A Qualitative Study of Employees’ Motivation Factors on Organization: A Case Study from a Company in Indonesia

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Abstract

Due to the vital function of employees in the organizations that lead to both financial and non-financial performance, management must increase the motivation of their employees. Plenty of research was conducted in the past decades on the topic of employees’ motivation to find the factors that affect the employees’ motivation significantly. This paper examined employees’ motivation factors in one of Indonesia’s state-owned company. Through qualitative approaches, in-depth interviews were conducted to eight active employees with a focus on four predetermined motivation factors that are salary, growth opportunity, work-life balance, and reward/recognition. The result found that all the predetermined factors influence the employees’ motivation to perform well in the company. Furthermore, the findings also discover some conditions required to be improved regarding specific employees’ characteristic such as a supervisory level position. In the end, this paper is expected to generate some possible recommendations for the organization to maintain and increase employees’ motivation.

Keywords: employees’ motivation, salary, growth opportunity, work-life balance, reward and recognition

1. INTRODUCTION

In the competitive age nowadays, every company in the world has demonstrated significant effort to gain competitive advantage, to achieve excellent productivity, and in the end, it will lead to better financial performance. To achieve that target, it is necessary to determine clear objectives followed by the right strategies in using their resources in which human resources is the most important factor in the organizations.

During recent years, the companies around the globe have been more interested in managing their employees well as their vital role in influencing the companies’ performance. The prior attention of those companies is managing and increasing the employees’ motivation. Organizations that think their employees as the main core of the business and put the effort consistently to raise the motivation of the employees are considered to be more effective (Nguyen, 2017).

The keyword of “employees’ motivation” is getting more and more important for companies or organizations as it is the key to stimulating the employees’ performance. Motivation defines as “the procedure or step that initiates guides and sustaining goal-achieving behaviors”. In simple words, motivation is what triggers people to act (Singh et al., 2013).

Due to the vital role of employees’ motivation in organizations, every organization’s supervisors or managers need to increase their subordinates’ motivation to perform well. Due to this important rule, there is plenty of research on the topic of factors affecting employees’ motivation. Determining the vital factors affecting employees’ motivation will help the supervisors or managers to establish a strategy in how they increase their subordinates’ motivation. Five important factors influence employees’ motivation such as “job satisfaction, promotions/expectations, recognition, good pay, and style of organization/management” (Srivastava and Bhatia, 2013).

There is general agreement that people are motivated in the situations where (1) they can participate, (2) they can feel accomplishment and receive recognition for their work, (3) where the communication is frequent and (4) there are opportunities for career and knowledge growth. In other words, participation, recognition, communication, and career opportunity are important factors affecting employees’ motivation (Nabi et al., 2017).

This paper will discuss this topic in the practical approach in one Indonesia’s state-owned company (following mentioned as Company X) as a case study. Several pre-determined factors
will be used to discover the real condition in how the selected factors influence the employees’ motivation. Furthermore, it also examines the impact of those motivation factors on the employees’ performance in the organization.

2. LITERATURE REVIEW

2.1. Motivation Theory

“Motivation” word comes from the Latin term “movere”. “Movere” itself means to move. Literally, motivation reflects the underlying reason that makes people move. Nguyen (2017) mentioned that motivation is “an act or process that gives a person a reason to do something in a particular way, or an explanation for the repeated behaviors, needs, and desires. In short words, it explains why a person does something”

In an organizational framework, motivation can be defined as the cumulative processes that affect direction and behaviors in the workplace/condition. The motivation at work context is considered a vital component as it generates action into work-related activities. “When an employee is motivated, he or she shows enthusiasm and eagerness towards the work and a strong determination to implement and accomplish the work tasks” Nguyen (2017).

Robbins and Judge (2018) defined motivation as “The processes that account for an individual’s intensity, direction and persistence of effort toward attaining a goal”. When is the common context of motivation is associated with an effort toward any goal, this discussion will narrow to focus on organizational goals or work-related behavior.

Robbins and Judge (2018) explained the definition of motivation further. “There are three key elements in the definition that are intensity, direction and persistence. Intensity talks about how hard a person tries, especially in the direction that is beneficial to the organization. Finally, motivation has a persistence dimension that measures how long a person can maintain effort. Motivated individuals stay with a task long enough to achieve their goal.”

