Impact of work motivation on employee performance: A comparative study of Chinese small medium enterprise

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ABSTRACT

This dissertation aimed to identify and develop an effective incentive mechanism for the medium and small-sized technology-based companies in China through comparing different incentive theories and factors. The required data of this research is obtained using various sources, mainly primary and secondary data signifies the type of data. In order to test the assumptions made in this research, questionnaire has been used as the quantitative data collection tool. For qualitative data, interview method has been used. Moreover, a number of secondary data sources have been used in this research such as, EMERALD, EBESCO Host, and Google Scholars. For this study, all medium and small-sized technology-based companies are said to be the population and every company operating under this specification has been considered as the population. However, the sample has been selected by narrowing down the topic even further As in this study, Science and Innovation Center in Suzhou, China has been selected at the case organization and the sample is selected from the employees who work in the companies located in this area. The sample size decided for questionnaire survey is 260 employees, whereas interviews will be conducted from 20 employees. To analyze the gathered discourses analysis is used especially for the qualitative data. Furthermore, since this research also comprises of quantitative data, hence separate analysis methods have been used to analyze numeric data obtained as a result of questionnaire. After the collection of data, analysis methods like descriptive analysis, correlation analysis, variance analysis and regression analysis will be used to analyze the data. The overall analysis of the data concludes that work motivation significantly impacts the employee performance in small and medium sized organizations that are operating in the information technology business sector of China. In addition, the analysis of data also highlights that, compensation, rewards/recognition and medical benefits impacts the work motivation of the employees that are working below the managerial level. On the other hand, the interview analysis concludes that, employees that works at supervisory level feels more motivated, when the organization provide them training programs, career growth opportunities and work life balance.

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CHAPTER 1: INTRODUCTION

1.1 Introduction

The chapter of introduction in this research focused on some important elements of the research such as, background or overview of the research, the problem of the research, aims and objectives of the research. This chapter is highly crucial, because if the research work is introduced effectively; it creates the interest among the readers to read out the whole research work. The chapter of introduction also highlights the research hypotheses and the significance of the research. Overall, this chapter provides a brief overview to the readers about, what issues this research is going to address and the significance of conducting this research work.

1.2 The overview of research

Recently, with the increasingly fierce competition in almost all of the business areas, it is important for companies to develop their competitive advantage. Moreover, one crucial part encompassed in the competitive advantage is the human resource management. Effective human resource management can't only help the company reduce costs and increase the source of service and product, but also help the company attract new talented workers and retain the existing ones (Lengnick-hall, 1988). It is significant for companies to attract and retain talented workers, especially for the medium and small-sized companies. It is undeniable that every worker expects the rewards so the company needs to focus on developing motivation and incentives to attract the new alented workers and improve the effectiveness and productivity of the current workers (Hong et al., 1995). However, for some medium and small-sized companies in China, there are sente problems and defects in their incentive mechanism of talents, so most of them face the problems about high bankruptcy rate and the shortage of talented workers (He and Chen, 2013). Accordingly, an effective incentive mechanism and system is eagerly needed.

1.2 Problem Statement

It has been identified that, even though the organizations in the current competitive business environment have been giving due priority to enhance the performance of the organization through investing huge amount in human resource development, yet the organization is facing lots of issues in managing employee performance effectively. It has also been found out that, in

small and medium sized organizations, the employees working at supervisory level failed to maintain adequate level of motivation, satisfaction and job performance of the employees. Nevertheless, in regard to overcome the issues related to employee motivation and the job performance, lots of research studies have been conducted in context of large organizations and in developed countries. Moreover, very limited findings available that highlights the factors that motivate the employees in small and medium sized organizations that positively impacts the performance of employees particularly, in the small and medium sized technology based companies of China. Thus, the identified issues have provided a reason to conduct a study to find out;

"The impact of work motivation on employee performance; a comparative study of Chinese small-medium enterprise"

1.3 Aims and Objectives

This dissertation aims to identify and develop an effective incentive mechanism for the medium and small-sized technology-based companies in China through comparing different incentive theories and factors. According to the aim, the specific objectives are listed as following:

- Critically review the previous research relating to incentive mechanism and system.
- Compare the incentive factors put forward by the previous research, and identify how these incentives affect employee motivation.
- Collect data relating to the effectiveness of different kinds of incentive factors in for medium and small sized technology-based companies in China.
- Critically analyze the collected data through empirical analysis.
- Make suggestions about how to develop an effective incentive mechanism for the medium and small-sized technology-based companies in China.

1.4 Hypotheses

To provide the empirical evidence, the following hypotheses are tested while executing this study;

H1: Compensation exert stronger influence on employee motivation

H2: There is a positive relationship between employee motivation and rewards/recognition

H3: Medical benefits provided by the organization positively impact the employee motivation

H4: Highly level of work motivation positively impacts the employee performance

1.5 Significance of the Study

Conducting this research has been significant due to number of reasons. Such as, the findings of this research define the role of different factors like compensation, rewards or recognition and medical benefits offered by the small and medium sized organization in influencing the motivation among the employees in China. Apart from this, the study results and findings of this research also clarified the impact of work motivation on the employee performance in the small and medium sized organizations of China, particularly in context of information technology business sector. In addition, to effectively study the impact work motivation on employee performance, the current motivation level of the employees of small and medium sized organizations in China is measured, which helps the organizations to develop the strategies accordingly in order to sustain or increase the employee motivation level effectively. Furthermore, the findings of this research not only contributes in existing literature, but it also provides an avenue to the future researchers to explore more ideas that might play a crucial role in enhancing work motivation and the job performance of the employees in small or medium MMW.SKOI99

CHAPTER 2: LITERATURE REVIEW

2.1 Employee Motivation

Motivation is defined as a psychological feature, which drives people to accomplish personal and organization goals (Lindner, 1998). In the area of human resource management, it is regarded as the incentives that induce the employees to get better job performance and contribute larger efforts. The motivation can be classified as intrinsic motivation and extrinsic one. The latter is in terms of the interest of employees themselves into the tasks or job, while the extransic motivation stems from the external pressure or rewards. The author will take it as an instance that if the employees believe they can get more autonomy in a company, they are more likely to be intrinsically motivated. In comparison, the extrinsic motivation mainly includes payment, rewards and so on (Weightman, 2008; Schacter, 2011).

Motivational theories such as Maslow's hierarchy of needs. Herzberg's two-factor theory and Vroom's expectancy theory are often referenced to support the importance of the relationship between motivation and employee performance. The reason why HR managers generally focus on motivating their employee is to improve their productivity, which in turn increases the overall performance of the company, because the quality and efficiency of the workforce is the foundation of a company, especially for SMEs.

2.2 Strategic Human Resources Management

As well as this, Lengnick Hall (1988) reviewed three approaches related to human resources management and besiness strategy. These approaches are matching with human resources management and personnel activities with corporations' business strategies, forecasting manpower requirements in the condition of certain strategic objectives or environments, and presenting the means of incorporating human resources management into the business's strategy and structure. Lengnick-Hall (1988) summarised the difficulties in the process of integrating human resources management and business' strategic choice and the ways to deal with these difficulties.

The paper used the "Growth/Readiness" matrix to illustrate its special views about the strategic management of human resources. Lengnick-Hall (1988) listed four attributes associated with

organisational strategic human resources management models. First of all, strategic human resources management models emphasise implementation over strategy formulation. Secondly, traditional models focus on matching people to strategy, but not on matching strategy to people. Thirdly, many models rely heavily on organisation or product life cycles as single or uncontrollable catalysts of change. Finally, most of strategic human resource management models emphasise fitness, or congruence, and don't recognize the need for lacking of fitness during organising transitions, and when organizations have multiple and conflicting goals. In addition, the "Growth/Readiness" matrix can be used to explore the complex, multivariate relationships in a systematic fashion. It also further examines the relationship between strategic human resources management and organisational choices.

2.3 HRM Practices in Chinese SMEs

With the great economic reforms in recent years, China has undergone reforms in the HRM practices as well. In the past, the employment system was monitored by state agencies to enterprise-based recruitments. Chinese companies have shifted their focus from traditional HR practices (such as the emphasis on social and economic egalitarianism) to the motivation and compensation with the aim of improving organisational efficiency and performance (Zheng *et al.*, 2008). There is no doubt that Chinese SME has found it easier to adopt innovative HRM practices due to their size and flexibility. The need to improve employee performance and enhance organisational efficiency, as the productivity is a key factor in achieving a competitive advantage against competitors.

In the study conducted by Zheng *et al.*, on the effect of HRM practices on the performance of Chinese SMEs, three major areas of HR practices were common among the Chinese SMEs in the research, which were strategic selection and recruitment, performance based remuneration, and employee involvement in decision making. At the same time, the study also showed that the motivation factor in HRM practices had a significant impact on the HRM outcomes, while the factors such as social benefits and staff development had insignificant effects.

