

“Impact of Employee Motivation on Organizational Performance in Oil and Gas Sector of Pakistan”

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Abstract: *This study is aimed at looking into the importance of motivation in the management of people at work, no system moves smoothly without it, and no organization achieve its objective without motivating its human resources. The goal of motivation is to cause people to put their best efforts with enthusiasm and effectiveness in order to achieve organizational objective. The purpose of this study is to check the impact of employee motivation on organizational performance in oil and gas sector .This research was conducted on different level of management in oil and gas sector of Pakistan. Questionnaire was used to gather information. Regression and Correlation method were jointly used to test the hypothesis. It is concluded that by examining the work performance and recognizing employs' performance and motivating them by giving proper rewards, the employees get satisfied and thus their level of output increases and enhances the performance of the organization. The study recommends that organizations should make motivation as a habit to achieve improved performance.*

Keywords: *employee motivation, organizational performance, reward, recognition.*

1. INTRODUCTION

The success or failure of any organization depends on its employee that how well they were motivated towards their work and with how dedication they are performing. Motivation plays a fundamental role in enhancing the employee productivity and performance. Employee motivation is directly linked to employee commitment, productivity and business profits. An organization should know about their employees that who are its great workers, who need training. Every employee has its own motivational factors that motivate them to perform their work effectively and efficiently. Some employees are motivated by recognition and some are by rewards. Organizations should know the needs of their employees. Motivated employees are productive, happy, committed and satisfied to their jobs. Ouchi (2004) organizations would be more profitable, effective and efficient when its workers are trust over them and this will lead to productivity, high level of involvement. Karen Oman, human beings are reciprocal. If you treat your workers well they will treat you well, if u treat them badly they will treat you bad. This study is designed at looking into the importance of motivation in the management of people at work, no system moves smoothly without it, and no organization achieve its objective without motivating its human resources. Jishi (2009) motivated employees means staff retention and loyalty which in short run will give growth of business.

1.1. Problem Statement

Now a day's employee motivation is necessary because employees switched the organizations when they were not motivated, appraised and due to lack motivation, their performance is directly affected. Therefore, the research problem is to examine the major factors that motivate employees and investigates the connection between employee motivation and organizational performance in oil and gas sector of Pakistan.

1.2. Objective of Study

- To examine the impact motivation and organizational performance
- To examine the major factors that increase motivation of employees.

- To understand the relationship between employee motivation on organizational performance.

1.3. Research Questions

1. What is the major factor that increases motivation of employee?
2. What is the impact of motivation on organizational performance?
3. What is the connection between employee motivation and organizational performance?

1.4. Significance of Study

The findings of the research will be beneficial to the organizations of oil and gas sector but also to the other organizations as well in understanding the importance of employee motivation.

1.5. Limitation

The research is based on oil and gas sector of Pakistan and the companies are PPL, SSGC, PSO, SHELL and TOTAL.

2. LITERATURE REVIEW

Masood Asim (2013) presented the impact of motivation level amongst the workers' performance with the mediating of the training needed in Pakistan universities. The problem targeted at the research is the relationship between rewards, promotion on the employee motivation with special effects from the worker's performance more specifically on education sector. The research was carried out from 118 respondents. In this research correlation and regression methods were used to consider the data. The findings of the study explain that the universities of Pakistan should improve the salary and reward system in order to get the desired performance from the university employees.

Chukwuma. Edwin Maduka & Dr. Obiefuna Okafor (2014) presented that organization without motivating its human resources cannot achieve its objectives and cannot run efficiently. The problem stated in research is to learn the ways and effects of motivating the workers in an organization. The research was carried out from 400 staff of the manufacturing firms in Nnewi. The methodology used is being survey method. The findings of research show that salaries paid to junior staff were very below hence poor motivated which leads to poor performance. Junior staff prefers financial incentives than no financial. Management of the manufacturing firms in Nnewi does not tend of their employee benefits, thus the study recommends that an increase in salary via promotion and other benefits should be used as motivational factors.

