



---

## **Individual Assignment Submission #2**

**CRI 402 FALL 2023-2024**

Lojain Abu Naser (20210001499)

Employee Motivation in Relation to Human Resources in Organizations

October 29, 2023

**Table of Contents**

<b>1. Introduction</b>	<b>3</b>
<b>2. Literature Review</b>	<b>3</b>
2.1 HRM Functions and the Link to Employee Motivation	3
2.2 Importance of Motivation in Employees	5
2.3 Impacts on Motivation in Employees	6
2.4 Motivating Factors for Employees	8
<b>3. Conclusion</b>	<b>10</b>
<b>4. References</b>	<b>11</b>

## Employee Motivation in Relation to Human Resources in Organizations

### 1. Introduction

According to Wayne & Martocchio (2016), **Human Resource Management (HRM)** is the utilization of human capital to achieve organizational objectives. Having strong HRM is **crucial** since the Human Resources department (HR) acts as a **strategic partner** in organizations. Functioning as a strategic partner in an organization, HR can successfully impact financial and operational outcomes through various HRM functions, like proper **staffing**, and **training and development** (Fairbairn, 2005). The **functions of HRM** are created to ensure that employees in an organization are working effectively. Moreover, it is noteworthy that most of these functions ultimately link to employee motivation (Wayne & Martocchio, 2016). **Employee motivation** is the force that encourages employees to reach specific goals in an organization (Shahzadi et al., 2014). Recognizing the link between effective HRM and motivation in employees can be helpful in creating a high-functioning work environment.

**Thesis Statement:** This paper will **explore** the **link** HRM functions have on employee motivation, the **importance** of employee motivation, what **impacts** motivation in employees, and the **types** of motivators.

### 2. Literature Review

#### 2.1 HRM Functions and the Link to Employee Motivation

There are **six** main functions that fall under **HRM**: “staffing, safety and health, human resource development, compensation, performance management, and employee labor relations” (Wayne & Martocchio, 2016). It is important to recognize the link between each HRM function and **employee motivation** so that organizations can use this information to positively impact employee **performance**.

##### 2.1.1 Staffing

The **first** function, **staffing**, makes sure that the correct people are in the correct roles (Indeed Staff, 2022). An appropriate **job description** and good **talent management** is needed so that employees can find jobs that are well-matched, and recruiters can find employees who are suitable. Employees that are hired for jobs that align with their **knowledge, skills, and abilities (KSAs)** are more likely to find fulfillment and **satisfaction** while working, which in turn boosts **motivation**. This idea is evident by Frederick Herzberg’s **Two-Factor Theory**, where “motivator factors,” like the work itself, achievement, and recognition, are “major

determinants” to motivations and job satisfaction (Thant & Chang, 2020). Therefore, it is important to find employees who are well-suited for a job when staffing.

### 2.1.2 Safety and Health

The **second** function, **safety and health**, is needed to create a work environment that protects employee well-being. Employee motivation can easily be impacted by this since an unsafe and uncomfortable work setting can **discourage** full potential. **Maslow’s Hierarchy of Needs** supports this function as a fundamental motivator since it places “**safety and security**” needs around the bottom (**figure 1**) (McLeod, 2022). Furthermore, health and safety also includes **psychological** safety. Employees should be able to feel **secure** when interacting with other employees, and especially, people of power, like employers (refer to 2.1.6 *Employee and Labor Relations*, pg. 5). Therefore, without basic health and safety, employees are unable to focus on needs that are higher-up in Maslow’s hierarchy, like “**self-actualization**,” which in turn impacts performance **negatively** (Rakic & Zivkovic, 2017).

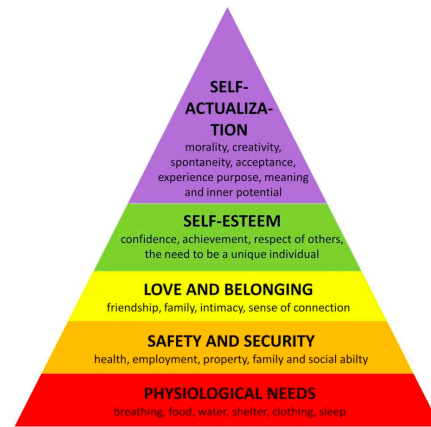


Figure 1: Maslow’s Hierarchy of Needs (McLeod, 2022)