2.4 Motivation Theories

2.4.1 Maslow's Hierarchy of Needs Theory

Abraham Maslow, one of the famous scholars studying how motivation works, proposed his Hierarchy of Needs Theory in 1943. The model explains that human beings have a set of instinctual needs, which push them forward to self-fulfillment and personal satisfaction. Maslow came up with five different levels of these instinctual needs. Human beings have to fulfill the need at the bottom of the pyramid before they can move up to the next stage (Vroom and Deci, 1970).

Firstly, according to Maslow's hierarchy of Needs Theory, the bottom of the pyramid is the Physiological need, which is the most basic need of human beings, such as food, water, shelter and warmth. When this need is fulfilled, human beings will move to the next stage----Safety need, which is expressed as security, stability and freedon from fear. The third stage can be classified as Belonging-love need, in which human beings will focus on friends, family, spouse and lover. The fourth stage is Self-Esteem need, which is the need for acceptance and to be acknowledged by others. Finally, the last stage is the Self-Actualisation need, in which human beings will seek for personal growth and further fulfillment.



Figure 1: Maslow's hierarchy of needs

However, Graham and Messner (1998) mentioned three major criticisms of this theory which are illustrated as follows:

- (1) There is scant empirical data to support their conclusion;
- (2) They assume employees are basically the same;
- (3) It is not a theory of motivation, but rather a theory of job satisfaction

Although there are criticisms of Maslow's theory, it is still useful in the contribution of the further research to employee motivation and performance.

2.4.2 Herzberg's Two-Factor Theory

Herzberg's two-factor theory is developed by Frederick Herzberg. He has claimed that in the workplace, employees are influenced by two factors----motivators and hygiene factors. Motivator factors contribute to job satisfaction, while hygiene factors lead to dissatisfaction. Just as Hong et al. (1995) have noted, motivators of responsibility, recognition and challenging work stemming from the intrinsic conditions of the work can bring positive satisfaction to employees.

However, hygiene factors, such as fringe benefits, status, work conditions and job security, cannot bring positive satisfaction to the employees, unless these factors are acknowledged by the managers and have sufficient standards.

In fact, lacking of hygiene factors can lead to dissatisfaction. The hygiene factors, which include company policies, wages and supervisory practices, are found to be extrinsic (Furnham, Eracleous, and Chamorro-Premuzic, 2009). In this paper, the benefits program is proved to be sufficient working conditions. In addition, such hygiene factor would have an impact of workmotivation and productivity of employees. When applying the stimulus-response behaviour theory to this research, the work-motivation of employees is regarded as the response. In addition, the variables, which includes absence rate, staff turnovers, get-to-work speed and leave rate, can be used to assess it.

2.4.3 Vroom's Expectancy Theory

The expectancy theory, developed by Victor Vroom, showed an expectancy approach to explain motivation. It indicates that every employee expects some rewards according to his (her) work performance, which include tangible and non-tangible rewards. Welfare is one of the most important rewards. Rewards have a great impact on the productivity of employees. It has great significance to explore how to provide stimulus with employees to improve their motivation and productivity.

Motivation is based on how eagerly a person wants to receive something and the probability of effort-reward that they will receive it. Moreover, the expectancy theory also provides an explanation to the phenomenon that some workers cannot be motivated, whereas the other workers can, because the latter are always expecting some rewards. Porter and Lawler (cited in Steers et el., 2004) explained that the relationship between performance and the subsequent satisfaction is determined by the quality of reward they expected to receive, in exchange for their excellent work performance.

Therefore, Vroom's expectancy theory can be explained with the following three beliefs: (a) Expectancy, (b) Valence and (c) Instrumentality. Expectancy is the belief that each employee has different levels of self-confidence and performance to achieve a certain goal, and so it is the

management's job to identify these levels and attempt to improve the expectancy. Valence is the value or emotional orientation employee's hold for an outcome or reward, which is often linked to extrinsic and intrinsic wants of an employee mentioned earlier. Finally, instrumentality is the perception of employees, which is used to identify whether the reward they were promised is fulfilled if they managed to achieve the required performance level. Therefore, it is important for managers to ensure that employees are rewarded as promised. Together, these three key factors form the motivational force of employees (Vroom and Deci, 1970).

2.5 Balancing "Wants" and "Gets" of Employees

Jurkiewicz, Massey and Brown (1998) used Vroom's theory to demonstrate the different motivation factors that are observed in public and private sector organizations. However, for the sake of relevance, only the private sector will be considered for this literature review. Jurkiewicz *et al.* (1998) attempted to answer three major problems that many managers are facing:

- (1) How to motivate people within an organisation to do his/her best?
- (2) Are people who work in public and private sectors motivated by different factors?
- (3) Are there any patterns that employee's motivation follows in each sector?

In addition, Kovach (1995) provided the goal-directed behaviour theory to examine what employees want from their work, and compared these with what they really receive. This then provides the results of the need deficiency of employees. When the "wants" and "gets" of a worker match, employee's performance and productivity will improve, and the company will benefit the most from this employee's performance. In contrast, if there is imbalance existing between the "wants" and "gets", it is not beneficial to attract or retain employees, nor beneficial for the companies. Accordingly, it is important for a company to assess workers' perception of what their "wants" and "gets" are. The table on the next page shows a ranking of 15 motivational "wants" and "gets" of private sector organizations, which are employees value mostly.

	Private Sector Employees		Private Sector Employees
Rank	Motivational Factor	Rank	Motivational Factor
1	High salary	1	Chance to exercise leadership
2	Chance to exercise leadership	2	Chance to make a contribution to important
3	Opportunity for advancement		decisions
4	A stable and secure future	3	Chance to learn new things
5	Chance to make a contribution to important	4	Chance to use my special abilities
	decisions	5	Working as part of a team
6	Chance to use my special abilities	6	Variety in work assignments
7	Chance to benefit society	7	Chance to benefit society
8	Working as part of a team	8	Friendly and congenial associates
9	Chance to learn new things	9	A stable and secure future
10	High prestige and social status	10	High salary
11	Freedom from pressures to conform both on	11	Opportunity for advancement
	and off the job	12	Freedom from supervision
12	Variety in work assignments		
		13	Chance to engage in satisfying leisure
13	Friendly and congenial associates		activities
14	Chance to engage in satisfying leisure activities	14	Freedom from pressures to conform both on and off the job
15	Freedom from supervision	15	High prestige and social status

Figure 2: Ranking of "wants" (left) and "gets" (right) of employees in the private sector

From the rankings above, it is clearly seen that high salary is a factor that employees highly value, but not for managers. The two other factors that employee desired mostly but ranked lower by the managers were opportunity for advancement, and a stable and secure future. Personal development factors such as chance to exercise leadership and chance to make a contribution to important decisions are relatively balanced, while the chance to benefit society factor was of mutual importance for both parties. The results show that employees tend to wish more for personal gain, which can be related to Maslow's theory.

2.6 Payment and Employee Motivation

In the management literature on incentives, no observation appears more frequently than the importance of payments for motivation. Rynes, Garhart and Minette (2004) reviewed many previous studies, including descriptive reviews of the literature, empirical studies with large sample sizes and the meta-analytic reviews. There is an immense literature pertaining to the exaggeration of importance of payment in employee surveys. However, these studies offer no systematic empirical evidence for their criticism. This dissertation addresses the relationship

between work motivation and incentives, specifically the differences between 'what people say' and 'what people do' in terms of payment.

Human resource management research supports the contention that employees tend to underreport the importance of payment when they are asked to rank their own incentives. Possible reasons include the misjudgements on high paid jobs and the fact that social norms tend to regard money as a less noble motivation than other factors. To further demonstrate these points, Jurgensen (1978) administered a questionnaire to 50,000 job applicants. This questionnaire contained items which would allow applicants to rank job related characteristics according to their importance. The results indicated that the male participants ranked payments as the fifth most crucial element, at the same time, the female participants ranked it lower. However, when the same participants were asked to predict how others of the same age, gender and educational background would rank these characteristics the ranking for payment jumped to the first

There is a substantial amount of research on incentives, which shows payment is generally more important than other job characteristics (Schway, 1982; Barber, 1998). Policy capturing can be used to examine how a person evaluates and assesses the attractiveness of different jobs through the measurements of each job characteristic. Researchers use this method to avoid direct questions when asking about the importance of each job characteristics. Accordingly, studies applied this method are much more persuasive.

Rynes *et al.* (2004) found that pay is a strong motivation for the employees, and provided some suggestions for the employers and they also provide some suggestions for the employers:

- (1) To take employees' payment related complaints seriously;
- (2) Be ture not to fall too far below the level of pay in the market;
- (3) To understand that most of the best employees want to relate their performance with pay;
- (4) To evaluate and assess the current pay system by considering the pay-performance relationship.

In addition, Rynes *et al.* (2004) also gave two suggestions for evaluating the effectiveness of the current pay systems:

(1) The employers need to track both the behaviour and the attitude of the employees,

(2) The employers should apply the surveys year on year to focus on how the employees' attitude changes towards the importance of pay; pay satisfaction and pay fairness.

