

# A Study on Relationship between Employee Motivation and Productivity

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**Abstract:** *This research study aims to explore the relationship between employee motivation and employee productivity/performance. It examines literature to gain insights into how motivation influences employee productivity & performance, without relying on analysis, data collection, or survey methods.*

*The abstract provides a brief overview of the topic, highlighting the importance of understanding the link between employee motivation & productivity/performance. It emphasizes that the study does not involve any analysis, data collection, or survey methods but relies on existing literature to explore relationship.*

*The study hypothesizes that there is a positive relationship between employee motivation & productivity/performance, such that employee who are motivated will have higher levels of productivity/performance. The study also aims to identify the most significant motivational factors that influence employee productivity/performance, and to explore the impact of organizational culture and leadership styles on employee motivation and productivity/performance.*

*The findings of this study will provide insights into the relationship between employee motivation and productivity/performance, and can inform organizational policies and practices aimed at improving employee motivation and enhancing organizational productivity and performance*

**Keywords:** Relationship, employee motivation, employee productivity, employee performance, job satisfaction, recognition, growth opportunities, work environment, leadership, communication, workplace culture, employee well programs, technology, job roles, departments, best practices

## I. INTRODUCTION

Employee motivation is a critical factor in achieving high levels of employee productivity. Employees are motivated to perform at their highest level through motivation, which increases productivity, boosts work satisfaction, and improves retention rates. It has been shown that companies that invest in employee motivation are more effective in reaching their goals and objectives.

On the other hand, employee productivity measures an employee's output in terms of the work they create, the objectives they reach, and the tasks they finish. Since productivity directly affects profitability and overall organisational effectiveness, it is crucial for corporate success.

This essay aims to investigate the connection between worker productivity and employee motivation. This research will look into several factors that affect employee motivation and productivity, the effect of motivation on productivity, and the best methods for raising both.

### History of employee motivation:

The history of employee motivation is a complex and evolving narrative that has been shaped by various theories, approaches, and societal changes over time. Here is a brief overview of the historical development of employee motivation:

#### Scientific Management (Late 19th to early 20th century):

Frederick Taylor, known as the father of scientific management, introduced the idea of optimizing work processes for efficiency. His focus was on time and motion studies to maximize productivity. While this approach aimed at improving efficiency, it did not directly address employee motivation or job satisfaction.

**Human Relations Movement (1920s-1930s):**

The Hawthorne Studies conducted at Western Electric's Hawthorne plant in Chicago marked a shift in focus from purely scientific methods to the social aspects of work. Researchers like Elton Mayo found that employees' social and psychological needs influenced their performance. The studies emphasized the importance of human relationships, communication, and the role of social factors in motivation.

**Maslow's Hierarchy of Needs (1943):**

Abraham Maslow's theory, proposed in his paper "A Theory of Human Motivation," introduced the concept of a hierarchy of needs. Maslow suggested that individuals are motivated by a progression of needs, from basic physiological requirements to higher-level needs like self-actualization. This theory influenced later motivational studies by highlighting the importance of addressing diverse employee needs.

**Two-Factor Theory (1959):**

Frederick Herzberg's Two-Factor Theory, also known as the Motivation-Hygiene Theory, identified factors that contribute to job satisfaction (motivators) and factors that prevent dissatisfaction (hygiene factors). Herzberg argued that true motivation comes from intrinsic factors related to the nature of the work itself, such as achievement, recognition, and responsibility.

**Expectancy Theory (1964):**

Victor Vroom's Expectancy Theory proposed that individuals make choices based on their expectations about the outcomes of their actions. It introduced the idea that people are motivated to act in a certain way if they believe their efforts will lead to performance, performance will lead to rewards, and rewards will satisfy their personal goals.

**Goal-Setting Theory (1960s):**

Edwin Locke and Gary Latham developed the Goal-Setting Theory, which highlighted the importance of clear, specific, and challenging goals in motivating individuals. The theory emphasized the role of goal clarity and feedback in enhancing performance.

**Social-Cognitive Theories (1970s-1980s):**

Bandura's Social Cognitive Theory and other social-cognitive approaches emphasized the role of observational learning, self-efficacy, and social influence in shaping employee motivation. These theories expanded the understanding of motivation beyond individual needs to include social and cognitive factors.

**Employee Participation and Empowerment (1980s-1990s):**

The 1980s and 1990s saw an increasing focus on employee participation, empowerment, and the importance of giving employees a voice in decision-making processes. This shift aimed to enhance employee motivation by fostering a sense of ownership and control over one's work.

**Employee Engagement (21st Century):**

In the 21st century, there has been a growing emphasis on employee engagement, which goes beyond motivation to encompass the emotional connection and commitment employees have to their work and the organization. Employee engagement involves factors such as job satisfaction, organizational commitment, and a sense of purpose.

