

Effects of Motivation and Job satisfaction on Employees' Performance at Petrovietnam Nghe an Construction Joints Stock Corporation (PVNC)

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Abstract

Employers are faced with the task of motivating employees and creating high job satisfaction among their staff. Creating programs and policies that develop job satisfaction and serve to motivate employees takes time and money to create. When the employer understands the benefits of job satisfaction and motivation in the workplace, though, the investment in employee-related policies can be justified. The purpose of any motivation programme is to motivate the organization's employees to enable them work effectively. However, motivating employees is not an easy thing as what motivates employees differs among people. This paper intended to establish a set of factors that can motivate employees of PVNC and to establish the policy implications of these factors for managing staff of the PVNC. It was found that Pay and Promotion is the most important motivational factor followed by Good working conditions. The paper revealed that these two factors are not the only factors that are needed to motivate employees of the PVNC. Other factors, including Interesting works and Promotion and growth in the organization, are equally important depending on the type of motivational theory that is adopted. The study finally stresses the avoidance of disparities in pay/reward among staff of the same rank as a strategy to motivate and retain high quality staff in the PVNC. The study thus raises red flags that warn the management to be extra careful in their attempt to motivate staff of PVNC for effective.

Keywords: *Employee motivation, employee performance*

1. Introduction

Effort towards developing a motivated workforce for the purpose of improving productivity remains the single most crucial function of heads of institutions in recent times. Why? The reason is provided by Kreisman (2002) who argues that the most valuable and volatile asset of any institution is a well-motivated and stable workforce which is competent, dedicated and productive. Interestingly, what motivates employees' changes constantly? Explaining the dynamic nature of motivation, Kovach (1987) cites the example that as employees' income changes, money ceases to be a motivational factor; and as employees grow older, interesting work becomes a motivational factor by Homans (1950). Hence, the declaration by Lindner (2004) is justified to write that of all the functions a manager performs, motivating employees is the most complex, as employee motivation is a never ending challenge. Heads of institutions thus face difficult challenge of motivating and retaining employees especially in an environment of increased uncertainties such as PVNC where groups of workers usually deliberately stop working because of disagreement about pay and conditions of service and transferred to the private companies, corporations increasingly by better treatment policy. It would however look absurd for the university authorities to attempt to motivate the employees when the authorities do not know what motivate these.

Objectives of the study

The key to motivating employees is to know what motivate them and design a motivational programme based on those needs. Therefore the objective of this paper is to describe the importance of certain factors which motivate employees of the PVNC. Specifically, the paper seeks to describe the rank importance of some selected motivational factors, taking into consideration some theories of motivation. The selected factors (indicators) are: career development opportunities; job security; Pay and Promotion; Good working conditions; Feelings of being in on things with personal problems; Feelings of being in on things with personal problems; Interesting works; Personal or company loyalty to employees; Tactful discipline; and Reputation of Institution.

What is Motivation and Job satisfaction?

The term motivation has been defined variously by different authorities in the study of Psychology, Management and allied disciplines. According to Cole (2009), motivation is essentially about what drives a person to work in a particular way and with a given amount of effort. To Buford et al (1995), motivation is a pre-disposition to behave in a purposive manner to achieve specific needs. Obviously, there are divergences in these definitions, though some common threads seem to exist. What is common to the foregoing definitions, among others, is that something has to trigger an employee to perform in an exceptional way. For purpose of this paper, motivation is operationally defined as a set of indefinite factors that cause a person (an employee) to perform his or her duties in a special way. The factors are described as indefinite because they constantly change with time, as pointed out by Kovach (1987). What is implicit in this definition is that an employee will not work in *that special way* if he or she is not encouraged (motivated) to do so. An understanding of this definition depends on the appreciation of some existing theories of motivation.