As discussed above, Rynes *et al.* (2004) comprehensively analysed causal attributions in misjudgement about employees' tendency to over-report the importance of pay in employee surveys. They also included four valuable points for the employers on how to put more emphasis on the pay system and how to improve the effectiveness of their current incentive mechanisms.

However, Herzberg's and Maslow's theories show that there are many other motivation rewards besides pay. Gerhart and Fang (2013) showed through their research that between the years 2004 to 2012, when they surveyed over 5400 employees, job security was ranked as "very important" followed by work benefits and then pay. Gerhart and Fang (2013) also surveyed HR managers, in which they found out that pay was ranked the 6th most important, while employees typically ranked it 1st. This shows that although pay is one of the top factors for employee motivation, it is not the most important one to focus on for employers. However, it does dependent on certain employee values as they will expect rewards. In most cases, it is some form of payment, if they were to engage themselves into projects and extra work for the company (Gerhart and Fang, 2013).

2.7 Incentive Rewards and Employee Performance

Regarding the investment of the incentive programs, Miline (2007) critically analysed whether it was worth for an organisation to spend a large amount of money on incentive programs. Miline (2007) pointed out that there are an increasing amount of rewards and recognition programs aiming at encouraging employees to enrich and share their knowledge within the organisation. However, there is not enough evidence to determine whether the effects of these programs are positive or negative in the aspects of employee motivation, job performance, and interests within an organisation. It is also difficult for most of the organisation to afford a large sum of money on incentive programs.

Cameron and Pierce (cited in Miline, 2007) pointed out that there are several conditions for the rewards to increase performance, including:

(1) Rewards are made contingent on performance and quality, or the rewards are given to meet the performance standards;

- (2) Rewards are contingent on the activities which are challenging;
- (3) Rewards are given when some complex skills are mastered;
- (4) Rewards are delivered for the high activity and effort.

The idea of team-based rewarding programs is also mentioned in this paper. There are several reasons which result in the increasing popularity of team rewards. One of these reasons is the increasing interdependence among different tasks, which makes it harder to separate performance and contributions of all the employees. He also pointed out some other important rogran factors needed to be considered when establishing a team-based reward programs, including:

- (1) Reward characteristics
- (2) Organisational characteristics
- (3) Team characteristics
- (4) Individual differences

Based on all these theoretical backgrounds, Cameron and Pierce (2007) drew a conclusion that incentive programs have positive impact on motivation, performance and interest within a company. One must admit that team-based incentives are problematic. However, they still can be used to generate a range of positive outcomes in an appropriately designated condition. Further research is needed to confirm the influence of such incentive programs on employees to share knowledge or learn knowledge (Bukovinsky, 2013). Whether the investment of organisations on such incentive programs of sharing knowledge or learning knowledge is cost-effective still needs more studies to confirm

In a recent study conducted by Klor, Kube, Winter and Zultan (2013), they state that rewards may trigger an phenomenon called incentive reversal, which is where an increase in promised rewards to all team members results in a lower performance from each individual in the team. Klor et al. revealed that even though employers introduce rewards with good intentions, problems occur when individual team members do not contribute evenly, since the under achiever in the team will be overcompensated for his efforts, while other members who put more effort into the project are undercompensated (Bukovinsky, 2013). However, this phenomenon is highly dependent on the exact characteristic of the environment at hand.

On the contrary, a study conducted by Garbers and Konradt (2013) showed that financial incentives often correlate positively with employee performance, and in their research, teambased rewards showed a far better increase in performance in contrast to individual rewards, albeit this effect was only based on nine studies. The results collected by Garbers and Konradt showed that team-based rewards motivates and reinforces individual performance and through cooperative behaviour improves team performance (Beersma *et al.*, 2003; DeMatteo *et al.* 1998 cited in Garbers and Konradt, 2013).

2.8 Mentoring and Employee Motivation

Mentoring is defined as the process where the managers provide the particular subordinates with informal support, help on individual basis and assistance leading to a better performance in the company (Orpen, 1997). Many companies established the formal mentoring program, because the mentoring system is regarded as an important element for a company to improve the qualities of its employees and the benefits the employees may oring to the company (Carvin, 2011; Kochan and Green, 2013). Most of these mentoring programs follow a similar structure where senior managers are assigned to be the mentors. The company carefully chooses particular subordinates, who are most likely to bring benefits for the company, and then mentor them. The mentors then decide how often they will meet their assigned subordinates. Finally, by using various methods, the effectiveness of the programs is assessed. Figure 2.1 represents a brief review of a model for the formal mentoring process. According to this model, there are two main determinants for the mentor-mentee relationship. Those are the opportunities of interaction between mentor and mentee, and their mutual attitudes.

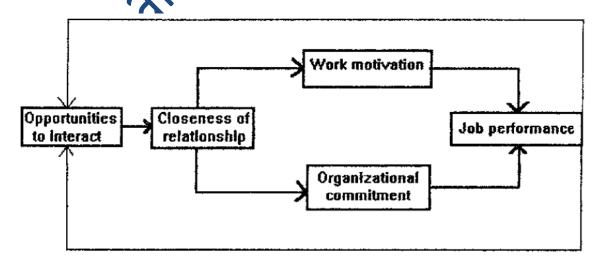


Figure 3: The formal mentoring process (Data source: Orpen, 1997)

Orpen (1997) used stepwise multiple regressions to quantify the effects of mentoring variables, such as "opportunities to internet", "closeness of relationship" and "job performance", and the "closeness of relationship" is on dependent variables, such as "work motivation" and "organizational commitment". It also demonstrated the influence of work motivation on "closeness of relationship" (CLO) and on "opportunities to interact" (OTI). As a result, the conclusion indicates that the better the relationship between the mentor and mentee in the formal program of mentoring is, the more the mentees are motivated to improve their performance and contribute to their company. Moreover, the result also indicates that the more mentor-mentee interactions mean the better relationship between the mentor and mentee in the formal program of mentoring.

There are numerous valuable suggestions for the management of mentoring programs that can be concluded from the previous research. Firstly, the memoring program is necessary for a company, because it can improve the work motivation and the commitment of the mentees. Secondly, when establishing the mentoring program, the importance of the mentee-mentor relationship should be highlighted, as it can determine the effectiveness of the program.

The research conducted by Zheng *et al.* (2008) showed that Chinese SMEs rarely adopted HRM practices, such as training and development, performance evaluation and provision of social benefits, because it seems to have no effect on better HRM outcomes. However, compared with other researches stated by Zheng *et al.* (2008) and above, there are contrasting results for the 'Staff Development factor, which are generally affected by the size and nature of the SMEs. In the case for Chinese SMEs, it was seen that there is only limited use of staff development HRM practices. It is due to the time and cost, which is needed to sustain the mentoring or training. However, it is important to realize that the research is not sufficient enough to say staff development practices should be entirely ignored by Chinese SMEs.

2.9 Summary

In summary, the nature of the relationship between work motivation and employee performance can be seen as a straight line growth, meaning that the more motivated the employee is, the more effective his performance will be. However, the nature of motivation and the diverse differences between employees indicates that this linear relationship is not entirely true, but instead the relationship will peak at a certain limit and then slowly decrease, implying that under high levels of motivation, employee performance may drop (Vroom, 1970).

This literature has brought together the popular theories used in understanding motivation and performance, and also gave research examples of the most common HRM practices adopted by enterprises to motivate its employees. So, it is important for companies, especially for SM pay attention to employee motivation as it frequently determines the performance of the smes, if the smear of the smear company. Therefore, a mixture of HRM practices that best cover motivation factors and affect employee performance should be carefully selected by Chinese SMEs, if they wish to outperform

CHAPTER 3: METHODOLOGY

3.1 Research Questions

- What is impact of work motivation on employee performance?
- How incentives are the major factors of motivation for Medium and Small-sized Technologybased companies in China?
- Is the perception of employee incentives positively related to employee motivation?

3.2 Overall Methodology

The chapter of methodology introduces the techniques and methods required to reach to the desired outcomes. It defines a direction to the researcher to follow as it will not be needed to execute every task accurately. Researcher in this chapter decides on the data collection strategy, method, approach, and analysis in order to find the outcomes of research questions (Kumar, 2010).

3.3 Data Collection

The data is obtained using various sources, mainly primary and secondary data signifies the type of data.

3.3.1 Primary Data

Primary data is the information that is achieved for the first time. This data is not present anywhere of it any research done in past. As qualitative as well as quantitative method is selected as the research strategy, then means of obtaining primary data will also differ in each method. The qualitative data, the primary sources are executive interviews, telegroups, in-depth Interviews, focus groups, and expert panels. However, qualitative data is obtained from using tools like questionnaire and interview (Creswell, 2008).

In order to test the assumptions made in the research, the researcher has selected questionnaire as the quantitative data collection tool. For qualitative data, interview method has been used. Questionnaire is chosen because primary data collected through this is easy to compile and analyze as compared to telephone and verbal surveys. It is cost-effective as this research requires collecting a large amount of data and information regarding employees' opinions about the incentive factors.

