An Empirical Investigation of the Impact of Employee Motivation and Productivity of Executive Employees with Special Reference to the Apparel Industry in Sri Lanka

S. M. D. Y Jayarathna

Lecturer, Department of Human Resource Management
Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka

Abstract: *The area of motivation has been receiving a lot of attention both by behavioral scientists as well as by industrial psychologists. As well motivation affects individual behavior and it related to performance and productivity of the organization as the human is a unique resource compared to other resources. Therefore today's management highly focused on the impact of employee motivation towards the productivity, since it ultimately affects achieving the organizational goals and objectives and also it drives towards achieving the competitive advantage. Therefore there is a need of investigating the impact of employee motivation on employee productivity. So this research was conducted with the objective of identifying the impact of employee motivation on productivity of the employees. The independent variable is employee motivation and the dependent variable is productivity of executive employees. This study was engaged in hypothesis testing and it was corelational and this research study was conducted in the natural environment where work proceeds normally (noncontrived). Data was collected from each individual: executive employees of the Apparel Industry in Sri Lanka. The analysis was based on the information collected using a self administered questionnaire. Data used for analysis were totally based on primary data which was collected using a questionnaire developed by the researcher. According to the results, there is an impact on employee motivation and productivity of executive employees and there is a relationship between employee motivation and productivity of executive employees, which is significant. Based on that it can be concluded that productivity of executive employees have been affected by the employee motivation.*

Key words: Motivation, Productivity, Executives

1. Introduction

Kim (2006) defines the employee motivation as "the imperative need of discovering, comprehending, and implementing employee motivation has been a principle concern for organizations, managers, and even first line supervisors because employee motivation has been and will be the deciding factor in work performance and in turn decide the success or failure of an organization". People are considered the most vital, unique, dynamic, valuable and unpredictable piece in the organizational context. Technology, Capital and Material may be the same for different organizations. But with the people, two organizations are not the same, and this is the key towards achieving completive advantage in the business world. Among the many resources in an organization, people are considered the most important resource, since every person is unique. According to their values, beliefs, attitudes and strengths, people are different. Organizations activate other resources as money, machinery, material, markets/methods, through human resources. Therefore, every organization should realize that behavior of this unique category plays a vital role.

In the study of Organizational behavior, there are three factors which consist of individuals, groups and structure of the Organization. Therefore, an organization reaching towards its vision needs to drive each individual, groups and the structure of the organization, to one direction in order to achieve its goals and objectives. Organizations need to guide their employees towards one direction in order to use them effectively in the organization. As a result of achieving the

above needs, an Organization needs to "drive" its employees towards goal oriented behaviors by motivating them. By doing this an Organizations can increase its efficiency, effectiveness and productivity. When we look at the local context, the Sri Lankan scenario, many organizations tend to build up strategies to increase motivation of employees. Ugah (2008) defines Motivation cited in Higgins, (1994) as "an internal drive to satisfy an unsatisfied need and the will to achieve them. Donnelly et al., (1995) defines motivation as all those inner-striving conditions described as wishes, desires and drives of employees. The job of a manager in an organization is to get things done through employees in order to achieve its goals and objectives. To do this, the manager should be able to motivate employees. To understand motivation one must understand human nature itself. Human nature can be very simple, yet very complex too. An understanding and appreciation of this, is a prerequisite for effective employee motivation in an organization, and also for effective management and leadership.

2. Research Problem

Any successful business knows much of its success is due to diligent workers with excellent productivity. It is important to motivate all employees to reach their full potential and utmost level of productivity. Factors that affect productivity include the work environment, suitability of tasks for the worker's skills, interactions with coworkers and bosses, and personal issues. Constant changes or upheavals in procedures or hierarchy can negatively affect employee productivity.

According to the theoretical explanations have been given is respect of relationships or impact of employee motivation and employee productivity in the global context. Furthermore the literature emphasize that quite a lot of research studies have investigated the relationship between the employee motivation and employee productivity. Mostly these studies have been done in the western context. Less research studies have done to investigate in Sri Lankan context. To fill this research gap, it is very essential to conduct a research study to identify the relationship between employee motivation and employee productivity. Hence this research study was conducted to identify the impact of employee motivation on productivity of executive employees in Apparel Industry in Sri Lanka and to identify the relationship between employee motivation and productivity of executive employees in Apparel Industry in Sri Lanka,

3. Research Objective

The general objective of this study was to investigate the relationship between employee motivation and the employee productivity of the executive employees of the Apparal Industry in Sri Lanka. Also this study was attempted to achieve the following objectives,