### 2.1.3 Human Resource Development

The **third** function, **human resource development**, is the **training and development (T&D)** of employees to ensure that they are **knowledgeable** and **skilled** for the job, with a focus on long-term success (Wayne & Martocchio, 2016). A strong commitment to T&D not only builds essential **expertise**, but also shows employees how **invested** and organization is in its human capital. The idea of acquiring **new skills** and opportunities in **career advancement** can be a powerful motivator for employees. The **Self-Determination Theory** by Deci, et al. (2017), aligns with this function as a motivator since it reveals how traits, like competence and autonomy, are psychological needs that drives motivation. This is relevant since employee **competence** and **autonomy** can be built through T&D activities and programs. Furthermore, career advancements and achievements links back to “**self-actualization**” in Maslow’s **Hierarchy of Needs** as the highest point of motivation (**figure 1**) (Rakic & Zivkovic, 2017).

### 2.1.4 Compensation

The **fourth** function, **compensation**, is a more obvious form of motivation as it translates to **rewards** given to employees in exchange for work (Wiebe, 2023). Typically, people believe compensation can only be **extrinsic**, for instance, monetary wage increases or bonuses.

However, rewards can also be **intrinsic**, like psychological, intangible benefits (Muriithi, 2016). Examples of intrinsic rewards include **recognition**, **accomplishments**, and **praise**. Studies have shown how both intrinsic and extrinsic compensation creates job satisfaction and motivation when observing employee **performance** (Manzoor et al., 2021).

### 2.1.5 Performance Management

The **fifth** function, **performance management**, can be described as a **process** that involves improving and **maximizing** employee productivity to reach short and long term goals (Rao, 2016). One way organizations do this is through systems like performance appraisal.

**Performance appraisal** is a review of an employee's or team's performance, and is formally done by a **line manager** (Rubin & Edwards, 2020). Therefore, employees can feel **encouraged** to hear positive feedback from line managers, other peers, and customers, as it is a form of **intrinsic** motivation. Employees can also feel motivated to do **better** when hearing good constructive criticism as that gives them clear **goals** to achieve.

### 2.1.6 Employee and Labor Relations

The **sixth** function, **employee and labor relations**, can be defined as the **relationship** between employees and employers (Keen, 2021). When a positive relationship forms between employees and employers, respect and trust are cultivated, creating an **encouraging** workplace. According to the **Social Exchange Theory**, individuals weigh out whether forming a positive relationship is worth the cost (Tsai & Cheng, 2012). Therefore, employees are more **motivated** to invest themselves professionally and emotionally in an organization if the organization **reciprocates** this **positivity** back, through addressing any concerns and acknowledging contributions. For that reason, strong employee and labor relations not only creates a **harmonious** work environment, but it also plays an important role in sustaining employee motivation.

## 2.2 Importance of Motivation in Employees

The importance of motivation does not only **positively** impact employees, but also helps organizations reach **success**. For **employees**, motivation is the **driving force** behind reaching job satisfaction, a sense of purpose, increased commitment, and overall happiness and **well-being**, as previously recognized when looking at **Maslow's Hierarchy of Needs** (refer to 2.1.2 *Safety and Health* and 2.1.3 *Human Resource Development*, pg. 4).

Employee motivation, in turn, impacts **organizational** success too. Motivated employees are catalysts for greater **productivity**, enhanced **performance**, and a positive corporate culture. Motivation links to **corporate culture** since employee behaviour and performance can shape a company's overall character and reputation (Flamholtz & Randle, 2011). To put it simply, if

employees are **unhappy** and **unmotivated** internally, it will show in the work they produce, impacting how the organization looks to customers and consumers externally. Moreover, according to a meta-analysis by Harter, et al. (2002), **lower turnover rates** and higher **customer satisfaction** is achieved when organizations have **high levels** of employee motivation, which contributes to overall **financial success**.

## 2.3 Impacts on Motivation in Employees

### 2.3.1 Poor Job Allocation and Training and Development (T&D)

As mentioned previously in this paper, **staffing** and **human resource development** are two of the six main functions of HRM (refer to 2.1.1 *Staffing* and 2.1.3 *Human Resource Development*, pg. 3-4). Both of these HRM functions, if not done correctly, can **negatively** impact motivation levels in employees.