Questionnaire used in this research comprises of two major portions. The first part involves general information regarding work content and work position. The second part tests the significance of motivation in the company. Questions are designed relayed to different motivation factors that contribute to employee motivation. These questions are randomly assigned the question number, so the questions related to a particular incentive factors are not combined. This method can avoid the respondents to construct their objective opinion based on the previous question, so there is no biasness.

Interview method is chosen in order to collect qualitative data, where the respondents would be the managerial staff members of the similar companies. The employees will be interviewed in many ways; two majorly used ways could be face-to-face of telephonic interviews. It depends on the availability of employees to determine the way of interview and survey participation.

3.3.2 Secondary Data

Secondary data is said to be the data that is already present in the literature. This can be the information related to the topic of study of the decided organization (Creswell, 2008). A number of data sources have been used in this research such as, EMERALD, EBESCO Host, and Google Scholars. Online databases like these carry a huge collection of publications, articles and journals that can be essential for the research study to be conducted effectively. This information is mainly used to formulate literature review and support the description of the findings.

3.4 Justification of Sample Size

The term population signifies a wide range of people without any count. Every research is based on a certain population, but it is unrealistic to collect data from such huge population. Because of this reason, the population is divided into samples that may represent the whole population. There can be certain criteria to select sample, or in other case several techniques can be used. A researcher fined ease in obtaining data from a sample rather than the whole population (Cochran, 2007).

For this study, all medium and small-sized technology-based companies are said to be the

population and every company operating under this specification can also be considered as the population. The sample can be selected by narrowing down the topic even further. As in this study, we have selected Science and Innovation Center in Suzhou, China as the case organization and the sample have been selected from the employees who work in the companies located in this area. The sample size decided for questionnaire survey is 260 employees, whereas interviews will be conducted from 20 employees.

The questionnaire is formulated and distributed to all of the companies in this area. The sample techniques used in this study is the convenience sampling. The researchers waited outside of the companies at the time before and after the working hours. It is the appropriate time to attract participants as during this time, there is a large amount of employees are going to work or leaving the companies for home. The researcher asked them to spend a few minutes filling the questionnaires with their consent.

3.5 Research Paradigm

Allen et al, (2008) stated that the research can be conducted using two strategies broadly, qualitative and quantitative strategy. Both of these strategies are different from each other, hence only one or combination of both can be utilized in a single research. Qualitative research is incorporated when the research requites developing an understanding of a problem. On the other hand, quantitative strategy is used to propose a last course of action. Qualitative research determines a variety of feelings and ideas about something, while quantitative strategy determines whether a particular issue has some consensus. Qualitative research is all about understanding and exploring distinctive perspective between different people. Quantitative strategy provides result based on the large population. Qualitative research reveals hidden factors and motivations that impact on opinion and decision making. However, quantitative strategy examines particular relationship and test hypothesis (Keegan, 2009).

This tesearch study involves qualitative and quantitative research design both as the problem needs to be assessed from every end. For collection of data from the management interview method will be used as part of qualitative strategy. However, qualitative methods will be used to identify and evaluate the impact of work motivation on employee performance.

3.6 Ethical Issues

There are various ethical issues that arise as a result of research process. These issues require consideration from researcher in order to achieve correct outcomes. Before demanding for respondent's participation, informed consent is achieved. They are well informed about the risks associated with it before participation. An information sheet is formulated which can be used for potential participants with related information. The data storage will comply with University's Data Protection Code and Data Protection Act. No pressure is exerted on people to participate. Besides, no incentives were provided to them in order to complete a questionnaire. Participant's freedom is respected throughout the data gathering process, as even after signing the consent form, they are free to leave the study whenever they want. The data provided by the participants is kept confidential. This information means something that can identify people like gender, age, job title etc (Grinyer, 2002).

3.7 Interview Method-Setting, Timings, Frequency

An interview conducted as part of qualitative research is not similar to everyday conversation in many ways. A qualitative interview is a research tool used in many researches. A good interviewer gathered information using structured set of questions, analyze and report outcomes. Reflection and practice is required for good interview skills. Finally, it is a learning philosophy besides a set of interview skills. Various researches have stood against the use of structured interviews as part of the research because its outcomes are restrictive and natural. However, informal interview accesses information that is believable and consistent. In this way, person is allowed to change (hs/her response after understanding what the question actually meant (Keegan, 2009).

Interviews have been conducted in a structured setting. It means structured questions have been asked from every respondent. Timings would be after office, as they get free from their professional commitments. They have been requested to participate in a five minute interview comprising of brief questions that can be answered specifically. Besides that, telephone interview has been conducted for those who are only available through this medium. Each individual has been interviewed one time only.

3.8 Data Analysis

The qualitative data can be analyzed in four ways. First method is content analysis, which actually is the method dividing behavioral or verbal data for tabulation, summarization and classification. The content or the data obtained using qualitative approach can be analyzed in interpretive or descriptive manner. Narrative analysis is done when the experiences of the participants are recorded as a mean of data. Every observation or interview has narrative aspect attached to it. Hence, researcher has to organize it properly. The researcher may also have to enhance the data, and present it in an understandable manner. The major function in narrative analysis is to rearrange the participant's experience in the context of research topic.

Discourse analysis is a way to determine a spoken interaction that occurred naturally. It depends on normal people ways of obtaining information and adding logic to everyday life. Framework analysis undertakes reading and transcribing the data. It also represents coding, charting, and mapping of the data. Lastly, grounded theory begins with a single case examination to make a general statement and later examine one more case to determine whether the statement fits there (Jackson, 2010).

3.8.1 Coding

When the data is obtained using quantative means, then analysis of such data requires specific methods to be applied. Coding speech in order to analyze qualitative data is a major step. The speech is divided into several meaningful categories. In this way, a researcher is able to manage a large amount of data and find patterns within them. Reading a transcript and listening to audio recording and analyzing them directly is difficult. However, it is recommended to keep transcript in an original copy. Chronologically order the transcript of interview or other type of information. Other criteria can also be selected to order them. It is essential to read the whole transcript or listen to audio at least twice. In the next phase, initial coding is conducted using various eategories as determined by reading data. In this number of categories has no limit as researcher is allowed to make as many categories as come across. Formulating some notes may also help in exploring relationship, listing ideas, and find some specific vocabulary. Codes may not be new every time, hence the data can be assigned to already present category. Lastly, focused coding is done to subdivide, combine, and eliminate coding categories. There must be some categories repeating or similar to another. By combining several codes, one large category

can be constructed in order to make analysis easy for researcher. There should not be more than 30-50 codes, so it is easy to assign a code to a certain category (Keegan, 2009).

3.8.2 Discourse Analysis

Discourse analysis can be described as a way of thinking and approaching an issue. Assuming that, Discourse Analysis cannot be categorized into quantitative or qualitative research method. It is just a way of questioning the basic phenomenon of qualitative and quantitative research method. Researcher will be able to get access to epistemological and ontological assumptions behind the problem, research method, and statement with the help of Discourse Analysis. However, a tangible answer is not obtained this way. In other words, it can be said that Discourse Analysis will disclose hidden motivations behind using certain research method or text interpretation. Discourse Analysis is basically related to deconstructive reading and interpreting a text or problem. However, this is done taking into account postmodern theories visualizing reality. Hence, Discourse Analysis is not capable of providing solutions to a problem, but understanding the reason behind the problem. Several assumptions can be made after knowing the conditions behind the issue. Discourse Analysis allows researcher to see the problem from a broader perspective to gain a widespread view of the problem (Norman, 2003).

3.8.3 Selected Analysis Method

Collected data using above mentioned methods have been analyzed using Discourse analysis method. In this way, interview coding has been done which is analyzed based on the interpretation of the researcher. This research also comprises of quantitative data, hence separate analysis methods have been used to analyze numeric data obtained as a result of questionnaire. After the collection of data, analysis methods like descriptive analysis, correlation analysis, variance analysis and regression analysis will be used to analyze the data.

3.9 Timelines

	Week 1	Week 2	Week 3	Week 4	We
Research Proposal					
Review of Literature					
Primary and Secondary Data Collection					
Data Analysis					
Printing and editing for final draft					
Submission of first draft					
Final Submission					
skologole.					

CHAPTER 4: DATA ANALYSIS

4.1 Introduction

The fourth chapter of this research is based on the analysis of the gathered primary data, which helps in deriving the useful results of this research. This chapter is highly critical, because analysis of data leads towards the research conclusion and any carelessness during the data analysis may destroy the efforts of executing the research if it leads to inaccurate results. Hence, to analyze the gathered quantitative data of this research different statistical tools including; descriptive analysis, graphs, tables, regression, correlation and variance analysis are used in this section of the research. Apart from to analyze the qualitative data, which is gathered through conducting the interview, is analyzed through discourse or content analysis.

4.2 Reliability Analysis

The most important aspect of the research work is to highlight the reliability and validity of the gathered data and the instrument used in the research to collect the required data, because the data and instrument reliability and validity ensures the accuracy of the results of the research. Hence, to provide assurance of the reliability and the accuracy of the results of this research, a reliability of the gathered quantitative data is tested. The results of the reliability, which is highlighted in the table below indicates that, the data gathered for this research from the respondents is reliable and value, because the reliability value of Cronbach alpha is 0.839, which higher than standard value 0.7. The obtained results of reliability analysis also indicate that, the instrument used in this research reliable and well understood among the respondents.