1. Impact of employee remuneration on productivity of executive level employees.
2. Impact of employee working relationships on productivity of executive level employees.
3. Impact of employee career development opportunities on productivity of executive level employees

4. Literature Review

Lunsford (2009) says that there is no question that motivated employees are more productive and more creative, and add more overall value to an organization than their just doing what it takes to get by. As he said Motivation cannot be created, taught, or instilled. It can, however, be tapped into, supported, and maintained. Furthermore he elaborate that the motivational factors are different to one another and there for different individuals are, by nature, driven by different motivators. Kim (2006) highlighted in his research article that the employee motivation has been a principle concern for organizations, managers, and even first line supervisors because employee motivation has been and will be the deciding factor in work performance and in turn decide the success or failure of an organization. There for consequently, considerable study and research of this topic has been conducted and reasonable amounts of findings have been produced to benefit contemporary organizations and management. Furthermore "motivation is derived from the word "motivate", means to move, push or influence to proceed for fulfilling a want. Butkus & Green (1999) cited in (Manzoor, 2012). Webster's New Collegiate Dictionary defines that, a motive is "something a need or desire that causes a person to act". "Motivate, in turn, means "to provide with a motive," and motivation is defined as "the act or process of motivating". Consequently, motivation is the performance or procedure of presenting an intention that origin a person to capture some accomplishment.

Kreitner (1995) and Buford et al., (1995) describes that the

"motivation is a predisposition to behave in a purposive manner to achieve specific unmet needs and internal drive to satisfy an unsatisfied need and will to achieve". Furthermore Higgins (1994) & Bedeian (1993) defined motivation as all those inner-striving conditions described as wishes, desires, drives, etc. Donnelly et al., (1995) defines the same concept as the way urges, aspirations, drives and needs of human beings direct or control or explain their behavior Mullins (1996) describes the motivation as some driving force within an individual by which they attempts to achieve some goal in order to fulfill some needs or expectations. Centre for the Study of Living Standards (1998) defined productivity as "The relationship between output of goods and services and the inputs of resources, human and non-human used in the production process, with the relationship usually expressed in ratio" form. As well Saari, (2006) explains the same concept as maximum at minimal sacrifice and he illustrates that it is the output/input relationship as follows.

Total productivity = $\dfrac{\text{Input quality and quantity}}{\text{Output quality and quantity}}$

In his studies Olomolaiye (1990) elaborated that the importance of productivity to any profit oriented organization cannot be over emphasized, as it is the effective and efficient conversion of resources into marketable products that determines business profitability. Furthermore he describes that in an industry where survival depends much on performance and tenders have to be won on competitive basis, it is imperative that all managers should be clear headed on the subject of productivity. Olomolaiye (1990) stated that "labor productivity as a total output divided by labor inputs.. It indicates the extent to which a firm's human capital is efficiently creating output. Kim (2006) defines that "there are some motivators that employees value over time; however, the most preferred motivators have changed over the last 40 years". She refers to the survey results of 1946 by the Labor Relations Institutes of New York reported in Foreman Facts, similar surveys administered in 1980 and 1986(Kovach, 1984 & 1987), and lastly her survey in 1992. The findings of those surveys enhanced that there is a clear relationship in between the employee motivation and the employee productivity.

Islam et al., (2008) revealed through their study that productivity improvement requires more than just customer service, technology, decentralization, or process reengineering. Whether these approaches succeed or fail will depend largely on the motivation of the employees who are asked to implement them. Furthermore they have been discussed that any management development program should be incorporating the factors that affect the working lives of the workers. As well they said that, this kind of programs may fail if the inputs from employees are not adequately taken into consideration. In fact, people have witnessed failures of numerous programs even before they are kicked off. They emphasize that employee involvement is crucial for a successful design of a motivation program. The researchers of Hong (1995) study on Impact of employee benefits on work motivation and productivity and what they found is employee benefit programs have greater

impact on work-motivation than on productivity. They have been considered on effort, commitment, work-quality promotion, and command of work. The first two belong to work motivation and the last two to productivity and they clearly say that the impact of employee benefit on work-motivation was greater than it is on productivity. As well they revealed that monetary benefit programs are most highly valued by both executives and workers. The result shows that both corporate offers and worker demands are primarily money oriented. Study done by Prasada (2006) regarding the motivation model for improving productivity in a manufacturing unit found out that a multi-factor incentive scheme to incentivize and reward employees in a practical way. The amount of incentive earned by each employee is calculated, as per the scheme, every month and paid along with the salary. It has been demonstrated that the implementation of this scheme motivated the employees of the company to improve production levels, achieve better consumption of raw materials and thus achieve higher productivity.