Job satisfaction is a general attitude towards one's job (Schermerhorn, Hunt & Osborn 1997; Robbins, 2001). Motivation is a process of satisfying employees' different needs and expectations; therefore, administrators have to be aware of and analyze those unique, individual needs. Administrators have the difficult task of actualizing performance above the current level of employees' and colleagues' performance. They have to increase employees' attention towards organizational targets and direct their behavior towards the achievement of corporate targets.

Theories of Motivation

Among the earliest and well-known researchers in the motivation domain were Homans (1950) and Maslow (1954). The former identified three key elements (activities, interactions and sentiments) as the controlling factors of members in an informal group. Homans (1950) defines activities as the task performed by the members of an informal group. He refers to interactions as the relationship among the members; and explains sentiments as the individual and collective attitudes of these members. Homans regards these three elements as independent because, according to him, a change in any one of them affects the other two elements. Maslow (1954) on the other hand developed the need-hierarchy theory. In his theory, Maslow postulated that people's (employees') needs are arranged in a hierarchy in which basic needs generally have to be satisfied before higher needs come to play. Maslow's idea did not escape criticisms and has hence been modified by other theorists notably Alderfer (1969) who introduced the idea of need along a continuum rather than in a hierarchy. Herzberg et al (1987) view motivation with different lenses. Their idea is today known as the Herzberg two-factor theory as it reduces the factors of motivation to two namely intrinsic and extrinsic factors. The former, which includes achievements and recognition, produces job satisfaction, whilst the latter comprising Pay and Promotion and job security is often a source of lack of motivation on the part of employees.

There is also the McClelland Achievement Theory which is based on the idea that the single most important motive is the need for achievement. McClelland (1961) suggests that the need for achievement is a key human motive, which responds to, and is a product of, personal experience and cultural background. This can be indoctrinated by means of training and other attitude-forming activities. The theory advocates that the three most important employee motivational factors are the need for achievement, the need for power or authority, and the need for affiliation or belonging, in that order. One other theory of motivation which seems to be accepted by most scholars in the present century is the Adam's Equity Theory.

The basis of this theory, in the work context, is that people make comparisons between themselves and others in terms of their inputs and what outcomes they receive from their inputs. The theory states that when employees perceive an unequal situation, they experience *equity tension* which they attempt to reduce by appropriate behaviour. Employees may either act positively to improve their performance and /or seek improved rewards, or may act negatively (show lackadaisical attitude to work) on grounds of being under-paid. Logical as they may be, all these theories and several others have their loopholes and are hence seen as inconclusive in contemporary literature, but they provide some interesting insight into employee motivation. They are, in fact, relevant and a useful way to understand employee motivation.

2. Methodology

Descriptive and narrative survey methods were used to describe the rank importance of ten motivational factors, organized in the form of a structured questionnaire, and distributed among a sample of 80 respondents randomly selected from 109 employees at the three branch of PVNC. The 70 respondents, representing 64.2 percent, were selected at random through stratified sampling technique where the various categories of staff in the department constituted the strata. Details of the staffing situation in the Registrar's Offices and the distribution of respondents over the strata are indicated in Table 1. Data analysis was computer-aided, using the SPSS.

Table 1: Categories of staff in the registrar's

Category of Staff	Quantity of Staff		Respondents	
	Total	Percent	Total	Percent
Senior Member	11	10.1	11	15.7
Senior Staff	46	42.2	32	45.7
Junior Staff	52	47.7	27	38.6
Total	109	100.0	70	100.0

Source: Author's construct (March 2012)

