

THE EFFECTS OF MOTIVATIONAL FACTORS ON EMPLOYEE PERFORMANCE

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ABSTRACT

This study assesses the effects of motivational factors on employee performance in telecommunication sector in Nangarhar, Afghanistan. The stratified random sampling technique is used to collect the data from corresponding respondents. The sample size of the study is 120 employees working with the telecommunication sector in Nangarhar, Afghanistan. The simple linear regression technique is used to analyse the result of the study. The correlation coefficient between employee performance and motivational factors is positive. This indicates that as motivational factors increase, this would cause to rise the employee performance. The magnitude of the correlation is 73 percent which shows the degree of relation. This implies that the association between employee performance and motivational factors is 73 percent. The estimated coefficient of motivational factors is positive, which implies that one unit rise in motivational factors would increase the employee performance. The magnitude of the coefficient is 0.354, this implies that one unit rise in motivational factors would cause to rise the employee performance by 35.4 percent on average basis by keeping all other variable constant. The R-square shows the explanatory power of the independent variables of the study. The R-square of the study is 68 percent that shows that independent variables bring 68 percent variation in the dependent variable of the study. The F-statistics show the fitness of the model or overall significance of the model. The overall model is significant because the p-value of the model is below 5 percent.

Keywords: Employee Performance, Motivational, Motivational Factors, Telecommunication, Nangarhar, Afghanistan

INTRODUCTION

Every organization wants to be successful even in today's highly competitive environment, so companies strive to motivate the best employees regardless of size and market. Recognizing their important role and influence on organizational efficiency, companies need to build strong and positive relationships with their employees and guide them in fulfilling their mission to increase performance (Albeiti, 2015). Based on goals and objectives, organizations have developed strategies

to compete in a highly competitive market and increase efficiency. However, few see human capital as an important asset. They can lead to success or failure if not managed properly. If the employee is dissatisfied with the job and does not have the motivation to work towards achieving the goals.

As mentioned, employee productivity is a concern for any organization as it determines whether the organization can achieve its goals and objectives. Different resources are needed for an organization to

succeed and achieve its goals. This includes human resources or staff. However, without the encouragement of competent employees, they may not achieve the desired results. Therefore, motivation is an important value that is necessary to achieve organizational goals. Employees are not fully dedicated to the organization. Because it will split the time for other activities. Surfing the internet for non-work related or non-work related purposes, such as long lunch break (Kalim,2010).

Employee performance is what employees do and don't do. Employee efficiency includes product quality and quantity. Being present at work is a continuous and profitable type of production and time bound according to Hassan (2005) research on individual performance. It was found that individual activity could not be checked. Employee productivity is greatly influenced by employee morale and productivity through the performance of the organization and the efficiency of the reward management system Bringing better motivation in employees therefore plays an essential role. Employee motivation has a direct impact on employee performance.

According to Finley and Karunakar (2015), many organizations need to adjust their strategies mainly due to global market conditions and the slow growth of developed economies. These organizations develop strategies that can sustain profits and ensure sustainable and strategic growth.

There are many studies on employee motivation. But few focus more on employee performance impacts than motivational techniques (Danler, 2008). Not using the same stimulus techniques, for example different techniques may be needed for different regions and cultures. Education is an important motivational technique that has a positive impact on employee performance in the education sector of Afghanistan, but this study focuses only on education as a source of motivation.