5. Conceptual Framework

The conceptual framework of the study is the conceptual model how the theories make logical sense of the relationship among that had been identified in the study. According to the model the independent variable is motivation and the dependent variable is productivity.
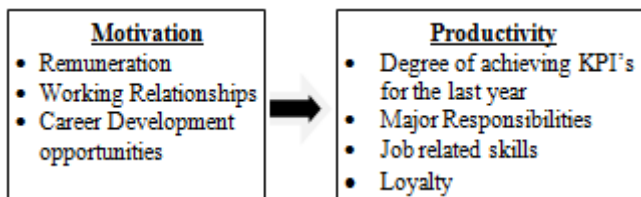

Figure 1: Conceptual Framework

6. Hypotheses

H1- There is an impact of employee remuneration on productivity of executive level employees.
H2 - There is an impact of employee working relationships on productivity of executive level employees.
H3 - There is an impact of employee career development opportunities on productivity of executive level employees
H4 - There is an impact of employee motivation on productivity of executive level employees.

7. Methodology of the Study

Purpose of this study was hypothesis testing since study was done to establish and explain the relationship between motivation and productivity. Hypothesis testing is undertaken to explain the variance in the dependent variable or to predict the productivity of the executive employees. The type of the investigation was co relational since the study has conducted in noncontrived settings, whereas most rigorous casual studies are done in contrived lab settings. Unit of analysis for this study was individual; hence the data was gathered from each individual: executives in the garment industry in Sri Lanka.

The objective of this study is to identify the impact of motivation on productivity of the executives in the garment manufacturers in western province in Sri Lanka. For that, the day was collected from 100 Executive employees in the garment manufacturers in western province in Sri Lanka. The time horizon of the study was one-shot or cross-sectional hence the study was conducted during the period on a one month, the month of January 2013.

The study is done with the help of self administered questionnaires which prepared according to the measures of dimensions. Five point scale was used to weight from strongly disagree to strongly agree. The questionnaires were distributed personally, mailed to the respondents, or electronically distributed to every executive in the sample. The questionnaire has given to 100 executive employees and the entire questionnaires were returned. So the response rate was 100%. The collected data was analyzed by statistical data analysis package, SPSS version 16.0.

8. Analysis

The bivariate analysis includes the correlation and regression analysis which was used to investigate the impact of motivation on productivity of the executive employees. Using Pearson product movement correlation with two tailed test of significance, the correlation analysis was made to investigate the relationships. Using the regression analysis, the impact of the variables was investigated.

Table 1: Impact of Remuneration on Employee Productivity

Model Summary				
Model	R	R Square	Adjusted R Square	Change Statistics
				Sig. F Change
1	.281ᵃ	.079	.060	.048
a. Predictors: (Constant), Remuneration Scale				

According to the Table 1, The R is 0.281 and R2 of the regression model is 0.079, indicating that 7.9% of variance in employee productivity is accounted by remuneration which is significant at 5% (P=0.048), which suggests that remuneration has significantly explained 7.9% of the variance of employee productivity. Thus the H1 is accepted.

Table 2: Relationship between Remuneration and Employee Productivity

		Remuneration	Employee Productivity
Remuneration	Pearson Correlation	1	.281*
	Sig. (2-tailed)		.048
	N	100	100
Employee Productivity	Pearson Correlation	.281*	1
	Sig. (2-tailed)	.048	
	N	100	100
*. Correlation is significant at the 0.05 level (2-tailed).			

Pearson correlation between the independent variable and dependent variable is 0.281, which is positive. It shows that there is a positive relationship between remuneration and employee productivity. The relationship is significant as correlation is significant at 0.05 level (2-tailed). Thus there is a significant relationship between remuneration and employee productivity, where the found relationship is positive.

Table 3: Impact of Working Relationships on Employee Productivity

Model Summary				
Model	R	R Square	Adjusted R Square	Change Statistics
				Sig. F Change
1	.113ª	.013	-.008	.433
a. Predictors: (Constant), Working Relationships Scale				

According to the Table 3, The R is 0.113 and R2 of the regression model is 0.013, indicating that 1.3% of variance in employee productivity is accounted by working relationships which is not significant at 1% (P=0.433), which suggests that work relationships has explained 1.3% of the variance of employee productivity, but not significant. Thus the H2 is accepted, but the impact is not significant.