Besides, motivated workers are required in the rapidly changing workplaces caused by the rapid changing of markets. They will support their companies or organizations by showing their best performance. Furthermore, employees will show better productivity (Yongsun et al., 2002).

There are several approaches to motivation theory. This part will describe some of the highlights of the theories.

2.1.1. Maslow Hierarchy of Needs Theory

The early theory used in the motivation discussion is explained by, Abraham Harold Maslow, one of the most well-known American psychologists. This theory is popular as the theory of the Hierarchy of Needs which describes five stages of human needs hierarchy, from the basic to the complex ones.

The theory is explained in a pyramid form, the largest and basic levels stand at the bottom. The needs pyramid is shown in the Figure 1.

The theory of hierarchy needs by Maslow (1954) is recognized widely especially among practicing management activities as it is logical and easy to understand.

2.1.2. Two-Factor Theory

This theory is explained by Herzberg et al. (1959) for the first time. The two-factor theory describes that human behavior is influenced by two sets of factors that are satisfaction factor and dissatisfaction factor. Figure 2 describes the set of factors included in the satisfaction and dissatisfaction factor Robbins and Judge (2018).

Based on the theory, the factors that influence job satisfaction are different from the factors that lead to job dissatisfaction. The absence of dissatisfaction factors (hygiene factors) will cause to employee’s demotivation. However, the existence of these factors does not necessarily affect the employee’s motivation. As a result, supervisors should focus on both sides. In the satisfaction factors side, managers should stimulate and increase motivator factors such as doing recognition, giving more responsibility, giving more opportunities for advancement, giving new challenges for growth and creating an interesting working environment.

2.1.3. Goal-Setting Theory

The other motivation approach is called “Goal Setting Theory”. “In the late 1960s, Edwin Locke proposes that intentions to work toward a goal are a major source of work motivation” (Robbins and Judge, 2018). This approach is considered as contemporary of employees’ motivation theory.

The goals explain employees about what the things need to be completed and the degree of effort is required. In a more systematic theory, goals have two primary components that are content and intensity. Goal content refers to the goals’ features itself (specification of the goals/tasks). Goal intensity refers to the process by which a goal is accomplished.

Yearta and Briner (1995) argued that goal setting is a motivational technique used extensively in organizations. As a method of directing individuals’ effort at work and providing a standard against which performance can be assessed, it is fundamental to lots of performance appraisal scheme. There is a common understanding that difficult goals that have been accepted, result in better performance rather than doing easy
2.1.4. Theory Summary

Based on the several theories mentioned above, it can be concluded that even though every theory has a different approach and framework, it explains some specific cause-effect certain variables into motivation. Some theories are used widely as a basic foundation of motivation research and real application such as the hierarchy of needs theory and the two-factor theory. Also, plenty of researches was conducted on the topic of motivation and some of them will be explained below.

2.2. Previous Research

The available studies with the topic of influencing factors on employees' motivation and performance are explained as the point below.

a. Nguyen (2017) used method was a survey of worker students at the university. The result shows that money, personal growth, and work-life balance become the three most influential motivational factors for employees.

b. Doghan and Albar (2015) shows that leadership style and salaries are important and significant factors affecting employee performance meanwhile organizational environment has insignificant influence.

c. Barkley (2017) explains that the most important factors of motivation for the employees working in supervisory positions are work-life balance, training and development, career growth opportunities, and reward/recognition. On the other hand, the employees that work below the supervisory level are motivated based on compensation.

d. Brooks (2007) found that communication variables are practically significant predictors of workplace motivation. Other, that age and tenure are not predictors of workplace motivation or job satisfaction.

e. Jensen (2018) found that highlight the important role that leaders play in motivating their employees to achieve outstanding performance.

f. Saad (2018) found that appraisal and rewards have an important influence on the motivational degree and work standard of workers. Another finding is that the financial factor is vital in affecting the overall employees' motivation.

g. Singh et al. (2013) found that stress level and management’s leadership have a positive influence on workers' motivation.

h. Srivastava and Bhatia (2013) shows that 5 main factors influence future employees' motivation as follows: “job satisfaction, promotions/expectations, recognition, good pay and style of organization/management”.