Literature review

The aim of this study was to identify the impact of motivation on employee performance in telecommunication sector in Nangarhar, Afghanistan. This section focuses on the impact of financial incentives on employee performance. In this section, we will discuss the employee

performance, motivation and the empirical studies on the effects of motivation on employee performance. It should be noted that the proposed research focuses only on organizational performance in general. And the impact of employee motivation and performance will be studied in depth. The greatest benefit in improving and improving performance will only apply to the organizations involved in the short and long term. Organizations can benefit from high-performance employees (Ali et al., 2016). It has recently been found that many organizations invest primarily in employee development because employee efficiency is directly linked to organizational success. Organizations need to pay more attention to staff development. Because it will help employees to be efficient and useful. It also lowers the employee exchange rate by encouraging. But rewards can be both material and moral. Material return, low loss, profit exchange, increase in production, and so on. Asymmetrical forms can be well-intentioned and add brand names. Maintenance and loyalty of employees. These factors can give organizations a special place in the market as well as in their competitors. However, the key and challenging task is to determine which incentives will affect employee motivation and performance (Bocciardi, 2017).

Meeting basic needs for yourself and your family on a regular and long-term basis is the primary goal of anyone working in an organization. Salaries, allowances, health insurance, etc. are financially motivated when starting a business. Studies have shown that these factors play an important role in influencing employees' attitudes towards their jobs. Second, a better work culture and environment can be achieved through therapy. Financial rewards But the real question is which financial factors have the biggest impact? And if so, what factors might employ employees and increase their performance? But the salary may be agreed upon while on duty (Kumar et al., 2015).

When rewards relate to non-financial incentives we will group these rewards into categories of non-financial incentives, for example incentives such as working conditions, employee engagement. The following sections of the performance appraisal stabilization in employment and training provide an important analysis of research objectives as to

whether non-financial incentives directly affect employee motivation and performance.

According to Haque et al., (2014), motivation can be defined as a psychological process that can lead and motivate a person to stay above sales goals or be a stupid team player. Incentives can also stimulate an individual's behaviour to reach goals and increase productivity when employee needs and wants are met by the organization / management. It creates interest and interest among the employees to work towards the common goals and objectives of the organization. Either at the group level or at the individual level.

So far, there is no consensus on whether employee incentives really exist. It is a psychological process. Behavioural characteristics or just personal success and if so how important is motivation in the organization? According to the founder of Virgin Atlantic, financial and non-financial incentives play a key role in employee success in the success of any national company. The fifth year is run by the Working Institute and Fortune Magazine (Martin, 2014). According to Google's vice president of human development (Fast Company, 2013), more than the demand to be number one in the world, we want our employees. And our potential employees like it here. Because that's what we do. There are two leading theories of motivation that explain the concept of the relationship between motivation and effectiveness: Herzberg and issues need classification. Both Google and Virgin Atlantic use this concept framework to guide the development of force techniques and policies.

Research has shown that monetary factors are more effective than non-monetary factors in motivating employees in the banking or financial sector (Delic et al., 2017). The banking sector and its employees are, above all, driven by financial incentives.

We now come to the conclusion that organizations must choose either monetary or non-monetary stimulus techniques. To ensure that employees

achieve the organization's goals and objectives. (Derfuss, 2016).

According to Ahmed and Salman (2015), when employees find that an organizational environment is appropriate for their needs and abilities. They gain motivation and increase productivity. Eventually, they become part of the organization and their level of satisfaction increases. Causes too much concentration at work However, this may only be a stimulus for short-term satisfaction that diminishes over time. Each agency strives to achieve some internal goals, such as reducing sick leave, reducing staff turnover. Improving employee efficiency and productivity and these elements can only be achieved with good and healthy working conditions. Interestingly, there is no consensus that working conditions can motivate employees and improve their productivity. All employees are expected to have safe working conditions. But there is still a lack of research to determine whether non-financial incentives can improve motivation and performance levels.

Hypothesis:

H0: There is insignificant relationship between motivational factors and employee performance.

H1: There is a significant relationship between motivational factors and employee performance.

RESEARCH METHODOLOGY

The foremost purpose of the study is to investigate the effects of motivational factors on employee performance in telecommunication sector in Nangarhar. The focus geographical area of study is only Nangarhar, Afghanistan. For purpose of study primary data is to be collected from 120 employees of telecommunication sector in Nangarhar, Afghanistan. Therefore, the approach that we will follow in this study is inductive approach in which the researcher. Data collected through adopted questionnaire.