Firstly, **recruiting staff** must be done successfully through proper **human resource planning** and successful **talent management**. For instance, creating a clear job description and hiring employees with the right **KSAs** for the job. If recruitment is inadequate, employees end up being placed in roles they are unable to fulfil. This not only impacts employee **motivation**, but also organizational success. Hiring individuals for positions that do not align with their KSAs can result in an increased chance of job dissatisfaction, as well as, feelings of incompetency and discouragement. This is evident through the **Person-Environment Fit Theory**, in which individuals tend to work better when the compatibility between them and the work environment are **well matched** (Kristof-Brown, 2011).

Secondly, improper **training and development** negatively impacts employee motivation in a similar way. Without **training**, employees may feel **lost** and **confused**, leading to poor work performance and low motivation. Moreover, successful **development programmes** are essential for motivating employees in the future. With development, the possibility of advancements to more **rewarding positions** within a company can become more accessible. This is especially important to encourage **long-term** employees due to the gradual **decline** in motivation as the years go by.

### 2.3.2 Unethical Practices

Unethical practices in the workplace, like working **overtime** with no compensation, **unfairness**, or **dangerous** work environments (refer to 2.1.2 *Safety and Health* pg. 4) can **decrease** employee motivation. When employees realize a workplace lacks ethical standards, it creates a culture of **distrust** and **dissatisfaction**, impacting their enthusiasm and commitment. Ultimately, unethical instances, like gender-based discrimination, or unsafe working conditions, produces a **toxic** environment. The emphasis on protecting individuals is

also clear when looking at the United Nation's **Sustainable Development Goals (SDGs)**. For instance, the need for "Good Health and Well-Being" (No. 3), as well as, "Reducing Inequalities" (No. 10) (*Sustainable Development Goals*, 2023). Organizations must keep employees safe through a **code of ethics/conduct** to serve as protection against unethical practices. A code of ethics/conduct creates clear boundaries and rules, promoting a work environment where employees feel **safe**, **valued**, and **respected**, and creating a productive workforce.

### 2.3.3 Incorrect Performance Appraisal Methods

According to Fadillah et al. (2022), **performance management** methods, like performance appraisal, can negatively and positively affect motivation, performance, and satisfaction in employees (refer to *2.1.5 Performance Management*, pg. 5). **Incorrect performance appraisal** methods can discourage employees since they can feel threatened by how the assessment was given to them. A proper **performance appraisal** system must have **steps** to ensure employees are **motivated** to improve.

The **first step** is for the **line manager** to collect **accurate data** or notes on the employee's **performance** so that there are no **misunderstandings** or **false** information being used against the employee. The **second step** is to schedule a meeting prior with the employee so that they do not feel **attacked** or **surprised** by an unexpected assessment. The **third step** is the line manager needs to ensure the employee feels **comfortable** and **at ease** by welcoming them in and describing the structure of the performance appraisal. The **fourth step** is to respectfully share feedback and goals to the employee without any **rudeness** or **aggression**. The **last step** includes a signature or **confirmation** from the employee to show that they have agreed to what was said and what the next steps are. These steps create a **safe** environment that helps employees feel more **motivated**, rather than stressed.

### 2.3.4 Poor Knowledge Management

Knowledge management refers to an organization's **process** or system for **collecting** and **sharing** accessible information for employees (Amsler, 2021). Knowledge management processes or systems that are used between employees and employers may include emailing, private networks, and other applications. A **study** by Yang, et al. (2019) revealed that improved organizational knowledge management has "an important and positive" affect on employee motivation. This makes sense since knowledge that cannot be shared or accessed could lead to employees feeling **frustrated** and **unmotivated** to work. Furthermore, good knowledge management can help employees feel more **connected** to one another and the overall **corporate culture**.

### 2.3.5 Changes in Management

In order for organizations to sustain an **ever-changing** economy, alterations in management must happen. However, change is not always easy for the employees involved, leading to a lack of **motivation**. **Kübler-Ross' Change Management Curve** model showcases the **seven stages** that an employee typically goes through when change occurs (Chaven & Bhattacharya, 2022). Before reaching the last few **optimistic** stages, like experiment, decision, and integration, employees need to go through more **discouraging** stages like shock, denial, frustration, and even depression (**figure 2**). Some employees cannot accept these integrations and can become **permanently** unmotivated and unsatisfied, which could lead to poor performance and higher turnover rates for organizations. Therefore, organizations must ensure modifications to management are seamless by applying them gradually, providing appropriate T&D, and supporting employees through this time.