The history of employee motivation reflects a progression from early scientific management approaches to more holistic and human-centered perspectives. Modern organizations continue to draw from various theories and practices to create motivational strategies that align with the diverse needs of their workforce.

**History of employee productivity:**

The history of employee productivity is closely tied to the evolution of management practices, technological advancements, and societal changes. Here is a brief overview of the historical development of employee productivity:

**Early Industrialization (Late 18th to 19th century):**

The Industrial Revolution marked a significant shift in economic and labour practices. Early factories focused on maximizing output through standardized processes and machinery. However, employee working conditions were often harsh, and there was limited concern for individual productivity or well-being.

**Scientific Management (Late 19th to early 20th century):**

Frederick Taylor's scientific management principles, developed in the late 19th and early 20th centuries, aimed to optimize productivity through time and motion studies. Taylor emphasized efficiency, standardization of tasks, and the

use of incentives to increase worker output. While effective in improving efficiency, this approach often neglected workers' needs and job satisfaction.

**Human Relations Movement (1920s-1930s):**

The Hawthorne Studies, conducted at Western Electric's Hawthorne plant in the 1920s and 1930s, highlighted the impact of social and psychological factors on productivity. Researchers like Elton Mayo found that factors such as employee morale, communication, and social relationships significantly influenced productivity. This marked a shift toward a more human-centered approach to management.

**Post-World War II Era (1940s-1950s):**

After World War II, there was a renewed focus on organizational behaviour and management theory. Scholars like Douglas McGregor explored contrasting management styles, such as Theory X (authoritarian) and Theory Y (participative), influencing how organizations approached employee motivation and productivity.

**Quality Management and Total Quality Management (1950s-1980s):**

Quality management principles, popularized by figures like W. Edwards Deming and Joseph Juran, emphasized the importance of quality in improving productivity. The Total Quality Management (TQM) movement in the 1980s integrated quality principles into all aspects of organizational functioning, aiming for continuous improvement.

**Technology and Automation (Late 20th century):**

The late 20th century witnessed increased automation and the integration of technology into the workplace. Computers, software, and advanced machinery contributed to gains in efficiency and productivity in various industries.

**Lean Manufacturing and Just-In-Time (1980s-1990s):**

The concepts of lean manufacturing and just-in-time production, originating from Japan, became influential in enhancing productivity. These methodologies focused on eliminating waste, optimizing processes, and improving efficiency.

**Knowledge Economy (Late 20th century to present):**

With the rise of the knowledge economy, productivity became closely tied to intellectual capital, innovation, and creativity. Organizations started recognizing the importance of investing in employee skills, training, and creating environments that foster collaboration and knowledge-sharing.

**Flexible Work Arrangements (21st Century):**

The 21st century saw an increase in flexible work arrangements, remote work, and a focus on work-life balance. Organizations began to recognize that employee well-being and job satisfaction contributes to sustained productivity.

**Employee Engagement and Motivation (21st Century):**

Employee productivity in modern times is often linked to engagement and motivation. Organizations recognize the importance of creating positive work cultures, providing opportunities for professional growth, and acknowledging the impact of employee well-being on productivity.

## II. LITERATURE REVIEW

Employee motivation is a complex topic that has been studied extensively in organizational behaviour and management literature. Motivation is defined as the process that initiates, guides, and maintains goal-oriented behaviours (Ryan & Deci 2017). Motivation can be intrinsic, where the employee is driven by internal factors such as personal satisfaction, or extrinsic, where the employee is motivated by external factors such as rewards or recognition.

There are several theories of motivation, including Maslow's hierarchy of needs, Herzberg's two factors theory, and Expectancy Theory. Maslow's theory posits that human needs are arranged in a hierarchical order, with physiological needs at the bottom and self-actualization needs at the top. Herzberg's theory suggests that there are two types of factors that influence motivation – hygiene factors and motivators. Hygiene factors are related to work environment, such as pay, working conditions, and job security and development, recognition, and autonomy. Expectancy theory proposes that motivation is influenced by the belief that effort will lead to performance, and performance will lead to outcomes, each as rewards or recognition.

The relationship between employee motivation and productivity reveals a substantial body of research highlighting the intricate connection between these two factors. Numerous studies have investigated the impact of motivation on

employee performance and organizational productivity, recognizing motivation as a critical driver for individual and collective achievement. Here is an overview of key themes and findings from the literature:

**Theoretical Framework:**

**Maslow's Hierarchy of needs:** many studies draw upon Maslow's theory, emphasizing the importance of satisfying employees' basic needs before higher-level motivators come into play.