To sum up, the previous studies, Table 1 describes the matrix of motivation factors from each available research mentioned above.

Due to some limitations especially the duration of the interview, this paper will discuss several factors in narrow to achieve the focus topic. The factors are considered in the paper discussion about employees’ motivation is explained in the Table 1. The four variables that are salary, growth opportunity, work-life balance, reward/recognition will be used to discover the real condition and the effect on employees’ performance on the Company X as a case study.

2.3. Problem Questions

This paper is performed to address several questions related to employees motivation topics that are:

a. What is the overall condition of employees’ motivation factors in perspective of salary, growth opportunity, work-life balance, and reward-recognition in Company X?
Table 1: Motivation Factors in Organization

<table>
<thead>
<tr>
<th>Motivation Factors</th>
<th>Research by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Style, Salary</td>
<td>Doghan and Albar (2015)</td>
</tr>
<tr>
<td>Career Growth Opportunity, Reward/Recognition (supervisory position) and Salary (non-supervisory position)</td>
<td>Barkley (2017)</td>
</tr>
<tr>
<td>Communication</td>
<td>Brooks (2007)</td>
</tr>
<tr>
<td>Leader’s Role</td>
<td>Jensen (2018)</td>
</tr>
<tr>
<td>Reward, Financial Stress Level, Management’s Leadership</td>
<td>Saad (2018)</td>
</tr>
<tr>
<td>Job Satisfaction, Promotion, Recognition, Good Pay, Style of Management</td>
<td>Singh et al. (2013)</td>
</tr>
</tbody>
</table>

Table 2: Predetermined Motivation Factors

<table>
<thead>
<tr>
<th>Motivation Factors</th>
<th>Supported by Research</th>
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2.4. Objectives

Exploring the research questions, the objectives of this research is determined as below:

a. Gaining the overall condition of employees motivation factors in perspective of salary, growth opportunity, work-life balance, and reward-recognition in Company X.
b. Understanding the influence of salary factors on employees’ motivation to perform well in Company X.
c. Understanding the influence of growth opportunity factors on employees’ motivation to perform well in Company X.
d. Understanding the influence of work-life balance factor on employees’ motivation to perform well in Company X.
e. Understanding the influence of reward-recognition factor on employees’ motivation to perform well in Company X.
f. Discovering other motivation factors that influence employees’ motivation to perform well in Company X.

2.5. Propositions

The main purpose of this paper is gaining an overview of motivation factors in Company X with a descriptive analysis approach. However, as there are cause and effect relationships that want to be examined in this paper, it is necessary to develop some propositions. The propositions are derived from the literature review. The propositions are divided into several parts based on a certain topic/relationship as below.

1. The Influence of Salary Factor on Employees’ Motivation and Performance Based on the previous studies that mentioned:
   i. Money becomes one of the three most influential motivational factors for employees (Nguyen, 2017).
   ii. Salaries are an important and significant factor affecting employees’ performance (Doghan and Albar, 2015).

It can be derived proposition as the following:
Proposition 1: Salary factor influences employees’ motivation to perform well in Company X.

2. The Influence of Growth Opportunity Factor on Employees’ Motivation and Performance Based on the previous studies that mentioned:
i. One of the most important factors of motivation for employees working at the supervisory position is career growth opportunity (Barkley, 2017)

ii. One of the top 5 factors that motivate as future employees is promotions/expectations (Srivastava and Bhatia, 2013)

It can be derived proposition as the following:

Proposition 2: Growth opportunity factor influences employees’ motivation to perform well in Company X.

3. The Influence of Work-Life Balance Factor on Employees’ Motivation and Performance Based on the previous studies that mentioned:

i. Work-life balance becomes one of the three most influential motivational factors for employees (Nguyen, 2017).

ii. One of the most important factors of motivation for employees working at supervisory position is work-life balance (Barkley, 2017)

It can be derived proposition as the following:

Proposition 3: Work-Life balance factor influences employees’ motivation to perform well in Company X.

4. The Influence of Reward-Recognition Factor on Employees’ Motivation and Performance

Based on the previous studies that mentioned:

i. Rewards have a significant impact on the worker’s motivational level (Saad, 2018).

ii. One of the top 5 factors that motivate as future employees is a recognition (Srivastava and Bhatia, 2013).