Rashid Saeed, Rab Nawaz Lodhi, Ahmar Naeem, Asad ur Rehman, Zahid Mehmood & Moeed Ahmed (2013) presented the problem targeted is to study the relationship of motivation and performance appraisal on organizational performance in banking sector of Pakistan. The sample size consists of 200 employees of Sahiwal. Regression and correlation techniques were used in the analysis. Results show that there is an optimistic connection of work performance with the performance appraisal and motivation of the banking sector of Sahiwal, Pakistan; hence this will help the organization to work on performance appraisal system and motivate their employees to get desired output and enhance the performance within the organization.

Quratul Ain Manzoor (2012) presented the problem that what affects the employee motivation and to study the relationship between employee motivation organizational effectiveness. This research is done in Bhawalpur. The findings of the research are factors like empowerment and recognition have an effect on employee motivation. An organization that uses empowerment and recognition tends to increase the work motivation. Also, there is a optimistic relationship between employee motivation and organizational effectiveness. Organizations should treat their employees well and appreciate them in order to get growth.

Rizwan Saleem, Azeem Mehmood & Asif Mehmood (2010) presented the problem that how the work motivation effect on job satisfaction in telecommunication services of Pakistan. The sample size was drawn from two telecom companies. The sample consists of 30 employees. 30 questionnaires were distributed in both the two companies of telecommunication of Pakistan. The methodology used is regression, correlation and P-value. The findings are that there is a positive relation between motivation and job satisfaction. The employees of the organization were motivated more than average. Organizations should have a good HRM so they can create good motivation commitment to

employees. Which to give training whom to give incentives whom to appraise can wisely be done by HRM.

Naeem Akhtar, Shahzad Aziz & Zahid Hussain, Saqin Ali & Muhammad Salman (201) presented the problem that what is the relationship between motivation and different factors. The sample size consists of 150 employees of various branches of Pakistan. The methodology used for the analysis multiple regression, correlation and reliability analysis. The finding in research is that different factors like rewards job design traits have a positive impact on employee motivation. Firms that provide high financial rewards are more likely motivate than others.

Ogbe. A. A, Ajanya, M.A & Cyril Annaele, evaluates the relationship between the two variables motivation and performance. Employees from four different departments of power holding of Nigeria Company were used in this study. A questionnaire was used to gather the data & methodology used in this research for hypothesis testing were regression and Chi-square statistical method. The major findings are that proper employee motivation improves performance, also training, promotion and proper salary and work environment have found positively related to performance. This study reminds PHNC to motivate their employees properly and make it a habit to facilitate accomplishing the performance in 21st century

Sunil Ramlall (2004) presented the review of employee motivation theories and their implications and problem that how motivation affect to retain employees in the organizations. The research is done in Minneapolis, US.

Nduro (2012) presented that human resources are very essential for the organization because they are the key to performance and productivity. The purpose of his study is to find out the effect of motivation on the performance of Guaranty trust workers. The study adopted the mixed approach research design, thus both quantitative and qualitative. Data is collected by the survey and questionnaire. The data were analyzed using SPSS. The sample size is 150 workers of guaranty trust bank from the population. The findings show that indeed there is a relationship between motivation and performance at the workplace. The way employees were treated by management has an impact over their output. The research recommends that management should give importance to the employee motivation to survive amongst its competitors.

Muogbo (2013) presented the problem that how employee motivation has an impact on organizational performance of selected manufacturing firms in embryo state. 103 employees selected from 17 company across the three senatorial zones of Anambra State over the population of 120 workers of selected manufacturing firms in embryo state. The study used descriptive statistics to answer three research questions posed in the study. The correlation Coefficient was used to test the three hypotheses. The study reveals that there is a significant relationship between employee motivation and workers' performance. Extrinsic motivation has a major influence on the employee's performance. The researcher recommends that every organization should implement extrinsic rewards to increase productivity. The company should continually develop pay policies to motivate retain their employees.

Dobre, O.I (2013) presented the problem that examine the drivers of employee motivation to get to attain a high level of organizational performance. The two factors that are empowerment and recognition is increased the employee will be motivated and they will work with dedication which leads to organizational accomplishments ND performance. It depends on the employee that how they will be motivated either by recognition or empowerment. Organizations should provide a better environment for their employees, value their employees. And fulfills their needs through which they can be motivated.

