

An Empirical Investigation of the Relationship Between Employee Motivation and Performance Using Structure Equation Modelling

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Abstract

Motivation may be defined as a management technique that motivates people, via reasoning, to work more for the benefit of business. The main objective of the study is to create a theoretical model by identifying the variables and elements that are used to evaluate employee performance, and to investigate the direct and indirect links that exist between Employee Performance (EPE), Employee Motivation (EMO), EPT, and Employee Intrinsic Reward (EIR). The relative importance of EMO in EPE with other factors, including EIR and EPT. The relevance of EMO and EPE has been considered in literature. This work presented a coordinated fundamental model that evaluated synchronous impacts on the EMO and EPE dimensions to completely understand related effects simultaneously.

Keywords: Employee Motivation, Path Analysis, Employee Performance, Intrinsic Rewards, Employee Perceived Training Effectiveness.

I. INTRODUCTION

Motoring may be characterised as a management approach that urges people, by giving them reasons based on their needs, to work hard for the benefit of the organisation. The question that arises is, "Why do managers need to inspire their employees?" Herzberg (1959) defines. It is the existence of the firm, according to Smith (1994). Amabile (1993) added to that comment that the managers and leaders of businesses, because people who are motivated are the cornerstones of successful organisations, need to learn to comprehend and deal effectively with their motivation in the present and the next centuries. The author also says that uninspired people probably make little effort, avoiding the job as far as possible and leaving the firm and producing work of low quality. Well-motivated employees contribute to the growth and survival of the organisation, amid rapidly changing circumstances. Lindner also says that managers' inspiring individuals is the hardest task since the driving forces vary.

The motivation and performance of employees are aimed at examining how best individuals are driven to attain high performance in a firm or organisation. Managers and business owners must guarantee that their firms or organisations have qualified employees who can accomplish this duty. This brings us to the research problem question: "Why isn't a sufficient motivator for excellent performance?" This proves the fact that money is for good performance, but there is also a need to consider other factors of motivation that are not always monetary.

We examined in the past the link between employee motivation and work performance. However, there have been no high statistical connections between the two. Nevertheless, study eventually revealed that motivation and performance of employees are actually mutually linked. The aim is to make relevant information available to managers on how the performance of the employees may be improved by encouraging them internally or externally.

II. LITERATURE REVIEW:

Employee Perceived Training (EPT):

In this study "training is defined as the planned intervention to improve individual work performance factors" (Chiaburu and Tekleab, 2005). Staff that feel less than qualified to carry out their duties are more likely to quit the field (Chen et al., 2004), or their output would be less than optimum if they choose to remain (Kanelopoulos and Akrivos, 2006). The wider the gap between necessary abilities and personnel, the greater the employees' lack of work happiness and the intents for turnover. Although there is no clear relationship between training and work happiness in the research, Rowden (2002) and Rowden and suggest that training may be utilised as a strategy to enhance job satisfaction. Rowden and Conine (2005) believe that qualified staff will better meet their clients' demands.

Intrinsic Reward (EIR):

An intrinsically driven individual will work on a problem in mathematics because it's pleasant, or they'll discover a solution since it's tough and provide him a sense of achievement following his resolution. In any case, an individual does not require any external encouragement, such as money or a prize (Roberts, 1991 and Rothwell, 1992). It does not imply that external stimuli are not required for a person, but they are also insufficient to keep the person engaged (Eisenberger and Cameron, 1996; Janssen, 2000; Mumford, 2000).

Incentives to transform employee dissatisfaction into contentment are crucial, according to recent research. It has been observed that employees will do jobs with higher interest when they are pleased and will work harder, resulting in better results (Mehmod, 2013). Research was completed, and intrinsic incentives were proven to affect employee performance directly. Because they become aware of their performance and struggle to receive praise if no intrinsic incentives are provided (Edirisooriyaa, 2014).

Employee Motivation (EMO):

Motivation is defined as "those psychological processes that produce the arousal, direction, and persistence of goal-oriented voluntary activities" (Mitchell, 1982). According to Rogers (1993), motivation is the "willingness to expend high amounts of effort toward organisational goals, conditioned by the effort's capacity to satisfy some individual need." Increasing levels of motivation, commitment, and engagement are critical organisational elements nowadays. Compensation policies have a critical role in encouraging employees to produce high levels of performance, discretionary effort, and contribution. (Anwar and Shukur, 2015). These ideas may be included into the company's human resource policy in order to get the most out of its personnel. (Ali, 2021).

Employee Performance (EPE):

Performance management is essential for organisational harmony and growth (Kamoche, K. (2001). Better employee performance management is required to improve organisational effectiveness and performance (Stanton, P., & Nankervis, A. (2011). Employee involvement improves performance (Macey, W. H., Schneider, B., Barbera, K. M., & Young, S. A.) (2009). Employees that are engaged exhibit a wide range of productive actions that promote synergistic team efforts toward organisational goals (Bakker, A. B., & Demerouti, E. (2008). These collaborative efforts result in improved employee performance (Schaufeli, W. B., & Bakker, A. B.) (2004). Employee engagement is predicted to have a direct influence on work performance improvement. This aligns with the Macey, W. H., and Schneider, B. (2008) model of the employee engagement value chain and the Kahn, William, A. (1992) concept of psychological presence. However, there is no proof when it comes to individual performance, which is an unavoidable prerequisite for organisational level outcomes.