It can be derived proposition as the following:

Proposition 4: Reward/recognition factor influences employees’ motivation to perform well in Company X.

3. METHODOLOGY

The paper employed a qualitative exploratory method with a single method that is an in-depth interview. Mason (2002) mentioned that an interview is a conversation with a purpose. Given (2008) defined in-depth interviews as interviews in which participants are encouraged and prompted to talk in-depth about the topic under investigation without the researcher’s use of predetermined, focused short-answer questions.

In-depth interview is considered as the most suitable exploratory method in this research based on the following reason.

1. Robson argued that in an exploratory study, in-depth interviews can be very helpful to find out “what is happening” (and) seek “new insights” (Saunders et al., 2009).

2. Participants are able to freely discuss feelings or beliefs about the subject of the interest and provide a more detailed response (Stokes and Bergin, 2006).

3. Davis argued that depth interviews provide the opportunity for building trust and rapport between the interviewer and interviewee which in turn improves the quality of the data (Kelly, 2008).
Using an in-depth interview method as mentioned above, Figure 3 illustrates the procedure of the research conducted for this paper.

In conducting an in-depth interview, there are several procedures that need to be completed as explained below.

1. Developing an Interview Guide
   The interview guide is functioned as guidance for an interviewer with an outline to direct the discussion during the interview. The interview guide consists of several questions designed to collect the interviewees’ experience, view, and opinion related to the topic of employees’ motivation factors in Company X. The in-depth interviews were based on a semi-structured question in which the questions are designed in the form of open-ended to explore the opinion of participants.
   Interview questions are designed to accommodate all the problem questions that required to be addressed including several employee’s motivation factors. However, as the methodology used is an in-depth interview, the discussion during the interview is flexible or not strictly dependent on the questions list. The main aim of using the in-depth interview is to gain the deeply thought from the respondents and the guideline is used to assure that the interview is still on the track line.

2. Selecting a Sample and Recruiting Participants
   The sample or participants (interviewees) are selected based on some criteria:
   i. Participants must be active employees in Company X.
   ii. Participants consist of both male and female employees.
   iii. Participants consist of both supervisory and non-supervisory levels.
   iv. Participants consist of both business and support areas.

3. Conducting Interview
   The duration or length of the in-depth interview depends on the ambiance and trust developed between interviewer and interviewee. In this paper, the interview is designed to have a duration of about 15 until 30 minutes.

   As there is a limitation in the interview process where the interviewer is staying in Baku, Azerbaijan and the interviewees are located in Indonesia, the interview was conducted through phone or it is well-known as a phone interview. In addition, the interview was conducted with an informal and friendly style with the purpose that every interviewee is eager to express the opinion and feeling free about the discussed topic.

4. RESULT DISCUSSION

1. Sample Characteristics
   The sample is defined by the population that is active employees in Company X. The characteristics of a sample including gender, supervisory status, and job category as explained in the following Figure 4, 5, and 6.
   
   i. Gender
      The participants of the interview are dominated by female participants with a total of 63% meanwhile the male participants are only 37%.
   
   ii. Supervisory Status
      In this category, participants are divided into two categories. The first group is a participant who has a supervisory status. It means that they have subordinates to be supervised during their job. In this category, it is not defined further whether supervisory role participants have a big number of subordinates or only a few subordinates. The second group is participants who don’t have a supervisory role or, in simple words, don’t have subordinates. Based on the Figure 5, it is clear that the participants are dominated by supervisory role participants with 63% while non-supervisory participants are only 37%.
   
   iii. Job Category
      In this category, participants are divided into 2 groups that are business and supporting category. Business category groups participants who have a daily job in terms of handling customers directly while supporting category groups participants who have a supporting role or don’t have direct interaction with customers. In this category, the composition of participants is balanced when both the business group and the supporting group are 50% of the total participants.
2. In-Depth Interview Result
Eight interviews were conducted for this study through phone interviews. The interview topic is divided into 5 (five) parts where the results are described in detail in the appendixes. The 5 parts of the interview are salary factor (Appendix 2), growth opportunity factor (Appendix 3), work-life balance factor (Appendix 4), reward/recognition factor (Appendix 5), and other factors (Appendix 6).