3. PVNC introduction

Petro Vietnam Nghe An Construction Corporation is a member of PetroVietnam Construction Corporation (PVC), under Vietnam National Oil and Gas Group (PVN). It was formerly Nghe An Construction Company No.1. It was established on 20/4/1961 and was reorganized under the direction of Prime Minister No.500/TTG, decision No. 4495/QD-UB by the Chairman of Nghe An Provincial People's Committee, is one of the top units in the construction industry of Nghe An. From 19 / 01/2005 Corporation officially came into operation in the form of joint stock company based on decision No. 284/QD-UB-DMDN dated on 19/01/2005 by Nghe An Provincial People's Committee and renamed to Nghe An Construction and Investment JSC No. 1. In May 2007, PVN accepted the company as a member of the Group under decision No. 2397/QD-DKVN on 4 May, 2007 and renamed to PetroVietnam Nghe An Construction JSC (Abbreviation PVNC). On 26/10/2007 PVN switched 51% of holding shares in PVNC to PVC and the company officially became a member of PVC. In May 10/2010 it was renamed to Petrovietnam Nghe An Construction Corporation. Joining to PVN and became a member of PVC marked an important turning point and opened up many great prospects for PVNC. On the one hand, Corporation is raising financial resources, increased competitiveness and prestige brands on the market; otherwise the Corporation has chance to access large projects of PVN and other units of the Group. This is a great opportunity for Corporation to develop to a new level.

4. Analysis of data

Each factor of motivation was ranked, and a tally of scores from the 70 respondents is indicated in the appendix. *Pay and Promotion* was ranked as the most important motivational factor. *Good working conditions* were ranked the second most important motivational factor. All the factors were ranked, with *Feelings of being in on things with employees* as the least important. A summary of these results, which shows the rank importance of each motivational factor, is shown in Table 2. A comparison of these results to the afore-mentioned theories of motivation provides some insight into employee motivation. The summary of results shown in Table 3 indicates that Pay and Promotion, which is a physiological need, is the number one ranked motivator. The number two ranked motivator, Good working conditions, is also a physiological need. The number three motivator, job security, is a safety need. The number four motivator, Interesting works, is also a safety need. The number five motivator, Promotion and growth in the organization, is a self actualizing need.

Therefore, according to Maslow (1954), if the PVNC's management wish to address the most important motivational factor of employees at PVNC, Pay and Promotion must first be satisfied. That is to say that strategies needed to increase employees' salaries should be a serious agenda for the PVNC. Similarly, if the management wish to address the second most important motivational factor of PVNC employees, Good working conditions must be given a high premium. These two motivational factors, being physiological needs, confirm Maslow's theory that basic needs generally have to be satisfied before higher needs come to play. The analysis further justifies Maslow's theory with the third and fourth positions in the analysis being occupied by safety needs. Beyond this level, the range of motivational factors is mixed in the study.

The explanation is that, with the principles of the theory, the next motivational factor must be a social need. However, the analysis shows that the next factor, Promotion and growth in the organization, is a self actualization need. Therefore, Maslow's conclusions that lower level motivational factors must be met before ascending to the next level on the hierarchy were not confirmed by the study. This paper however gives an idea about the relevance of some other theories of motivation.

Table 2: Ranked importance of ten motivational and job satisfaction factors

1 ST (most important)	Pay and Promotion
2 ND	Good working conditions
3 RD	Job Security
4 TH	Interesting work
5 TH	Promotion and growth in the organization
6 TH	Feelings of being in on things with personal problems
7 TH	Tactful discipline
8 TH	Reputation of Institution
9 TH	Personal or company loyalty to employees
10 TH (least important)	Feelings of being in on things

In the study, the most important factor of motivation, Pay and Promotion, is one of Herzberg's Two-Factor Theory classified as an extrinsic or a hygiene factor. The theory stipulates that the absence of good salaries (or poor salaries) certainly causes most employees to look for better job opportunities elsewhere. In fact, Pay and Promotion as a motivational factor is so independent with other factors that it is impossible to separate it out as a factor having an independent effect. Therefore, although good salaries have been shown in the study as the most important motivational factor among employees of PVNC, this factor of motivation will not separately lead to motivate the employees even when they are handled generously by the employer. Even though Feelings of being in on things with personal problems, as a motivational factor, is not well placed on Maslow's needs hierarchy (sixth most important factor), it is a very important factor of motivation in the work place as contained in the Adam's Equity Theory. According to the explanation of Adams (1965), if an employee (at PVNC) feels that there is lack of appreciation for work done, as being low relative to another employee, an inequity may exist and the employee may be de-motivated. Implicit in the Adam's theory is that employees will attempt to restore equity through a variety of ways, some of which may be counter-productive to the goals and objectives of the PVNC. Again, Promotion and growth in the organization relates well with the McClelland Achievement Theory. This theory advocates that the most important employee motivational factor is the need for achievement which comes about as a result of career development. There is no doubt that there are some employees who accepted appointment to PVNC because they expect to benefit from available Promotion and growth in the organization. When they find their expectation to be a mirage, their level of motivation will be very low despite good salaries.