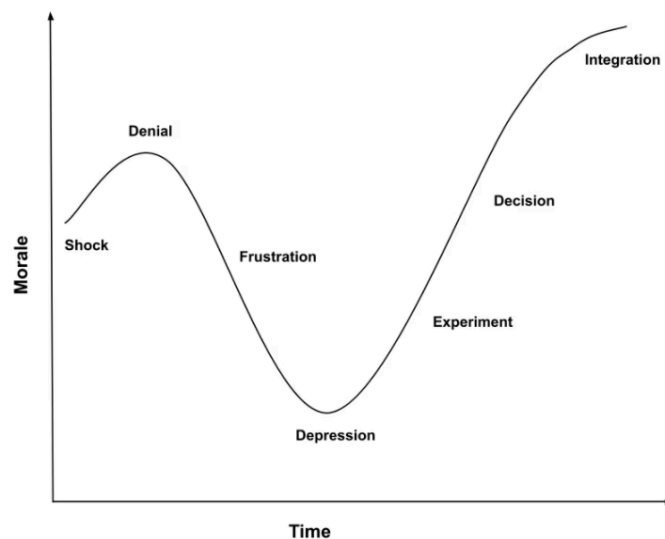


Figure 2: Kübler-Ross' Change Management Curve Model (Indeed Editorial Team, 2022)

## 2.4 Motivating Factors for Employees

### 2.4.1 Intrinsic and Extrinsic Rewards

As mentioned briefly and previously in this paper, **intrinsic** and **extrinsic** rewards are **effective** ways in increasing motivation in employees (refer to *2.1.4 Compensation*, pg. 4). Linking back to **Frederick Herzberg's Two-Factor Theory**, job satisfaction can be achieved through intrinsic rewards, called "**motivator factors**," while job dissatisfaction occurs when there is a lack of extrinsic rewards, called "**hygienic factors**" (Thant & Chang, 2020). These intrinsic "motivator factors" include **recognition**, **development**, **advancement**, **achievement**, and the **work itself**. On the other hand, extrinsic "hygiene factors" include **salary**, **working conditions**, and monetary **compensation** (Nickerson, 2022). Creating an organization that



values both extrinsic and intrinsic rewards can **motivate** and encourage employees to perform better.

### 2.4.2 Good Corporate Culture

Employee motivation can also be improved in a variety of ways with **good corporate culture**. Employees become intrinsically motivated through creating a sense of **community** and **belonging** in an organization, which links back to **Maslow's Hierarchy of Needs**, more specifically the “**love and belonging**” level (**figure 1**) (McLeod, 2022). In addition, well-defined organizational **values** help to create a purposeful work environment that increases motivation. Furthermore, good corporate culture typically has **clear communication** within an organization, which fosters autonomy and trust. **Recognition** and **praise** are also essential components of a strong organizational culture, which as previously stated, is a form of intrinsic motivation (refer to 2.4.1 *Intrinsic and Extrinsic Rewards*, pg. 8). Within a successful corporate culture, there are **opportunities** for employees to **grow**, which leads to success and the will to **improve**. It is clear to see that corporate culture has the ability to impact employee well-being, which further boosts motivation. A supportive workplace culture cultivates an environment in which various motivators thrive, supporting **long-term** employee engagement and job satisfaction.

### 2.4.3 Flat Organizational Structure

Unlike a **bureaucratic** hierarchy, a flat organizational structure has been found to be more motivating for employees. A **bureaucratic** hierarchy is a pyramid shape structure where the top of the pyramid is the head of the company, while everyone under that follows the traditional **chain of command** (e.g. executives, managers, employees) (**figure 3**) (Hamilton, 2023). While, **flat organizational structures** are horizontal and shorter since it gives all employees an equal **decision-making** role and voice (**figure 3**).

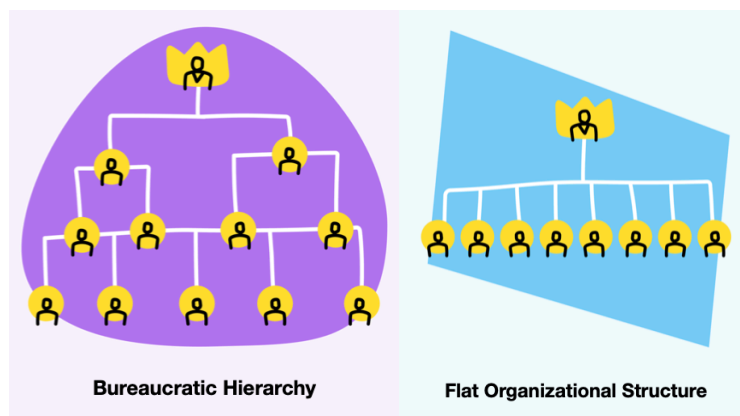


Figure 3: Bureaucratic Hierarchy vs. Flat Organizational Structure (Hamilton, 2023)