3. Data Analysis
The analysis of the interview is divided into two parts. The first part is the description approach (exploratory) about the real condition of motivation factors in Company X. The second part is examined the causal effect of motivation factors into employee motivation to perform better. Each part is organized into several groups as there are four factors considered in this paper that are salary, growth opportunity, work-life balance, and reward/recognition factor.

i. Descriptive Analysis
1) Salary Factor The key findings of the salary factor in Company X are:
   • 100% (hundred percent) of participants mentioned that the given salary is enough and more than enough or beyond the expectation.
   • 87.5% (eighty-seven point five percent) participants argued that the given salary is equal or higher than other companies’ salary in the same industry. Only 12.5% or 1 participant argued that the company provides a lower salary compared with other companies.
   • 100% (hundred percent) participants mentioned that the given salary can cover their lifestyle.
   • 25% (twenty-five percent) participants or 2 participants mentioned the criticism about the overtime payment. They argued that the overtime rate is very low. The participants who mentioned overtime payment have non-supervisory status. In this case, non-supervisory employees are more sensitive to overtime payment.

2) Growth Opportunity Factor
The key findings of the growth opportunity factor in Company X are:
   • 100% (hundred percent) of participants mentioned the promotion and career path is clear based on individual performance.
   • 25% (twenty-five percent) argued that the career path is not fair enough as the evaluation is based on the manager’s subjectivity meanwhile the rest of the participants argued the career opportunity is fair enough.
The opinion about the subjectivity issue in the career path is mixed regardless of their gender, supervisory level status, and job area.

3) Work-Life Balance Factor
The key findings of the work-life balance factor in Company X are:
- 62.5% (sixty-two point five percent) participants mentioned their complaints that the working load is too high that leads to the length of working time becomes more than normal. As a result, it reduces the available free time for personal matters.
- 37.5% (thirty-seven point five percent) participants argued that their working time is normal, and they have sufficient time for their activities and social life.
- The participants who mention the issue on the work-life balance comes from supervisory level participants while non-supervisory level participants didn’t mention the work-life balance issues.

4) Reward-Recognition Factor
The key finding of a reward-recognition factor in Company X is that 100% (hundred percent) of participants mentioned that they got a reward from the company for their performance annually in the form of financial incentive and recognition certificate. Sometimes, they get verbal compliments from their manager/supervisor as well. There is no big issue related to reward-recognition as the company fulfills its expectations.

5) Other Factors
In this part, free last question is given to explore other factors that affect employee’s motivation and performance. The result is shown in Table 3.

Table 3: Exploration of Other Employees’ Motivation Factors

<table>
<thead>
<tr>
<th>Participants’ Number</th>
<th>Other Motivation Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Working Load</td>
</tr>
<tr>
<td>2</td>
<td>Transperancy</td>
</tr>
<tr>
<td>3</td>
<td>Leader Role</td>
</tr>
<tr>
<td>4</td>
<td>Nothing</td>
</tr>
<tr>
<td>5</td>
<td>Leader Role</td>
</tr>
<tr>
<td>6</td>
<td>Working Load</td>
</tr>
<tr>
<td>7</td>
<td>Working Load</td>
</tr>
<tr>
<td>8</td>
<td>Training or Development Opportunity</td>
</tr>
</tbody>
</table>

The highest motivation factor that should be considered by a company is the working load with 3 participants mention this factor, followed by leader role (2 participants mention it) and the last with 1 participant each is transparency and development (training) opportunity.

ii. Cause and Effect Analysis
This part discusses the influence of each motivational factor on an employee’s motivation to work better. The predetermined propositions have been tested and examined in this part.

1) Salary Factor
Developed Proposition (Proposition 1): Salary factor influences employees’ motivation to perform well in Company X. Key Findings:
- 87.5% (eighty-seven point five percent) or 7 out of 8 participants mentioned that salary has a moderate and high influence on employees’ motivation to perform well in the company.
- 12.5% (twelve points five percent) or 1 out of 8 participants argued that salary doesn’t affect the motivation to perform well in the company.