5. Implications for management of PVNC

The ranked importance of motivational factors of employees at the Registrar's Offices provides useful but complex information for the management of the PVNC. The strategies for motivating the employees depend on the type of motivation theories used as a reference point. If McClelland Achievement Theory is the point of reference for motivating employees, management should begin by focusing on staff development rather than good wages. In terms of the Maslow's needs-hierarchy theory, the converse should be the order. However, if Adam's Equity Theory is followed, management should begin by focusing on areas where there may be perceived inequities (e.g. disparities in allowances for staff of the same rank) before focusing on good salaries or staff development programmes.

Regardless of which theory is followed, good salaries and Good working conditions appear to be important links to higher motivation of employees of the PVNC. However, management should not lose sight of inequities in allowances among staff of the same rank. An employee would not be motivated by good salaries if his/her colleagues receive high allowances when he/she does not. Such a condition has a spread effect: employees who feel they are caught in the inequity trap find no affection or love from the authorities; neither do they feel to belong to the group of PVNC staff. Their presence in the PVNC therefore is only influenced by the increasing unemployment situation in the country. Lukewarm attitude by such employees is obvious, and the damage their attitude can do to others can not be under-estimated. It behoves the authorities to avoid any inequities in the PVNC reward system in order to maintain a high level of motivation among all staff. However, employees at PVNC should let the employer know what motivate them. The employer must be willing to design rewards systems that motivate the employees.

While seeking to know what motivates employees of the PVNC, the authorities should also identify those factors that are likely to cause some dedicated employees to budge from the PVNC. For example, an employee who is motivated by a high degree of appreciation of work done is likely to resign if whatever he/she does is met with contempt. Similarly, an individual who is motivated by Tactful discipline is likely to resign if he/she is not acknowledged for a good work done. It is important for the super-ordinates to motivate their subordinate staff by giving them feedback on their performance. The authorities should further motivate their subordinates by treating them with dignity and respect, and by giving them recognition, which enhances their self-esteem, and encourage them to continue to work effectively and efficiently.

6. Implications for management of PVNC

The study has shown that every motivational factor is important. It emphasizes that the degree of importance of each motivational factor depends on the type of motivational theory that is adopted. The study has also established that both the employer and the employee must establish a mutual relationship by working together to agree on the best way to motivate the latter. Such a relationship has a spiral effect because as Kreisman (2002) puts it, how long an employee works in an institution and how productive he/she is, while working in the institution, depends on his/her relationship with his/her employer. Emphasis is placed on avoidance of inequities among staff of the same rank. In as much as inequity exists, some workers would always be aggressive. Their actions can damage the attitudes of other workers in the university. For example, absenteeism and tardiness on the part of aggrieved employees, and their low level of cooperation with the authorities can cause far reaching problems. Additionally, they can behave in a condescending critical manner towards their colleagues, who eventually are likely to be spiteful. One of the benefits to a company that has a motivated and satisfied staff is patience. When a new policy is put into effect or major changes are made to the way the company does business, the entire company is affected. Employees who are satisfied in their jobs are more apt to offer suggestions to make a transition smoother than disgruntled employees. Additionally, as changes are made, motivated employees work as a team to implement those changes as quickly and efficiently as possible.

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