Reliability Statistics

Cronbach's Alpha	N of Items
.839	18

Table 1: Reliability

4.3 Analysis of Questionnaire

To gather the required information from the respondents about work motivation and its impact on

the employee performance in small and medium sized organizations of China, a questionnaire based survey is conducted to collect information from total 260 employee respondents of small and medium sized organizations in China, particularly those organization that belongs to the information technology sector. The questionnaire used in this research is divided into three sections, the first section of questionnaire is based on demographic information, the second section highlights the information about the motivation factors and the third section of the questionnaire highlights the motivation level of the respondents. The analysis of the gathered information is as follows:

4.3.1 Demographic Information

Gender

The given below pie chart mainly provides the information about the ratio of male and female respondents of this study. Hence, it can be clearly seen that, majority of the respondents who took part in the survey are male employees, as they represent nearly 63% of the total sample of the study, while 37% of this research are female employees. Thus, it can be said that, the results of this research reflects the views of the male respondents more than the female respondents.

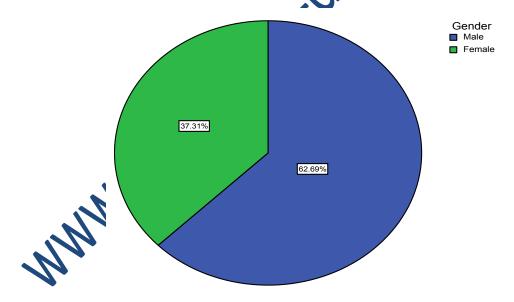


Figure 4: Gender

Age

The next question that was asked from the respondents in the demographic section is about the age of the respondents. The responses provided by the responses are mentioned in the pie chart

below, which illustrates that, majority of the respondents nearly 42%, comes in the age bracket of 33-39 years followed by 21% respondents who belong to age group of 40-46 years, while 20% respondents of this study are of 47 years and above. Nevertheless, around 17% respondents of this research belong to the age group of 26-32 years. Hence, it can be argued that, the results of this research highlights the views of the respondents that falls in the age range of 33-39 years more than other respondents.

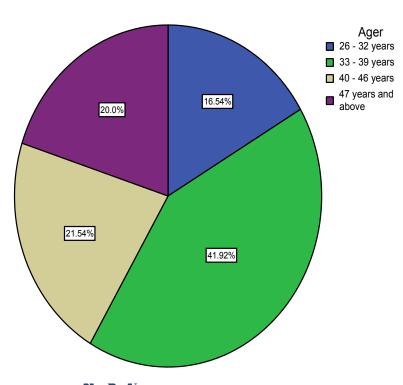


Figure 5: Age

Number of years served at Current Organization

The last question that was asked from the respondents related to demographics is about the number of years they have served in the current organization. In response to this question, 42% respondents replied that, they have been serving this organization for last 2-5 years, while the 26% respondents responded that, they have 6-10 years in the current organization. Moreover, around 18% respondents have been working in the current organization for less than two years and nearly 14% respondents have been serving the current organization for more than 10 years.

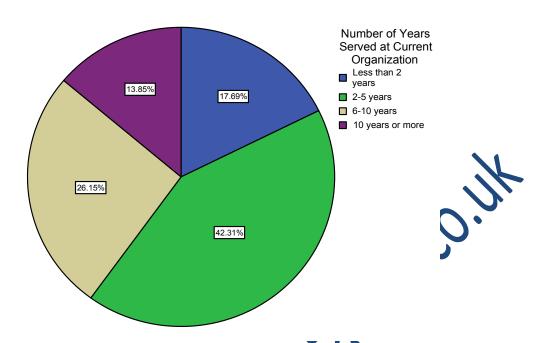


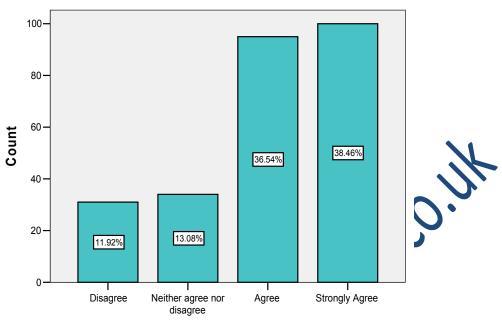
Figure 6: Number of years served at current organization

4.3.2 Motivation Factors

In order to determine the major factors that contribute in work motivation, which in turn increases the employee performance at work, some statements have been asked related to different motivation factors. The analysis of the statements is given below;

Statement 1

In the first statement of the motivation factors, the respondents have been asked, whether their compensation is appropriate with respect to the nature of their job. In response to this question, 38% respondents showed extremely positive responses, similarly, other 37% respondents also agreed to the given statement. However, around 13% respondents neither agreed nor disagreed, while only 12% respondents disagreed to the given statement.

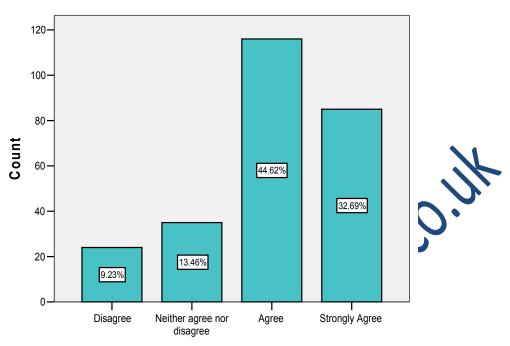


My compensation is appropriate with respect to the nature of my job.

Figure 7: My compensation is appropriate with respect to the nature of my job.

Statement 2

In respond to the second statement related to motivation factors, nearly 33% respondents strongly agreed that the compensation and the benefits policy of their organization match with industry practices. Likewise, other 45% respondents also agreed to the provided statement. On the other hand, around 9% respondents disagreed to the give statement and rest 13% respondents responded neutrally to the given statement.

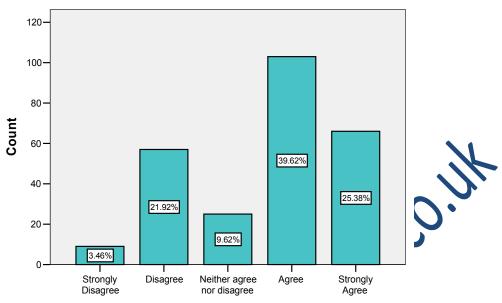


The compensation and benefits policy of my organization is at par with industry practices.

Figure 8: The compensation and benefits policy of my organization is at par with industry practices.

Statement 3

To determine the role of incentives on work motivation, it has been asked from the respondents during the survey that, whether the organization offers them, wide range of health related benefits to its employees. In response to this statement, around 65% respondents gave a positive response, while around 10% respondents gave neutral response and rest 25% respondents responded negatively to the given statement.

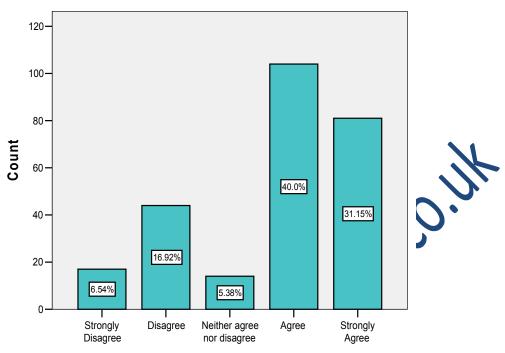


The company offers a wide range of health-related benefits to all its employees

Figure 9: The Company offers a wide range of health-pelated benefits to all its employees

Statement 4

The responses mentioned in the bra chart below clearly illustrates that, 71% respondents agreed that the medical facility offered by the dompany is pro employee. However, 23% respondents disagreed to the given statement and around 5% respondents neither agreed nor disagreed about the pro employee medical facility offered by their company.

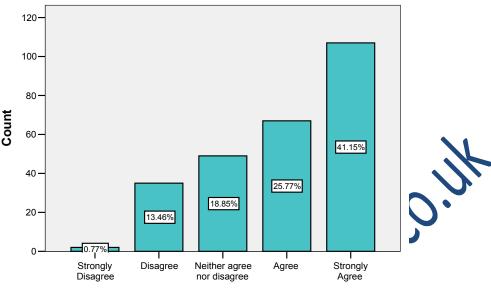


The company has a pro employee medical facility

Figure 10: The company has a pro employee medical facility

Statement 5

To find out the whether the career growth opportunities offered by the company increase the work motivation, the respondents were asked, whether the company offers them good careers prospects. The responses provided by the respondents are graphically illustrated below, which highlights that, 67% respondents highly agree to the given statement, 19% respondents gave neutral response to the question. In contrast to this, around 14% respondents disagreed to the given statement.