The remarkable opinion supports the proposition is expressed by participant 2 that mentioned: “Salary is a big factor affecting my motivation as it will affect recent and future financial condition”.

In this factor, it can be generalized that the proposition is approved with several supporting statements mentioned by the majority of participants.

2) Growth Opportunity Factor
Developed Proposition (Proposition 2): Growth opportunity factor influences employees’ motivation to perform well in Company X. The key finding: 100% (hundred percent) of participants argued that career growth opportunity moderately and significantly affects the motivation to work better. The remarkable opinion support the proposition is expressed by participant 4 that mentioned “I think it has a very big influence. When my promotion meets my expectations, I am eager to improve my performance”. In this factor, the proposition is approved that the growth opportunity factor influences employees’ motivation to perform well in Company X.

3) Work-Life Balance Factor
Developed Proposition (Proposition 3): Work-Life balance factor influences employees’ motivation to perform well in Company X. The key finding: 100% (hundred percent) of participants mentioned that the work-life balance factor influences significantly the employees’ motivation to work better. The remarkable opinion support the proposition is expressed by participant 4 that mentioned “The influence of work-life balance is so significant. If a company takes a lot of my free time, it will decrease
my motivation”. In this factor, the proposition is approved that the work-life balance factor influences employees’ motivation to perform well in Company X.

4) Reward/Recognition Factor
Developed Proposition (Proposition 4): Reward/recognition factor influences employees’ motivation to perform well in Company X. The key finding: 100% (hundred percent) of participants mentioned that the reward/recognition factor influences moderately and significantly the employees’ motivation to perform better. The remarkable opinion supports the proposition is expressed by participant 4 that mentioned: “It has an important influence on the motivation and performance because, through a good recognition from my boss, I feel like an important part of my company”. In this factor, the proposition is approved that the reward/recognition factor influences employees’ motivation to perform well in Company X.

5. CONCLUSION

As an important function of employees in organizations or companies, management must increase the motivation of their employees to perform better in organizations. Plenty of researches was conducted in the past decades on the topic of employee motivation. Through qualitative approaches with an in-depth interview method, eight interviews were conducted to the active employees in Company X in the topic of employee motivation and four predetermined factors that are salary, growth opportunity, work-life balance, and reward/recognition were examined during the process. As a result, it can be derived from several points as below. (1) All of the examined factors (salary, growth opportunity, work-life balance, and reward/recognition) influence employee’s motivation to perform well in Company X. (2) Overall, Company X has provided an appropriate salary for the employees. The salary is considered competitive compared with other companies in the same industry and it meets with the employees’ lifestyle. However, there is criticism in the overtime payment which is considered lower than the expectation, especially for non-supervisory level employees. (3) The available career path in Company X is clear and fair based on individual performance though there are some complaints about the subjectivity of the performance evaluation. (4) Company X offers an appropriate reward and recognition for employees’ performance in the form of financial incentives, a recognition certificate, direct verbal compliments. (5) In contrast with salary, growth opportunity, and reward/recognition factors, there is a big criticism for work-life balance factors. The employees, especially from supervisory level employees, argued that the working load and working time are too high that might affect the personal and social life. (6) In the exploratory process of other factors, there are several additional factors that the company should put attention. These factors are working load, leader’s role, transparency, and training/development opportunity.

Recommendation

Through the conducted simple research and the findings, there are several recommendations in terms of practical application in the organizations/companies to improve the employee’s motivation. This recommendation is applicable for every organization/company which mainly the management should focus on the salary, career growth opportunity, work-life balance, and reward/recognition factors to maintain and increase the employees’ motivation to perform excellently in organizations. The absence or low level of these factors will affect the employees’ motivation.

Especially for Company X, there are some specific recommendations. (1) Management should focus on the salary policy especially conducting a review on overtime rate for non-supervisory level employees. (2) There is a need for a working load and job description review. The adjustment on working load is required in order to improve the work-life balance factor, especially for non-supervisory level employees. (3) The clear procedure of performance evaluation is required as there are some criticism of the subjectivity of the evaluation process, only based on the manager/supervisor’s opinion. (4) As the reward/recognition factor is considered good, Company X needs to maintain and improve it in order to increase the motivation level of the employees.

References