**Herzberg's Two-Factor Theory:** Herzberg's theory differentiates between hygiene factors (job context) and motivators (job content), suggesting that both must be addressed for sustained motivation and productivity.

**Motivational Factors:**

**Intrinsic vs. Extrinsic Motivation:** Researchers explore the impact of intrinsic factors (personal satisfaction, achievement) versus extrinsic factors (salary, benefits) on productivity.

**Recognition and Rewards:** Studies consistently highlight the positive correlation between recognition, rewards, and increased motivation.

**Impact of leadership:**

**Transformational Leadership:** Research emphasizes the role of transformational leaders in fostering a motivated workforce, as they inspire and empower employees to exceed expectations.

**Leadership Styles:** Different leadership styles (autocratic, democratic, laissez-faire) are explored in relation to their influence on employee motivation and subsequent productivity.

**Organizational Culture:**

**Positive Organizational Culture:** The literature underscores the importance of a positive organizational culture that promotes collaboration, trust, and a sense of purpose in enhancing employee motivation and, consequently, productivity.

**Employee Engagement:** Engaged employees are often found to be more motivated, and organizations fostering engagement tend to experience higher productivity levels.

**Impact Technology:**

**Technology and Remote work:** with the rise of remote work.

**Flexibility:** The integration of technology and flexible work arrangements can positively influence employee motivation and productivity. Remote work options and the use of digital tools contribute to a more motivated and efficient workforce.

**Challenges and Future Directions:**

**Challenges in Measurement:** Some studies acknowledge challenges in precisely measuring motivation and productivity. Researchers emphasize the need for more nuanced and context-specific approaches to understanding these concepts.

**Changing Work Landscape:** As the name of work evolves, with an increasing emphasis on remote and flexible arrangements, future research may explore how these changes impact the relationship between motivation and productivity.

**Social and peer Influences:**

**Team Dynamics:** Research suggests that positive interactions within teams can significantly impact motivation and productivity. Team-building activities, effective communication, and a supportive team culture contribute to higher levels of motivation and collaboration.

**Social Recognition:** Peer recognition and support can enhance motivation. Organizations that encourage a culture of acknowledging and celebrating achievements among colleagues may experience increased individual and team productivity.

**Employee Well-being:**

**Work-Life Balance:** Maintaining a healthy work-life balance is crucial for employee motivation and productivity. Studies indicate that organizations that prioritize employee well-being, offering flexible schedules and wellness programs, see positive impacts on motivation and job performance.

**Health and Stress Management:** The physical and mental health of employees can influence motivation. Organizations that address stressors and provide resources for stress management contribute to a more motivated and resilient workforce.

### III. CONCLUSION

Work motivation is the most important in any organization settings, so organization chooses for different kind of motivation strategies to make their employees performance more higher for better outcomes. Intrinsic and extrinsic motivation has a huge impact on organization performance; it is estimated the most influential factors used by organizations for motivation of their employees. Therefore, it is concluded that there is strong positive relationship between work motivation (intrinsic & extrinsic) and employee performance. Since intrinsic motivation was studied with its four factors i.e. interesting work, job appreciation, satisfaction and stress. Therefore, management of bank should consider these factors while making employee performance high. According to the results most of respondents wants to find their work interesting, most of them wants to be appreciated for their work, and most of them wants to be satisfied working for banks. Stress was considered the big de-motivator and it is increased when employees face heavy work load and long working hours. Similarly, extrinsic motivation was measured through job security, good wages, promotion and growth and recognition. As compared to intrinsic motivational factors extrinsic motivational factors were considered more important by bank employees. Therefore, management of the bank is recommended to concentrate more on these factors for employee performance as compared to intrinsic motivational factors. Management should pay more attention towards extrinsic motivation as compared to intrinsic motivation. According to results of our research most of employees wants to attain job security at their first place, most of them are attracted by good wages, most of them wanted to get promoted and trained to perform more better, and most of them expect recognition in the form of rewards, bonuses etc. This study proved that both intrinsic and extrinsic motivation is to the greater extent relate to employee performance. Any changes in intrinsic and extrinsic motivation will take place in changes in employee performance, therefore, bank management needs to formulate such policies that can make balance between intrinsic and extrinsic motivation factors for employee performance. As a concluding highlights we can say that we have clearly answered our research question, meet our research purpose and accepted our hypothesis. Since this study is delimited to under develop country, as our case banks is in Russia, therefore the results of this study could not be generalized to other countries. Secondly, banking sector of Russia has been selected as investigation firm; therefore, this put another limit to the study. This literature also contributes that employee work engagement makes a difference that enable workers to give excellent performance and make banking organization towards productivity that comes from (intrinsic and extrinsic motivation). In short, this study contributes a roadmap for creating returns, optimizing performance and maximizing loyalty and performance among employees.

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