Table 1: Population of the Study		
S.No	Network	Sample Size
1	Roshan	30
2	MTN	30
3	Etisalaat	50
4	Salam	10
Source: Researcher's Own Calculation		

Model Specification

The regression model used is as follows:

$$EP = BO + BI MF + \epsilon$$

where, EP = Employee Performance MF = Motivational Factors

Descriptive Statistics

Descriptive Statistics of the Study

Variable	Obser	Mean	Std. Dev	Maximum	Minimum
Employee Performance	120	3.024	0.034	5	1
Motivational Factors	120	2.550	0.456	5	1

Source: Eview Output

Descriptive statistic represents the summary statistics of the data or this provide a summary of the data such as mean, standard deviation, maximum and minimum value of the variable. The number of observation undertaken for the study is 120. The mean value of employee performance is 3.024 given

the standard deviation by 0.034. The maximum value of the variable is 5 while its minimum value is 1. The mean value of motivational factors is 2.55 given the standard deviation by 0.343. The maximum value of the variable is 5 while its minimum value is 1.

Correlation Matrix

Correlation Matrix of the Study

Variable	1	2
1. Employee Performance	1.00	
2. Motivational Factors	0.732	0.360

Source: Eview Output

The above table actually provide the correlation matrix of the study. The correlation matrix indicates the co movement between the variables. Correlation matrix mainly indicates two concepts to the researcher. First, the direction of relation and secondly, the degree of relation. The correlation coefficient between employee performance and

motivational factors is positive. This indicates that as motivational factors increase, this would cause to rise the employee performance. The magnitude of the correlation is 73 percent which shows the degree of relation. This implies that the association between employee performance and motivational factors is 73 percent

Regression Result

Regression Result of the Study

Panel A: Regression Result

Variable	Coefficient	Std. Error	t-statistics	Probability
Motivational Factors	0.354	0.047	2.365	0.000
Constant	0.024	0.048	2.789	0.004

Panel B: Diagnostic Result

R-Square	0.689
F-Statistics	114.3
Probability	0.012

Source: Eview Output

The regression model developed for the study is simple linear regression model which examines impact of independent variables (motivational factors) on dependent variable (employee performance). The goal of regression analysis is to find the values for β_0 (intercept), β_1 (coefficient of motivational factors). The estimation techniques used for estimating the regression model is Ordinary Least Square (OLS).

Regression is actually indicates the effect of independent variable on the dependent variable of the study. The estimated coefficient of motivational factors is positive, which implies that one unit rise in motivational factors would increase the employee performance. The magnitude of the coefficient is 0.354, this implies that one unit rise in motivational factors would cause to rise the employee performance by 35.4 percent on average basis by keeping all other variable constant. The R-square shows the explanatory power of the independent variables of the study. The R-square of the study is 68 percent that shows that independent variables bring 68 percent variation in the dependent variable of the study. The F-statistics show the fitness of the model or overall significance of the model. The overall model is significant because the p-value of the model is below 5 percent. In more comprehensive manner, R-Squared (R^2) shows the joint influence or impact of independent variables (picked in the model) on dependents. Or R^2 indicates the cumulative or combined power or influence of independent variable on dependent variable. In other words we can say that R^2 shows that to what extent independent variables can cause variation in dependent variable of the regression model. It is very obvious from the table which indicates that the value

of R^2 of the regression model is 0.68 which indicates that independent variables (motivational factors) jointly or collectively can influence dependent variable (employee performance) by 68%.

Diagnostic Tests

In order to know whether results obtained for regression model are valid, we must go through some preliminary diagnostic test (coefficient diagnostics and residual diagnostics). The test that must be conducted is heteroscedasticity test.