Therefore, workers feel more **empowered** when they are operating in a flat organizational structure. As mentioned previously when looking at the **Self-Determination Theory** by Deci, et al. (2017), **autonomy** was recognized as a basic **psychological** need that drives intrinsic motivation (refer to *2.1.3 Human Resource Development*, pg. 4). A flat organizational structure also promotes a **collaborative** environment and a sense of shared **responsibility** and **purpose**, in contrast to bureaucratic hierarchies where **rigidness** can inhibit individual innovation. Employees are more likely to feel involved, appreciated, and **encouraged** in this inclusive and dynamic work environment, which creates a lively and motivating work culture.

### 3. Conclusion

In summary, this paper **explores** the **relationship** between an organization and employee motivation, highlighting the vital role **HRM** plays in promoting a positive and encouraging work environment. An analysis is made to understand how the six HRM functions **relate** to employee motivation by introducing theories and studies, including **Frederick Herzberg's Two-Factor Theory** and **Maslow's Hierarchy of Needs**. Within this discussion, it is revealed that effective staffing ensures employees are in roles aligned with their **KSAs**, promoting fulfillment. Safety and health contribute to a comfortable and encouraging environment. Human resource development, compensation, and performance management align with motivational theories and job satisfaction. The importance of motivation for employees and an organization as a whole is also emphasized by looking at a **meta-analysis** conducted by Harter, et al. (2002).

This paper also identifies a number of other variables that **affect** motivation, including ineffective knowledge management, unethical behaviour, inadequate training and development, improper performance appraisal techniques, and management changes. **Factors** that motivate employees were also discussed, for example, intrinsic and extrinsic rewards, good corporate culture, and flat organizational structures.

Addressing and understanding the different aspects of employee motivation is essential for **HR** and **organizational success**. Motivated workers influence and create a positive corporate culture, overall financial success, and increased productivity. This study offers **valuable perspectives** for organizations seeking to establish work settings that **stimulate** and **maintain** employee **motivation**.

#### 4. References

- Amsler, S. (2021). *knowledge management (KM)*. Content Management; TechTarget. <https://www.techtarget.com/searchcontentmanagement/definition/knowledge-management-KM>
- Chaven, S., & Bhattacharya, S. (2022). Study of employees' behavior during organizational change: effects of business theatre on Kübler-Ross model. *CARDIOMETRY*, 22, 237–243. <https://doi.org/10.18137/cardiometry.2022.22.237243>
- Deci, E., Olafsen, A., & Ryan, R. (2017). Self-Determination Theory in Work Organizations: The State of a Science. *Annual Review of Organizational Psychology and Behaviour* 4(1), 19-43. <https://www.annualreviews.org/doi/abs/10.1146/annurev-orgpsych-032516-113108>
- Fadillah, I., Nizam, S., Bin, J., Zarir, Y., & Jaan, X. (2022). The Effect Of Performance Appraisal System Towards Employee Performance, Employee Motivation And Employee Satisfaction - *Webology*, 19(2), 4686-4704. <https://www.proquest.com/scholarly-journals/effect-performance-appraisal-system-towards/docview/2695095730/se-2>
- Fairbairn, U. (2005). HR as a strategic partner: Culture change as an American Express case study. *Human Resource Management*, 44(1), 79-84. <https://www.proquest.com/scholarly-journals/hr-as-strategic-partner-culture-change-american/docview/222104486/se-2>
- Flamholtz, E., & Randle, Y. (2011). Corporate culture the ultimate strategic asset. Stanford Business Books. <https://doi.org/10.1515/9780804777544>
- Hamilton, J. (2023). *Hierarchical VS flat organizational structures in the workplace*. Jostle.me. <https://blog.jostle.me/blog/hierarchical-vs-flat-organizational-structures-in-the-workplace>
- Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002, May). *Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business...* ResearchGate; American Psychological Association. [https://www.researchgate.net/publication/11367971\\_Business-Unit-Level\\_Relationship\\_Between\\_Employee\\_Satisfaction\\_Employee\\_Engagement\\_and\\_Business\\_Outcomes\\_A\\_Meta-Analysis](https://www.researchgate.net/publication/11367971_Business-Unit-Level_Relationship_Between_Employee_Satisfaction_Employee_Engagement_and_Business_Outcomes_A_Meta-Analysis)
- Indeed Editorial Team. (2022). *Understanding the Kübler-Ross Change Curve in the Workplace* | *Indeed.com*. Indeed.com. <https://www.indeed.com/career-advice/career-development/change-curve>
- Indeed Staff. (2022). *What Is the Definition of Staffing?* Indeed.com. <https://www.indeed.com/recruitment/c/info/definition-of-staffing>
- Keen, A. (2021). *Employee and Labor Relations in HRM: Benefits of Labor Relations -OnBlick*. Onblick.com. <https://www.onblick.com/blogs/employee-and-labor-relations-in-hrm-benefits-of-labor-relations>