Prashant Singh presented in the problem that how motivation is important in productivity and what are the factors that affect employee performance, commitment and loyalty. The research is done in India. The methodology used is survey method. Data are obtained from the employees of different organizations. The findings show that when an employee is motivated, he/she will directly be committed toward the organization and their productivity will increase. Self satisfaction and recognition are major factors through which employees get intrinsically motivated. It is suggested that organizations should continually give career development opportunities to its employees. And offer them fair incentives and benefits, add on responsibilities to feel them their jobs are important.

Nurpur Chaudhary & Dr.bhati Sharma (2012) presented the problem that what are the factors that leads to employees motivation in various companies. The sample size is 70 workers that are working in different departments of organization in Jaipur, India. The method used is survey method. The findings are that most of the employees have good relationship with their boss which shows the strong relationship between employee and worker that they have strong trust over them. They have interests in their job as most of them were motivated. It is suggested by the researchers that in today global world organizations should adopt high performance paying and properly motivate employees in order to grow quickly.

Hashim Zameer, Shehzad Ali, Waqar Nisar & Muhammad Amir(2014) presented the problem that examine the impact of employee motivation on employees performance.150 questionnaire were distributed to the beverage companies (Pepsi.Coke.Gourmet) in Pakistan. The methodology used is regression and correlation to analysis the variables. The findings brought by this research is if the beverage companies uses tools like enrichment, job security, incentives, reasonable salaries the employee gets motivated directly and performance also increases. It is recommended that the top management should focus on motivating employees to get positive result in performance.

Kiruja EK, Elegwa Mukuru presented the problem that to study the effect of motivation on employee performance. The sample size 315 administrators, departmental heads, teaching staff and no teaching staff in the public middle level of technical training institutions in Kenya. The correlation analysis was been adopted. The findings get by this research is the most of the employees hold degrees in Kenya .the study found that most of the employees were not satisfied with their pay schedule and environment the researchers suggest that policies should be made in technical institutions to manage their HR.

3. METHODOLOGY

The research aims to know the impact of employee motivation on organizational performance and the factors that influence it. This study is based on the Quantitative Research approach. Primary data is gathered through questionnaire filled by employees concerning the research topic. For the research, combination of correlation and regression is used as a Statistical analytical technique. The target population is male and female employees of different companies of oil and gas sector of Pakistan.

$$n = \frac{N}{1 + Ne^2}$$

3.1. Sample Size Formula

Taro Yamane

n - The sample size.

N - The population size.

e - The acceptable sampling error.

Company	No of employees
(PPL) Pak Petroleum Ltd.	200
(POL) Pakistan Oilfields Ltd.	100
(OGDC) Oil & Gas Dev. Co	200
(PSO) Pakistan State Oil.	200
(ATRL) Attock Refinery Ltd.	100
(BYCO) Byco Petroleum Ltd.	100
(NRL) National Refinery Ltd.	100
(PRL) Pakistan Refinery Ltd.	100
(APL) Attock petroleum Ltd.	100
(SGLL) Shell Gas LPG	100
(SHEL) Shell Pakistan limited	100
(MARI) Mari gas company limited	100

$$n = 1500 / 1500(0.1)^2$$

$$n = 99.93$$

3.2. Hypothesis

H1: There is an impact of employee motivation on organizational performance.

3.3. Null Hypothesis

Ho: There is no impact of employee motivation on organizational performance

3.4. Alternative Hypothesis

H1: There is an impact of recognition on organizational productivity

Ho: There is no impact of recognition on organizational productivity.

H2: There is an impact of recognition on organizational outcome

Ho: There is no impact of recognition on organizational outcome

H3: There is an impact of reward on organizational productivity

Ho: There is no impact of reward on organizational productivity

H4: There is an impact of reward on organizational outcome

Ho: There is no impact of reward on organizational outcome.