Heteroscedasticity test

The first test that we must go for is heteroscedasticity test. The fourth assumption of classical linear regression indicates that the variance of error term should remain constant against independent variable and must not change. If in a population regression, the variance of dependent variable is not constant against each observation of independent variable that is known is heteroscedasticity. In other words we can say that heteroscedasticity is present when the size of error term differs across the values of independent variable. Existence of heteroscedasticity problems creates following problems: estimator will not be useful, significance test will either too high to too low, the result of ordinary least square (OLS) will be biased and hypothesis test will be incorrect.

The following table shows that heteroscedasticity test of the data. The criteria for determining heteroscedasticity is: If the Probability of chi-Square is less than 0.05, the data is heteroscedastic or heteroscedasticity problem exists and if probability of chi-Square is greater than 0.05, the data is homoscedastic or heteroscedasticity problem does not exist. So the below table shows that the value of probability of chi-Square is 0.83 which is greater than 0.05, it indicates that heteroscedasticity problem

does not exist or we can say that the data has homoscedasticity.

Heteroscedasticity Test			
F-statistic	0.275206	Prob. F(3,110)	0.8432
Obs*R-squared	0.849267	Prob. Chi-Square(3)	0.8377
Source: Eview Output			

Conclusion

This study assess the effects of motivational factors on employee performance in telecommunication sector in Nangarhar, Afghanistan. The stratified random sampling technique is used to collect the data from corresponding respondents. The sample size of the study is 120 employees working with the telecommunication sector in Nangarhar, Afghanistan. The simple linear regression technique is used to analyse the result of the study.

The correlation coefficient between employee performance and motivational factors is positive. This indicates that as motivational factors increase, this would cause to rise the employee performance. The magnitude of the correlation is 73 percent which shows the degree of relation. This implies that the association between employee performance and motivational factors is 73 percent.

The estimated coefficient of motivational factors is positive, which implies that one unit rise in motivational factors would increase the employee performance. The magnitude of the coefficient is 0.354, this implies that one unit rise in motivational factors would cause to rise the employee performance by 35.4 percent on average basis by keeping all other variable constant. The R-square shows the explanatory power of the independent variables of the study. The R-square of the study is 68 percent that shows that independent variables bring 68 percent variation in the dependent variable of the study. The F-statistics show the fitness of the model or overall significance of the model. The overall model is significant because the p-value of the model is below 5 percent. In more comprehensive manner, R-Squared (R^2) shows the joint influence or impact of independent

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Recommendations of the Study

The findings of the study strongly recommends that telecommunication sector has to provide financial rewards, non-financial rewards, training and development and some other type of motivational factors for the purpose of motivating employees. Once employees have been motivated, this would causes the performance of employees to be risen. In turn, this would effect the profitability of telecommunication sector. The following are the recommendations;

- Organization should build a real code of ethics and allow its reevaluation from time to time.
- Organization must restructure compensation systems, and transfer to a green HR system, where green procedures can produce an optimum motivation model, valid for all organizational levels.
- Organization should apply an appropriate performance appraisal with two directions, which means giving employees the right to review and

criticize any lack in the work environment.

- Establish an awareness campaign to share the code of ethics and explain what motivational tools are needed and should be implemented. All employees must be allowed to work with and on the organization, without fear of bias, administrative chaos, and administrative terrorism.
- Employees should deal with the organization as owners, not as mere employees. A sense of ownership will help protect and revitalize any organization

The study examined the effect of motivation (intrinsic and extrinsic) factors on workers' performance. There is need to conduct more extensive studies in other cities / regions in Afghanistan to generalize the results to the entire population. The research revealed that despite the importance of motivation, no study has been conducted on the impact of motivation on patient's satisfaction with healthcare service that they get. Therefore, there is need to conduct research of the effect of healthcare workers' motivation on patients' satisfaction. There is also need for research on the impact leadership styles at healthcare facilities as many no managerial workers complained about their unprofessional managers. This research was a cross-sectional research. There is a need for longitudinal study to see changes of the effect of motivation factors (both intrinsic and extrinsic) on employees' job performance over a period of time.

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