III. RESEARCH METHODOLOGY:

Objectives:

1. Create a theoretical model by identifying the variables and elements that are used to evaluate employee performance.
2. Develop a measuring methodology to validate and test the indicated variables and causes.
3. To investigate the direct and indirect links that exist between Employee Performance (EPE), Employee Motivation (EMO), Employee Perceived Training Effectiveness (EPT), and Employee Intrinsic Reward (EIR).

Hypothesis:

1. EPT has significant relation with EMO.
2. EIR has significant relation with EMO.
3. EIR has significant relation with EPE.
4. EMO has significant relation with EPE.
5. EPT has significant relation with EPE.
6. EPT has significant relation with EIR.

Sample:

The study received replies from 743 IT employees in key IT hubs like as Hyderabad, Bangalore, and Pune. The sample is made up of 27.2% women and 72.8 men.

IV. DATA ANALYSIS:

Exploratory Factor Analysis:

The EFA was used to extract the motivation of employees and the performance of employees (EPE). The VR method was used to analyse the PCA. Four variables were calculated on the basis of a value of more than one KMO measure of 0.778. Bartlett's test is significant. As Cronbach α reveals, 0.758 dependability (Dr. Ch Shankar, 2020)

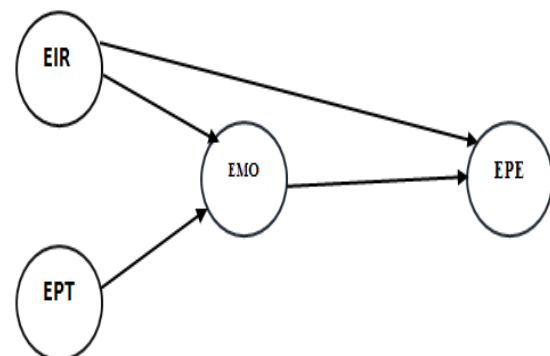
Confirmatory Factor Analysis:

For performing CFA, AMOS 20 has been utilised. Dimensions of the four-factor obtained by employee performance, perceived training of employees (EPT), intrinsic awards of employees, motivation of the employee (EMO) and performance of employees (EPE).

Measurement using AMOS 20 multiple items. Four measures of factor have been found.

Structure Equation Modelling:

The model was calculated in two phases according to Anderson & Gerbing (1988) and Hair et al (2008). Phase 1 estimates the model of measurement, Phase 2 fixes the structural model. The authors quote the aim behind this approach, which precludes the interaction between the measurement and structural templates, is to provide a greater dependability of indicators in two stages." (Raposo 2007 and Interpretation). The model found four variables. Each item is loaded without zero. The four criteria are interconnected. Uncorrelated error circumstances exist in each item measurement. Hypothesis Results Testing Ten assumptions framed by the basic model above. The model unites all the theorised links between the latent buildings.



V. FINDING:

This research contributes significantly to the growing field of hypothesis research. Relatively little work has investigated the relationships between EMP, EMO, EIR and EPT. However, the individual influence on other variables such EMO, EPT, EIR and EPR has not been assessed in this research. The relative importance of EMO in EPE with other factors, including EIR and EPT. The relevance of EMO and EPE has been taken into account in literature. This work presented a coordinated fundamental model that evaluated synchronous impacts on the EMO and EPE dimensions in order to completely understand related effects simultaneously.

In order to obtain EPE, the EMO must be raised. The investigation has shown that EPE components are impacted. These results verify and increase current EMO data. The EMO design indicates that the total performance intention will increase by increasing these features.

VI. CONCLUSION

This research looks at the links and implications on EPE in India between EMO, EPT and EIR. In the final assessment of the data, 743 valid responses were obtained. The system utilised was fantastic for real data and the structures used in the structural model indicate a very practical tolerable degree of variability. In this research, we examine critical factors such as employee intrinsic rewards, employee perceived trainee effectiveness and its influence on employee performance in the model to further contribute to the literature, therefore enhancing the predictive strength of the model. Although intrinsic recompenses, efficiency of the workforce perceived training, employee performance can be accessible in numerous publications, no other study focused on individual components and their combined impacts on employee performance. This study helps the knowledge body by establishing an experimental knowledge framework on the linkages of the structures.

This study's theoretical model, which was built and evaluated, will be utilised to better understand employee motivation. The new study adds a few limits to the existing body of information and expands the possibilities for future investigation. First, this relates to the widespread application of outcomes. The study employed a sample size of 743 for this study, which reflects the total Employee Motivation in the Indian context. The current analysis might be broadened to include additional Indian nations and circumstances. Second, the theoretical framework developed here may be tested in a variety of fields that may span the scope of future exams. Third, the influence of Performance measurements may differ among various Motivation groups.

As a result, future research may take these features into account as well. Fourth, if we just considered a set number of concerns for further research, the Performance metrics included in this review may have a greater number of items in terms of Motivation dimensions. In short, the guiding components' impacts on the proposed conceptual model may need to be enhanced in the future.

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