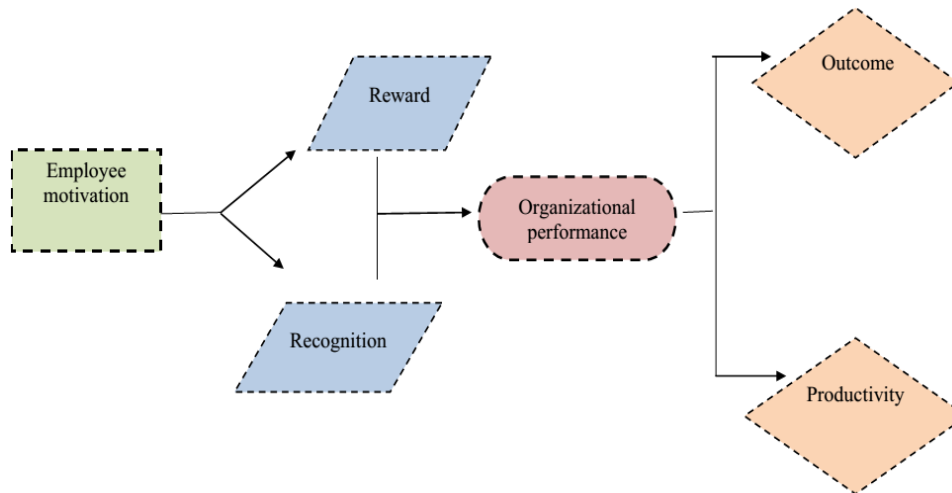
3.5. Data Collecting Technique

For data collection questionnaires are used. Every variable is targeted in this questionnaire by at least 5 questions on each variable.

3.6. Data Sources

Questionnaires are distributed among 100 employees both male and female of oil and gas sector of Pakistan to know about their perception regarding to the employee motivation.

4. THEORETICAL FRAMEWORK



5. DATA ANALYSIS

5.1. Skewness

Descriptive Statistics							
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
organization provide promotion and tangible rewards	100	1.00	4.00	1.8300	.79207	.812	.241
employees are equally rewarded	100	1.00	4.00	2.1900	.76138	.224	.241
rewarded when perform above expectation	100	1.00	3.00	1.9100	.63715	.077	.241
satisfied from the reward system	100	1.00	4.00	2.2600	.84829	.180	.241

monetary and non monetary reward enhance motivation	100	1.00	3.00	1.5600	.76963	.948	.241
recognition increase employee performance	100	1.00	2.00	1.3400	.47610	.686	.241
recognized employees are motivated	100	1.00	3.00	1.4400	.59152	.984	.241
managers recognizes employee effort	100	1.00	4.00	1.9700	.77140	.321	.241
being recognized by manager	100	1.00	5.00	2.1600	.78779	.592	.241
group member are equally recognized	100	1.00	5.00	2.4100	.87727	.556	.241
organization regularly reviews objectives to enhance productivity	100	1.00	4.00	2.2900	.74257	.379	.241
Organization takes feedback to enhance productivity.	100	1.00	3.00	2.0800	.59764	-.026	.241
incentives increases employee's productivity	100	1.00	3.00	1.6200	.58223	.300	.241
productivity is directly proportional to employee's performance	100	1.00	3.00	1.4900	.61126	.851	.241
organization's outcome is based on employee performance	100	1.00	4.00	2.0800	.77434	.526	.241
organization measures outcome	100	1.00	4.00	2.0700	.63968	.176	.241
Incentives are provided according to outcome.	100	1.00	4.00	1.9900	.83479	.657	.241
Valid N (list wise)	100						

5.2. Hypothesis No: 1

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.231 ^a	.053	.044	.72622		
a. Predictors: (Constant), being recognized by manager						
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.820	.213		8.550	.000
	being recognized by manager	.217	.093	.231	2.347	.021
a. Dependent Variable: organization regularly reviews objectives to enhance productivity						

Interpretation

The significance level is $p=0.02$ which is less than 0.05 showing that null hypothesis is rejected and alternative hypothesis is accepted, that shows there is an impact of recognition and productivity.

The R^2 is 0.053 which shows there is 5% variance between the two variables indicating that the model is very weak.

Beta shows that

$$\text{Productivity} = 1.820 + 0.217 \text{ recognition.}$$

This equation shows that 0.217 percent increase in recognition will also increase productivity by 1.820. It also tells that when recognition was zero the productivity will by increases by 1.820.

5.3. Hypothesis No: 2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

“Impact of Employee Motivation on Organizational Performance in Oil and Gas Sector of Pakistan”

1	.275 ^a	.076	.066	.74822		
a. Predictors: (Constant), recognized employees are motivated						
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.561	.198		7.894	.000
	recognized employees are motivated	.360	.127	.275	2.834	.006
a. Dependent Variable: organization's outcome is based on employee performance						

Interpretation

The significance level is p=0.006 which is less than 0.05 showing that null hypothesis is rejected and alternative hypothesis is accepted, that shows there is an impact of recognition and outcome.