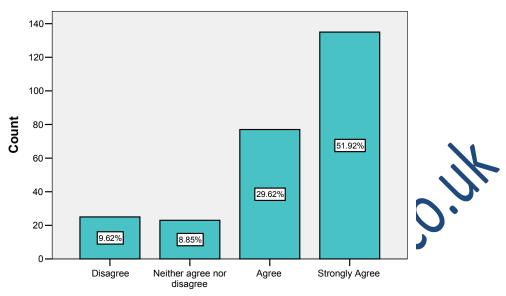
The company offers good career prospect for its employees.

Figure 11: The Company offers good career prospect for its employees.

Statement 6

MMM'S

As mentioned in the graphical illustration below, nearly 81% respondents gave positive response to the statement that, the career advancement in the organization is merely based on the abilities and skills of the individual employees. Nowever, 9% respondents neither agree nor disagreed to the given statement, while around 10% respondents disagreed that, the career advancement in their organization is based on the individual's abilities and skills.

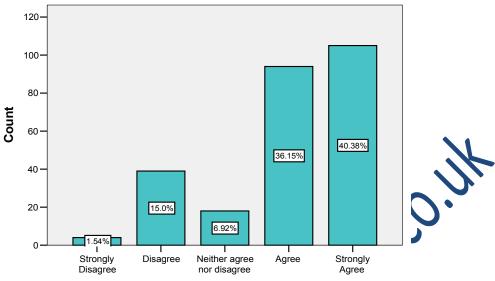


In this organization advancement is merely based on the individual's abilities and skills.

Figure 12: In this organization advancement is merely based on the individual's abilities and skills.

Statement 7

The next statement that was asked from the respondents about motivation factors is related to rewards or recognition. The responses provided by the respondents for this statement are highlighted in the graph below, which depicts that, 76% respondents agreed that, the management of the organization pays adequate attention on immediate performance recognition. On the other hand, 17% respondents disagreed to the given statement, while nearly 7% respondents neither agreed nor disagreed to the given statement.

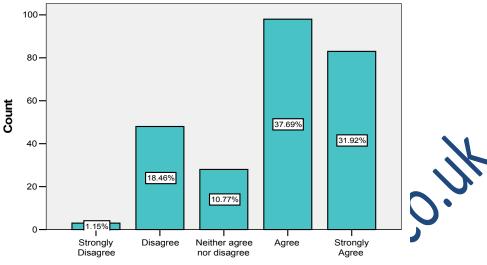


The management pays due attention on the immediate recognition of performance

Figure 13: The management pays due attention on the immediate recognition of performance

Statement 8

In response to the next statement related to revail or recognition as a motivation factors, the respondents gave varied responses, which are mentioned in the given below bar charts and which indicates that, 69% respondents agreed that, the management of the organization practices the immediate feedback in order to effectively manage expectations of the employees. Nevertheless, around 20% respondents responded negatively to the given statement, while rest 11% respondents gave neutral response to the given statement.

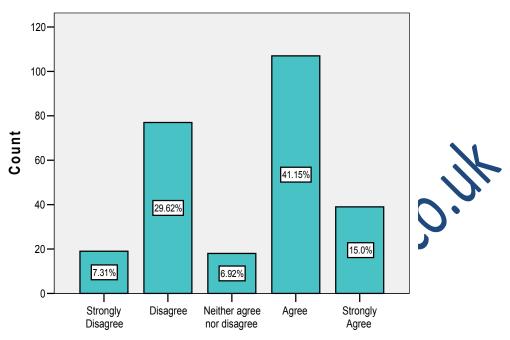


The management practices immediate feedback to manage employees' expectations

Figure 14: The management practices immediate feedback to manage employees' expectations

Statement 9

The given below graphic presentation depicts that, 56% respondents agreed that, the employees in their organization are encouraged to participated in different training programs to improve the abilities and skills. Contrastingly 37% respondents disagreed to the given statement and remaining 7% respondents neither agreed nor disagreed to the given statement.

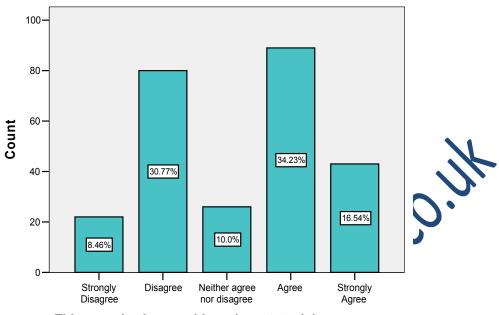


Employees in my organization are encouraged to participated in the additional training to enhance their skills and abilities

Figure 15: Employees in my organization are encouraged to participated in the additional training to enhance their skills and abilities

Statement 10

In the last related to the motivation factors, the respondents have been asked, whether their organization provide adequate training programs for the employees. In response to this question 51% respondents gave a positive response to the statement, while 10% respondents neither agreed nor disagreed and around 39% respondents gave negative response to the given statement.



This organization provides adequate training programs for its employees

Figure 16: This organization provides adequate training programs for its employees

4.3.3 Employee Motivation Level

To effectively study the impact of work motivation on the employee performance, it has been essential to determine the employee motivation level. Hence, in this regard, the respondents have asked five statements related to motivation. The detailed analysis of each statement is descriptively analyzed and the summarized results are highlighted in the form of graph below. However, the detailed analysis can be seen in Appendix A.

The given below graphical illustration clearly indicates that out of 260 respondents who participated in this research, 75% respondents feel motivation in their current organization, while 7% respondents are found neither motivated nor de-motivated and 12% respondents responded that, they do not feel motivated in the current workplace. Thus, it can be said that, majority of the respondents of this study are motivated.



Figure 17: Employee Motivation Level

4.4 Correlation Analysis

To determine the relationship between reward or recognition practices of the organization and the work motivation, the Pearson correlation analysis is applied on the gathered set of data. The results of Pearson correlation analysis are highlighted in the table below, which indicates that, there is a positive relationship between reward and work motivation, because appeared Pearson correlation value is .267. In addition, from statistical perspective the relationship between the two variables can be considered statistically significant, because obtained significant value 0.000 is less than 0.05, a standard p value. Hence, based on the 2-tailed significant value 0.000, the hypothesis of this research which states that, "there is a positive relationship between employee motivation and rewards/recognition," is accepted.

Correlations

		The management practices immediate feedback to manage employees' expectations	My work gives me a feeling of personal accomplishm ent.
The management	Pearson Correlation	1	.267**
practices immediate feedback to manage	Sig. (2-tailed)		.000
employees' expectations	N	260	260
My work gives me a	Pearson Correlation	.267**	1
feeling of personal accomplishment.	Sig. (2-tailed)	.000	
accompliantion.	N	260	260

^{**} Correlation is significant at the 0.01 level (2-tailed).

Table 2: Correlation

4.5 Regression Analysis

H1: Compensation exert stronger influence on employee motivation

In the given below model summary table, the value of R 0.049 depicts that 4.9% variation on employee motivation occurs due to compensation.

Model Summary

			Adjusted	Std. Error of
Model	R	R Square	R Square	the Estimate
1	.221 ^a	.049	.045	1.060

a. Predictors: (Constant), The compensation and benefits policy of my organization is at par with industry practices.

Table 3: Model Summary

The significant value mentioned in the ANOVA depicts the acceptance or rejection of the stated hypothesis of the study. Hence, the given below table illustrates that, the above stated hypothesis is accepted because the significant value is less than 0.05.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.865	1	14.865	13.239	.000 ^a
	Residual	289.689	258	1.123		
	Total	304.554	259			

a. Predictors: (Constant), The compensation and benefits policy of my organization is at par with industry practices.

Table 4: ANOVA

The coefficients table defines the impact of independent variable on the dependent variable. The given below table highlights that, compensation significant impacts the work motivation because obtained significant value 0.000 is less than 0.5. Furthermore, the positive beta value 0.262 points out that changes in the compensation factor by one unit of so, will cause equal changes in the work motivation.

Coefficientsa

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	3.118	.296		10.521	.000
	The compensation and benefits policy of my organization is at par with industry practices.	.262	.072	.221	3.638	.000

a. Dependent Variable: I am motivated to work beyond the usual call of duties

Table 5: Coefficients

H3: Medical benefits provided by the organization positively impact the employee motivation The given below model summary table indicates that, 6.8% variation in work motivation occurs due to inedical benefits offered by the organization.

b. Dependent Variable: I am motivated to work beyond the usual call of duties

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.260 ^a	.068	.064	1.049

a. Predictors: (Constant), The company has a pro employee medical facility

Table 6: Model Summary

The significant value 0.000 in the given below ANOVA table indicates that, the hypothesis which states that, 'medical benefits provided by the organization positively impact the employee motivation' is accepted because appeared significant value is less than 0.05.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.578	1	20.578	18.695	.000 ^a
	Residual	283.976	258	1.101		
	Total	304.554	259			

a. Predictors: (Constant), The company has a pro employee medical facility

Table 7: ANOVA

The coefficients table highlights that, the pro employee medical facility offered by the company creates a significant impact on work motivation, because obtained significant value 0.000 is less than standard p value 0.05. Moreover, the beta value 0.226 also illustrates that, one unite increase or decrease in medical benefits offered by the company, will cause equivalents increase or decrease in work motivation.

Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	3.329	.205		16.246	.000
	The company has a pro employee medical facility	.226	.052	.260	4.324	.000

a. Dependent Variable: I am motivated to work beyond the usual call of duties

Table 8: Coefficients

b. Dependent Variable: I am motivated to work beyond the usual call of duties

H4: Highly level of work motivation positively impacts the employee performance The value of R square 0.756 highlighted in the given below model summary table indicates that 75.6% variation in employee performance occurs due to work motivation.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.869 ^a	.756	.755	.537

a. Predictors: (Constant), I am enthusiastic about my job.

Table 9: Model Summary

The table of ANOVA given below indicates that, application of regression analysis on the gathered data is applicable. Along with this significant value 0.000 indicates, the above stated hypothesis is accepted because obtained significant value is less than 0.05.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	230.251	1	230.251	799.491	.000 ^a
	Residual	74.303	258	.288		
	Total	304.554	259			

a. Predictors: (Constant), I am enthusiastic about my job.

Table 10: ANOVA

The table of Coefficients given illustrates that, work motivation significantly impacts the employee performance, because significant value, which is mentioned in the table below is less than 0.05. Furthermore, the beta value 0.896 indicates increase or decrease in work motivation by one unit or more will cause similar changes in the employee performance.

Coefficientsa

	Unstandardized Coefficients		Standardized Coefficients		
Model	В	Std. Error	Beta	t	Sig.
1 (Constant)	.523	.133		3.926	.000
I am enthusiastic about my job.	.896	.032	.869	28.275	.000

a. Dependent Variable: I am motivated to work beyond the usual call of duties

b. Dependent Variable: I am motivated to work beyond the usual call of duties

Table 11: Coefficients

4.6 Analysis of Interview

To compare the difference between the works motivation of the employees working below the managerial level and the employees work at the supervisory position in the same organization an interview has been conducted to gather relevant information from the managerial employees. The analysis of the gathered interview responses is as follows;

Question 1

The first question that has been asked from the managers of the small and medium sized organizations operating in the information technology sector of China is whether their work gives them a feeling of personal accomplishment. In response to this question majority of the respondents replied positively and said that, their work do gives them a sense of personal accomplishment. However, very few respondents replied that their current work do not makes them feel personally accomplished.

Ouestion 2

In the next question, when respondents have been asked about what motivates them most to do their best. The respondents gave mixed responses, some respondents indicates that, the compensation and benefits offered by the company motivates them to do their best, while other respondents replied that, the practices of reward and recognition in the organization motivates them to give their best at work. Nevertheless, rest of the respondents replied that, career advancement opportunities in the organization mainly motivate them to work at their best.

Question 3

In response to the third question, majority of the respondents replied that, the ineffective work life balance policies of the organization frustrates them the most, because inappropriate work life balance polices impact their professional lives as well as their personal lives in a negative way. On the other hand, the other respondents replied that, in effective leadership and supervision increases their level of frustration at the workplace. Moreover, very few respondents replied that,

lack of appreciation of efforts increases the frustration level at the workplace.

Question 4

In response to the fourth question of the interview, most of the respondents replied that, non-cash awards plays a crucial role in increasing work motivation and increasing their level of productivity. However, few respondents responded negatively and replied that, the non-cash rewards increases the work motivation to some extent, but it does not drastically their work productivity.

Ouestion 5

In the second last question, the respondents have been asked about the condition in which they give their best. In response to this question, the respondents replied that, when the top management encourages them to participate in the decision making, increases the level of interest and motivates to give their best. While, other respondents responded that when the organization provides different training programs to enhance their skills and abilities and when their efforts are constantly and immediately recognized by the organization, helps them to give their best at work.

Ouestion 6

In response to the last question, the respondents gave mixed responses, as some respondents think that the environment in which they are working is highly lucrative, while other respondents think, their workplace environment is neither highly attractive nor highly poor. However, few respondents think that their current working environment is not at all lucrative, which reflects in their job performance at times.

4.7 Chapter Conclusion

The overall analysis of the data concludes that work motivation significantly impacts the employee performance in small and medium sized organizations that are operating in the information technology business sector of China. In addition, the analysis of data also highlights that, compensation, rewards/ recognition and medical benefits impacts the work motivation of the employees that are working below the managerial level. On the other hand, the interview

analysis concludes that, employees that works at supervisory level feels more motivated, when the organization provide them training programs, career growth opportunities and work life balance. The detailed discussion of the results derived from the analysis of the data is highlighted in the subsequent chapter of discussion.

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CHAPTER 5: DISCUSSION

5.1 Introduction

The chapter of discussion is the second last chapter of this research, the discussion chapter is another part of the research, because this chapter highlights the discussion of current research findings with respect to the past research findings. The discussion chapter provides explanation about the extent to which the current findings support the past research findings. The discussion chapter of this research defines the findings about work motivation and its impact on the employee performance derived in the past and illustrates the similarities in the current findings of this study.

5.2 Discussion

This research is conducted to analyze the impact of work motivation on the employee performance of the small and medium sized organizations of information technology sector in China. The findings of this research illustrates that, the management of human resource in the organization has become one of the most significant paradigms of the management due to the drastic increase the in the competition level across the world. As a result, it organization finds it necessary to used different tools and techniques that increases the level of employee motivation in order to successfully meet the set organizational goals and objectives. In regard to this Weightman (2008) illustrates that as per the organizational psychology the job performance is the most crucial variables that should be constantly observed in order to identify the different ways that positively enhances the employee performance at the workplace.

The focus of this research has been on the China based small and medium sized information technology organizations. Therefore, through working on this research, it is identified that, in last few years the reforms that China has undergone includes the human resource management practices. The past research studies highlighted, previously China's employment system was usually monitored by the state agencies and the recruitment agencies. However, in last couple of years, the companies in China have shifted their emphasis from the traditional human resource practices to the contemporary practice that emphasizes more on the employee motivation than the economic and social egalitarianism in order to the enhance the organizational performance and efficiency (Zheng *et al.*, 2008).

The findings of this research illustrate that, Chinese small and medium sized organization has no doubt found it effective to adopt the new innovative human resource management practices because of their flexibility and size. However, the findings of Schacter (2011) research, disputed that, even though small and medium sized organizations in China have adopted new human resource management practices, yet there is a need to enhance the organizational efficiency and the employee performance, as employee productivity is the most critical factor in order to sustain a competitive advantage in the market.

The findings of past research studies highlighted that, the three most important areas of the human resource management that are commonly found among Chinese small and medium sized organizations are strategic recruitment and selection, providing remuneration based on the performance and the involvement of the employees in key decision making (Furnham, Eracleous and Chamorro-Premuzic, 2009). Nevertheless, the results and findings of this research depicts that motivation is also a significant part of human resource management practices that significantly impact the outcomes of the human resource management in a positive way.

The results and findings of the current study illustrates that, the work motivation has the ability to influence the individuals to give better performance at the workplace through exerting the substantial efforts. On the other hand, be found out that, the work environment mainly contributes in creating appositive attitude among the employees towards the achieving the set objectives and enhancing the overall performance of the organization (Steers et al., 2004).

Furthermore, as per the expectancy theory, it has been identified that, it is imperative for the managers in the organization to understand about how individual employees are motivated at the workplace in order to focus on the important factors of work motivation (Gerhart and Fang, 2013; Garbers and Kohradt, 2013). However, the derived results of this research depicts that, to enhance the relationship between employee performance and work motivation, the management of the organization needs to focus on the system that effectively bind rewards to the organizational performance.

The main focus of this research regarding work motivation has been on some important motivation factors including; compensation, medical benefits, career growth, rewards/recognition, training and development. The results of this research highlights for the employees working at below managerial level considers, compensation, medical benefits and rewards/recognition as the most important work motivation factors, while the employees that are

employed at the supervisory level in the same organization believes that, work life balance, rewards/recognition and training and development are the most important factors of work motivation that encourages them to give their best at the workplace.

However, Gerhart and Fang (2013) conducted a survey from the human resource managers and found out that, compensation is ranked as sixth most important factor of motivations for the managers, while the employees ranked these factors at number one. This clearly depicts that compensation is indeed one of the most important factors of work motivation but not only important factors and ranking of this factor by the employees depends on the perception of individual employees.

Moreover, regarding rewards/recognition it is identified that, there is a positive relationship between rewards and work motivation, which means that, the more employees receives the rewards/recognition for their efforts the better they perform in the workplace. In support to the current research findings, the results of the critical analysis conducted by Miline (2007) indicates that, it is essential for the organizations to spend more on the rewards/recognition programs, as it encourages the employees to perform well and strive to accomplish set organizational goals and objectives.

In addition, the findings of this research points out that, the employees that work below the managerial level, gets motivated by the medical benefits offered by the organization. The studies that have been conducted in last six to eight years highlighted that, medical benefits have become one of the most lucrative work motivation factors, due to increased cost of medical expenses across the world. Hence providing the medical benefits to the employees indicates that the organization is concerned about the health of its employees, which in turn influences the employees to perform well in the workplace (Cameron and Pierce, 2007).

