Without these challenges and opportunities for growth, employees may not see a need to perform highly at work. We have seen that recognition plays a major role in employees' motivation and that it is a very effective motivator. Employees want and need to feel that their contributions make a difference and recognition is one way to satisfy those wants or needs.

Our research and interviews have confirmed that the use of non-cash rewards can be an effective and cost-efficient way to motivate employees, and the majority of our survey respondents agree with this statement. In conclusion, when it comes to bringing out the best performance of employees, growth opportunities and challenges, recognition and non-cash rewards are more effective motivators than money.

The following model shown in Figure 1 depicts the impact of motivation of employees' performance of staff at CreditWest Bank.

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