The R² is 0.076 which shows there is 7% variance between the two variables indicating that the model is very weak.

Beta shows that:

$$\text{Outcome} = 1.561 + 0.360 \text{ recognition.}$$

This equation shows that 0.360 percent increase in recognition will also increase outcome by 1.561. It also tells that when recognition was zero the outcomes increases by 1.561.

5.4. Hypothesis No: 3

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.312 ^a	.097	.088	.70908		
a. Predictors: (Constant), satisfied from the reward system						
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.673	.203		8.253	.000
	satisfied from the reward system	.273	.084	.312	3.251	.002
a. Dependent Variable: organization regularly reviews objectives to enhance productivity						

Interpretation

The significance level (sig), p=0.002 which is less than 0.05 showing that the relation between the variables is significant that shows there is an impact of reward on productivity.

The R² is 0.097 which shows there is 9% variance between the two variables indicating that the model fit is very weak.

Beta shows that:

$$\text{Productivity} = 1.673 + 0.273 \text{ Reward}$$

This equation shows that when Reward was zero the Productivity increases by 1.673.

It also tells that 1 unit increase in reward ultimately the productivity will increase by 0.273.

5.5. Hypothesis No: 4

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.207 ^a	.043	.033	.82083		
a. Predictors: (Constant), rewarded when perform above expectation						
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.472	.261		5.647	.000
	rewarded when perform above expectation	.271	.129	.207	2.097	.039

a. Dependent Variable: Incentives are provided according to outcome.
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Interpretation

The significance level (sig), $p=0.039$ which is less than 0.05 showing that the relation between outcome and reward is significant that shows there is an impact of reward on organizational outcome

The R^2 is 0.043 which shows there is 4% variance between the two variables indicating that the model fit is very weak.

Beta shows that:

$$\text{Outcome} = 1.472 + 0.271\text{Reward.}$$

This equation shows that when reward is zero outcomes will increase by 1.472. It also tells that 1 unit increase in Reward will increase outcome by 0.271.

6. CONCLUSION

It is concluded that by examine the work performance and appraising employs' performance and motivating them, the employees get satisfied and thus their level of output increases and enhance the work performance of their organization. Recognition plays an important part for enhancing employee motivation towards their work.rby recognizing employees they feel internally motivated with their job and committed towards organization achievement.

Going by these findings it can be easily inferred that employees reward system matters a lot. When rewards are not given the workers give poor performance and non commitment towards their job. It is therefore essential for the organizations to look after their employee needs because a happy employee is a productive one.

The purpose of this study is to check the impact of employee motivation on organizational performance in oil and gas sector. The overall result showed that motivation of employees has an impact on organizational performance that is statistically significant ($p<0.05$). This leads to reject null hypothesis. In the oil and gas sector motivation plays positive impact on employee performance. The research concludes from the findings that most of the employees are being motivated as they were properly giving the reward and recognition for their accomplishments. Performance of the employees indicated significant relationship with the reward and recognition. The more the employees are motive to tasks accomplishment higher will the organizational performance and success. In other hand, employee dissatisfactions caused by boring jobs and pressure from clients, might weaken the organizational performance. Therefore, jobs absenteeism rates may increase and employees might leave the organization to joint competitors that offer better work conditions and higher incentives.

7. RECOMMENDATION

It's recommended that management attaches more importance to issues of employee motivation to make the institution survive amongst its competitors. The organizations should plan their set of laws, policies and organizational structures that give freedom to the employee to work well and value them on their tasks completion and achievements. This will for sure lead to organizational growth. Fair reward system should be focused in organizations. Companies that are not effectively using employee motivation should make effective reward system for their employees to motivate them more. Companies should create an atmosphere where employees feel satisfied and cooperative. Management should give recognition to its employees on spot. Management should do fair dealing with workers. Incentives should be free from bias and favoritism. Due to this the workers trust would be increased that fair incentives are given to them. The study recommends that the oil and gas sector companies should make motivation of employees as a habit, bring different and new types of programs continually in their motivation system in order to achieve improved performance.

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