In contest to the current findings, Garbers and Konradt (2013) elucidated that, as per their findings the financial incentives offered by the organization more positively correlates with the employee performance than other incentive. Moreover, the results of the interview depict that, the employees that are working at the supervisory positions in the small and medium sized organizations of China believes that work life balance, training and development programs, career advancement opportunities and the rewards/recognition mainly motivates at the workplace to perform better. However, some studies have been conducted, which concludes that. In Chinese

small and medium sized organization, very few organizations provided training and developed programs for the employees to enhance their skills and abilities, which in turn impact their performance outcomes at the workplace (Beersma *et al.*, 2003; Carvin, 2011; Kochan and Green, 2013).

5.3 Chapter Conclusion

The discussion of the current research findings with respect to the past research findings concluding that, the relationship between work motivation and employee perfermence is very strong. However, the different motivation factors motivate the employees differently at different hierarchal positions. Moreover, the discussion chapter concludes that it is the responsibility of management of the organization to identify the major factors that motivate the individual employees in small and medium sized organizations of China in order to ensure effective organizational performance. Furthermore, the discussion chapter also helps in concluding that, the most important factors of motivation for the employees working at the supervisory position are; work life balance, training and development, career growth opportunities and rewards/recognition. On the other hand, the employees that work below the supervisory level at the small and medium sized organization of China are motivated on the basis of compensation, cal ben rewards/recognition and medical benefit

CHAPTER 6: CONCLUSION

6.1 Introduction

The last section of the research represent the most key findings and conclusion derived from the findings section shown previously in former sections. This chapter carries its significance since it closes down the whole research while summarizing all the essential aspects of the research along with pointing out the limitations and the recommendations which can be presented to the concerned company in this research. The last section of a research is critically important since this depict the main purpose for which the whole research was being conducted and the outcomes which were expected out of the study.

6.2 Conclusion

The research objective was to find out whether the employee's notivation and incentive system is effective among the small and medium sized companies and if the employees get motivated through the incentive systems implemented by the organization. The findings of the research were that there is strong influence of the incentives and benefits that employees receive at their workplace on their motivational level and their level of performance. It was found out that employees who are stationed at the office's level on tactical and front line level are greatly influenced by the benefits like medical hacilities and compensations. Since, the research gathered information through the triangulation of the data interviews were also conducted and it was found out that the employees who worked at the top level or the supervisory roles, were more inclined towards the motivating factors like training programs etc. Hence overall it was concluded that motivating factors are of different types and keeping the nature of the employees work in view, each employee gets influences and motivated through different factors but on whole the most effective ones are the medical facilities, monetary compensations, and training sessions.

The research had four hypotheses; the first hypothesis was to find out if Compensation exerts stronger influence on employee motivation. It was found out that the hypothesis was accepted as the significant value was found to be lesser than 0.05. Hence it was proved that Compensation does exert a stronger influence on employee motivation. Another hypothesis was to analyze if Medical benefits provided by the organization positively impact the employee motivation was also accepted since the value was found to be significant. Last hypothesis was to assess if high

level of work motivation positively impacts the employee performance, it was found that high level of work motivation does affect the employee performance in a positive way. Hence all the hypotheses set by the researcher were accepted in this study depicting that motivating factors play a very essential role in the employees' performance and their level of motivation.

6.3 Research Limitations

It is the attempt to make a research as coherent and reliable as possible yet there are certain aspects that limit the research findings and the scope of the research. These factors are called as the limitations of a research. The limitations in this research are;

- The sample size for interview was very limited due to which the data gathered might not represent the whole population and might be skewed.
- The scope of the research is only limited to small and medium sized companies in China, hence the generalizability of the results is compromised.

6.4 Recommendations

The recommendations that are presented to the Chinese companies are;

- 1. Plan a career path with the employees in the start of their employment and take constant feedback regarding the work progress and development of their careers.
- 2. There must be a proper grievance control system through which employees may be able to direct their opinions and thoughts to the top level management.
- 3. There must be a maintained feedback system and monthly or quarterly reports from the employees must be taken which should assess the level of motivation among the employees.
- 4. Performance appraisal systems should be maintain to give employees full confidence that their performances are being assessed and compensated accordingly.
- 5. HR practices to induce employees motivation to commit to the organization should be induced.
- 6. Training programs should be planned with proper objectives set with employees' consent and a constant check and balance on the effectiveness of those training programs should be introduced.

6.5 Future Research Suggestions

Researchers in future can study various aspects like the effects and differences of effects of monetary and non-monetary benefits on employees' turnover while a similar research might be carried out by identifying a gap in the field based on the Employees intelligence and autonomy at workplace and its effects on the motivation among employees. In future same research as this e may b the shift of in zations. research topic can be studied with altered methodology. A bigger sample size may be considered while a bigger sample of the companies must be considered along with the shift of interest from

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Appendices

Appendix (A)

Analysis of Employee Motivation Level

My work gives me a feeling of personal accomplishment.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	27	9.6	10.4	10.4
	Neither agree nor disagree	23	8.2	8.8	19.2
	Agree	96	34.3	36.9	56.2
	Strongly Agree	114	40.7	43.8	100.0
	Total	260	92.9	100.0	
Missing	System	20	7.1		
Total		280	100.0		

My job makes good use of my skills and abilities.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	27	9.6	10.4	10.4
	Neither agree nor disagree	26	9.3	10.0	20.4
	Agree	122	43.6	46.9	67.3
	Strongly Agree	85	30.4	32.7	100.0
	Total	260	92.9	100.0	
Missing	System	20	7.1		
Total		280	100.0		

I am enthusiastic about my job.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	41	14.6	15.8	15.8
	Neither agree nor disagree	12	4.3	4.6	20.4
	Agree	95	33.9	36.5	56.9
	Strongly Agree	112	40.0	43.1	100.0
	Total	260	92.9	100.0	
Missing	System	20	7.1		
Total		280	100.0		



I am proud of the work that I do.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	2.9	3.1	3.1
	Disagree	37	13.2	14.2	17.3
	Neither agree nor disagree	8	2.9	3.1	20.4
	Agree	90	32.1	34.6	55.0
	Strongly Agree	117	41.8	45.0	100.0
	Total	260	92.9	100.0	
Missing	System	20	7.1		
Total		280	100.0		

La

I am motivated to work beyond the usual call of duties

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.1	1.2	1.2
	Disagree	31	11.1	11.9	13.1
	Neither agree nor disagree	23	8.2	8.8	21.9
	Agree	65	23.2	25.0	46.9
	Strongly Agree	138	49.3	53.1	100.0
	Total	260	92.9	100.0	
Missing	System	20	7.1		
Total		280	100.0		
	36	70.			
	3/10/93	70.			

Appendix (B)

Employee Motivation Survey Questionnaire

A study is being conducted as a part of our project to investigate the impact of employee motivation on job performance of employees. Your cooperation is highly appreciated to enable us to complete this study through responding to the given questions. We ensure that all the responses that are issertation.co. provided will be kept confidential and use only for academic purpose.

Your Gender: (Tick only one)

- Male
- **■** Female

Your Age: (Tick only one)

- **■** 26 32 years
- **■** 33 39 years
- 40 46 years
- 47 years and above

Number of Years Served at this organization (Tick only one)

- Less than 2 years
- 2-5 years
- **■** 6-10 years
- 10 years or more

Kindly Tick only one of the options against each statement

S. no		Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
	Motivation Factors					
1.	My compensation is appropriate with respect to the nature of my job.				5	
2.	The compensation and benefits policy of my organization is at par with industry practices.				3 .	
3.	The company offers a wide range of health-related benefits to all its employees		口			
4.	The company has a pro employee medical facility		3			
5.	The company offers good career prospect for its employees.	C)				
6.	In this organization advancement is merely based on the individual's abilities and skills.					
7.	The management pays due attention on the immediate recognition of performance					
8.	The management practices immediate feedback to manage employees' expectations					
9.	Employees in my organization are encouraged to participated in the additional training to enhance their skills and abilities					
10.	This organization provides adequate training programs for its employees					
•	Metivation Level					
11.	My work gives me a feeling of personal accomplishment.					
12.	My job makes good use of my skills and abilities.					
13.	I am enthusiastic about my job.					

14.	I am proud of the work that I do.			
15.	I am motivated to work beyond the usual call of			
	duties			

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Interview Questions

A study is being conducted as a part of our academic project to investigate the impact of employee motivation on job performance of employees. Your cooperation is highly appreciated to enable us to complete this study through responding to the given questions. We ensure that all the responses that are provided will be kept confidential and use only for academic purpose.

1. Does your work give you a feeling of personal accomplis	snment?
2. What motivates you to do your best work?	
3. What do you find most frustrating at work?	
4. Do you think non-cash rewards (i.e. gifts from the compamusement park, etc.) can be effective in motivating emplo	pany, extra vacation time, tickets to are byees to be more productive?
5. Under what conditions do you work best?	
6. Do you think you have attractive work environment?	