Table 4: Relationship between Working Relationships and Employee Productivity

		Working Relationships	Employee Productivity
Working Relationships	Pearson Correlation	1	.113
	Sig. (2-tailed)		.433
	N	100	100
Employee Productivity	Pearson Correlation	.113	1
	Sig. (2-tailed)	.433	
	N	100	100

Pearson correlation between the independent variable and dependent variable is 0.113, which is positive. It shows that there is a positive relationship between working relationships and employee productivity. The found positive but weak. The relationship is not significant as correlation is not significant at 0.01 level (2-tailed).

Table 5: Impact of Career development Opportunities on Employee Productivity

Model Summary				
Model	R	R Square	Adjusted R Square	Change Statistics
				Sig. F Change
1	.365ª	.133	.115	.009
a. Predictors: (Constant), Career development Opportunities Scale				

According to the Table 5, The R is 0.365 and R2 of the regression model is 0.133, indicating that 13.3% of variance in employee productivity is accounted by career development which is significant at 1% (P=0.009), which suggests that career development has significantly explained 13.3% of the variance of employee productivity. Thus the H3 is accepted, as there is a 13.3% impact of career development on employee productivity which significant at 0.009 (0.009<0.01).

Table 6: Relationship between Career development Opportunities and Employee Productivity

		Career Development Opportunities	Employee Productivity
Career Development Opportunities	Pearson Correlation	1	.365**
	Sig. (2-tailed)		.009
	N	100	100
Employee Productivity	Pearson Correlation	.365**	1
	Sig. (2-tailed)	.009	
	N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).			

Pearson correlation between the independent variable and dependent variable is 0.365, which is positive. It shows that there is a positive relationship between career development opportunities and employee productivity. And the relationship is significant as correlation is significant at 0.01 level (2-tailed).

Table 7: Impact of Employee Motivation on Employee Productivity

Model Summary				
Model	R	R Square	Adjusted R Square	Change Statistics
				Sig. F Change
1	.346ª	.120	.102	.014
a. Predictors: (Constant),Employee Motivation				

According to the Table 7, The R is 0.346 and R2 of the regression model is 0.120, indicating that 12% of variance in employee productivity is accounted by employee motivation which is significant at 5% (P=0.014), which suggests that employee motivation has significantly explained 12% of the variance of employee productivity. Thus the H4 is accepted, as there is a 12% impact of employee motivation on employee productivity which significant at 0.014 (0.014<0.05).

Table 8: Relationship between Employee Motivation and Employee Productivity

		Working Relationships	Employee Productivity
Working Relationships	Pearson Correlation	1	.346*
	Sig. (2-tailed)		.014
	N	100	100
Employee Productivity	Pearson Correlation	.346*	1
	Sig. (2-tailed)	.014	
	N	100	100
*. Correlation is significant at the 0.05 level (2-tailed).			

Pearson correlation between the independent variable and dependent variable is 0.346, which is positive. It shows that there is a positive relationship between employee motivation and employee productivity which is significant at 0.05 level (2-tailed). Thus the H4 is accepted, as there is a significant relationship between employee motivation and employee productivity, where the found relationship is positive.

9. Discussion and Conclusion

9.1 Discussion

Simple regression analysis describes that, remuneration has an impact on employee productivity with a correlation coefficient of 0.281, which is significant at 5% (P=0.048). The R2 of the regression model is 0.079, indicating that 7.9% of variance in employee productivity is accounted by employee motivation of the executives of the Apparel Industry in Western Province in Sri Lanka. Also it was found that there is a significant positive, but moderate relationship between remuneration and employee productivity. The correlation between these variable was 0.281, which is significant at 0.05 level. This was based on two- tailed tests.

According to the results of this research study, it illustrates that there is an impact of working relationships on employee productivity which is not significant at 0.01. The R^2 of the regression model is 0.013, indicating that 1.3% of variance in employee productivity is accounted by working relationships of the executives in Western Province in Sri Lanka. Also it was found to be that there is a positive relationship between working relationships and the productivity of the employees. The correlation between these variable was 0.113, but it is not significant impact, since the relationship is not significant at 0.01 level. This was based on two- tailed tests.

Also it was found that career development has a positive and significant impact on the employee productivity with a correlation coefficient of 0.365, which is significant at 1% (P=0.009). The R^2 of the regression model is 0.133, indicating that 13.3% of variance in employee productivity is accounted by career development of the executives of the Apparel Industry in Western Province in Sri Lanka. Also it was found that there is a significant positive, but moderately strong relationship between career development and employee productivity. The correlation between these variable was 0.365, which is significant at 0.01 level. This was based on two- tailed tests. This correlation was found moderately strong.