- Kristof-Brown, A., & Guay, R. P. (2011). Person–Environment Fit Theory, *APA handbook of industrial and organizational psychology*, 3, 3–50. <https://doi.org/10.1037/12171-001>
- Manzoor, F., Wei, L., & Asif, M. (2021). Intrinsic Rewards and Employee's Performance With the Mediating Mechanism of Employee's Motivation. *Frontiers in Psychology*, 12. <https://doi.org/10.3389/fpsyg.2021.563070>
- McLeod, S. (2022, November 3). *Maslow's Hierarchy of Needs Theory*. Simply Psychology. <https://www.simplypsychology.org/maslow.html>
- Muriithi, V. (2016). *Intrinsic and Extrinsic Compensation*. LinkedIn.com. <https://www.linkedin.com/pulse/intrinsic-extrinsic-compensation-vicente-muriithi/>
- Nickerson, C. (2022, November 3). *Herzberg's Two-Factor Theory Of Motivation-Hygiene*. Simply Psychology. <https://www.simplypsychology.org/herzbergs-two-factor-theory.html>
- Rakic, T., & Zivkovic, S. (2017). Hierarchy of needs and correlation connections as an important element of successful employees' motivation. *Ekonomika.*, 63(4), 61–73. <https://doi.org/10.5937/ekonomika1704061R>
- Rao, T. (2016). *Performance management : towards organizational excellence* (Second edition.). SAGE Publications.
- Rubin, E., & Edwards, A. (2020). The performance of performance appraisal systems: understanding the linkage between appraisal structure and appraisal discrimination complaints. *International Journal of Human Resource Management.*, 31(15), 1938–1957. <https://doi.org/10.1080/09585192.2018.1424015>
- Shahzadi, I., Javed, A., Pirzada, S., Nasreen, S., Khanam, F. (2014). Impact of Employee Motivation on Employee Performance. *European Journal of Business and Management* 6(23). <https://core.ac.uk/reader/234625730>
- Sustainable Development Goals*. (2023, October 2). The Global Goals. [https://www.globalgoals.org/take-action/?gclid=Cj0KCQjw4vKpBhCZARIsAOKHoWSyGJwzXk\\_hhaVndKdxulfjdX-vol3HeuancZdvGzKysZpR8\\_WMkQIaAmbHEALw\\_wcB](https://www.globalgoals.org/take-action/?gclid=Cj0KCQjw4vKpBhCZARIsAOKHoWSyGJwzXk_hhaVndKdxulfjdX-vol3HeuancZdvGzKysZpR8_WMkQIaAmbHEALw_wcB)
- Thant, Z., & Chang, Y. (2020). Determinants of Public Employee Job Satisfaction in Myanmar: Focus on Herzberg's Two Factor Theory. *Public Organization Review*, 21(1), 157–175. <https://doi.org/10.1007/s11115-020-00481-6>
- Tsai, M., & Cheng, N. (2012). Understanding knowledge sharing between IT professionals - an integration of social cognitive and social exchange theory. *Behaviour & Information Technology*, 31(11), 1069–1080. <https://doi.org/10.1080/0144929X.2010.550320>
- Wayne, R. M. & Martocchio, J. J. (2016). *Human Resource Management* (Fourteenth Edition). Pearson.

- Wiebe, J. (2023, August 30). *Here's What Compensation Actually Means*. Gusto. <https://gusto.com/resources/articles/hr/team-management/compensation-definition>
- Yang, B., Wang, L., & Bayan, M. (2019). Improving the organizational knowledge sharing through online social networks. *Kybernetes*, 49(11), 2615–2632. <https://doi.org/10.1108/k-07-2019-0508>