The employee motivation has an impact on employee productivity with a correlation coefficient of 0.346, which is significant at 5% (P=0.041). The R^2 of the regression model is 0.120, indicating that 12% of variance in employee productivity is accounted by employee motivation of the executives of the Apparel Industry in Western Province in Sri Lanka. Also it was found that there is a significant moderately positive relationship. The correlation between these variable was 0.346, which is significant at 0.05 level. This was based on two- tailed test.

9.2 Conclusion

The research study can be concluded, as there is an impact of employee motivation on employee productivity of executive employees of the Apparel Industry in western province in Sri Lanka. Also it had found that there is an impact of remuneration, working relationships and career development on employee productivity of executive employees of the Apparel Industry in western province in Sri Lanka. Also this study has investigated that there is a positive relationship between employee motivation and employee productivity of executive employees in western province of Sri Lanka.

10. Recommendations and Limitations

10.1 Recommendations

As the study has found that there is a impact of employee motivation and employee productivity, and there is a moderately positive relationship between employee motivation and employee productivity. So the employer must ensure that he always encourage his staff on their work. Encouraging employees helps them to move forward and do even better, and makes the worker feel happy. Also implementing innovative ways of motivating employees

spur them even more to be more productive.

Rewarding the hard work put in by employees makes them continue to work in the same fashion, or improve their work and if the employee feels that his work is not appreciated they may increasingly stop doing so, since they feel that working more doest helps them. SO it is really important to reward the employees, then they will enhance the productivity.

Team work always helps in increasing workplace productivity since there is more input in the form of more ideas and minds at work. Working alone is not always the happiest situation either, especially in the field. Successful team building and working together is bound to bring out the best out of the employees who may also then compete with each other ensuring the business is the winner.

10.2 Limitations

This study was to identify the impact of employee motivation on employee productivity of the executive employees of the Apparel Industry in Western Province in Sri Lanka. Only three sub variables under employee motivation were identified named, remuneration, working relationships and career development. But there are many other variables, which affect the employee productivity. So selecting only three sub variables under employee motivation is a limitation. Another limitation of the study was that, this study was a cross sectional study, the data was collected only one time. Also Data was collected only using a standard questionnaire. The data can be collected through observation, interviews.

References

[1] A.G. Bedeian, Management, 3rd ed, New York Dryden Press, 1993.
[2] J.A. Buford, A.G. Bedeian, & J.R. Lindner, Management in extension, 3rd ed, Columbus, Ohio State University Extension, 1995.
[3] Centre for the Study of Living Standards, Productivity: Key to Economic Success, The Atlantic Canada Opportunities Agency, 1998.
[4] J.H. Donnelly, J.L. Gibson, & J.M. Ivancevich, Fundamentals of management, 9th ed, Chicago: Irwin, 1995.
[5] J.M Higgins, The management challenge, 2nd ed, New York: Macmillan, 1994.
[6] J.Y Hong, "Impact of employee benefits on work motivation and productivity", International Journal of Career Management , pp 10 – 14, 1995
[7] D. Kim, "Employee Motivation: Just Ask Your Employees", Seoul Journal of Business , pp 20-34,2006
[8] R. Kreitner, Management, 6th ed, Boston, Houghton Mifflin, 1995.
[9] C. Lunsford, "Survey Analysis: Employee Motivation by Generation Factors", Florida 33637 USA:,www.achieveglobal.com, 2009.
[10] Q. Manzoor, "Impact of Employees Motivation on Organizational Effectiveness", Business Management and Strategy, pp 1-12, 2012.
[11] L. Mullins, Management and organization, 4th ed,

London Pitman, 1996.

[12] P.O. Olomolaiye, "An Evaluation Of The Relationships Between Bricklayers' Motivation And Productivity", Construction Management and Economics, pp 259–283, 1990.

[13] R. Prasada, "Motivation model for improving productivity in manufacturing unit: A success story", International Journal of Productivity and Performance Management, pp 430-436, 2006.

[14] R. Islam, A.Z.H. Ismail, "Employee motivation: a Malaysian perspective", International Journal of Commerce and Management, pp344 – 362, 2008.

[15] S. Saari, "Productivity. Theory and Measurement in Business" (PDF). European Productivity Conference, 30 August-1 September 2006, Espoo, Finland, 2006.

[16] A.D. Ugah, Availability and Accessibility of Information Sources and the Use of Library Services at Michael Okpara University of Agriculture. Library Philosophy and Practice, 2008.

Author Profile

Subasingha Mudiyanselage Dinethi Yasodara Jayarathna received Bachelor of Business Management (Special) Degree in Human Resource from the Department of Human Resource Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka. Her research interests are Human Resource Management, Organizational Behavior, and Management.