

## **A study of the motivational and Key Success factors of the selected organizations of Peshawar, Khyber Pakhtunkhwa-Pakistan**

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### **Abstract**

*This study was carried out to find out the major factors that cause motivation among employees of the selected organizations at Peshawar. This study was undertaken under controlled environment and was mainly restricted to three organizations, two Public Sector organizations i.e. Accountant General Office, Khyber Pakhtunkhwa and Khyber Teaching Hospital, Peshawar and one Private Sector Organization i.e. Rehman Medical Institute, Peshawar. A simple research methodology was used and a total of 56 employees (including 11 Managers) were chosen from all the three organizations. The Questionnaire method was used for data collection. It was used on employees to find out what specific factors motivate them at work in their respective organizations. Data was collected, analyzed and tested through statistical tools. It was found that motivation is not only caused by internal factors alone but from the study it was found that motivation is also caused by both the internal and external factors. However, the internal factors were found more effective in causing the motivation in employees. Moreover, Training of employees, incentives and efficient Human Resource proved to be the most important success factors for success of the organization.*

**Key Words:** Motivation, Key success factors, Human Resource Management, Hygiene Factors, Motivators

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### **1. INTRODUCTION**

Motivation is one of the important components of Human Resource Management (HRM). It is the 3<sup>rd</sup> important component of HRM after Staffing (Recruitment & Selection) function and Training & Development function. Once a new employee is selected and he joins the organization through staffing function and is fully prepared for performance in the organization through Training & Development function of HRM, then he needs to be motivated for better performance, the activity which falls under the “Motivation Function”.

Motivation is important both for employees and managers. For employees, motivation is energizer, as it stimulates them to work hard, show better performances and advance in their careers. While for Managers, it is important as the Manager’s

himself performance largely depends upon the performance of its team i.e. employees and it is the motivated employees which work hard and are more productive thus more value adding to the department and organization. It is said that it is the motivated workforce of an organization that contributes more to an organization's success.

Motivation is caused by both intrinsic and extrinsic factors. Factors within a human being or animals that arouse direct goal-oriented behavior cause motivation ([www.britanica.com;1994-2010](http://www.britanica.com;1994-2010)). Managers in the organizations therefore need to understand different factors causing motivation. It starts from the basic human needs which motivate people to work and earn their livelihood. A Social Scientist, Cannon (1994) said that basic human drives direct the energies towards the reduction of physiological tensions.

This study mainly focuses on studying the motivational factors in the environment of organizations of Khyber Pakhtunkhwa-Pakistan in comparison with the same factors identified in the Herzberg's theory of motivation. The Herzberg's point of view of motivation is given below.

### **1.1 Herzberg's Theory of Motivation.**

Herzberg's theory enjoyed great popularity in 1960s-1980s & was though a simple theory but had a great influence on how we currently design jobs.

According to Herzberg a person's association with his job & his attitude to his work is the basic determinant of work success or failure. He conducted a motivational study of 200 Engineers & Accountants in organizations at Pitt's burg. He asked 2 main questions:

- a) What are the things that make you feel good about job?
- b) What are the things that make you feel bad about job?

From the replies he discovered the following two important factors:

- a) **Hygiene Factors:** These are the factors which eliminate job dissatisfaction but do not motivate. In other words when these factors are adequately fulfilled the people will not be dissatisfied but they will not be satisfied (or motivated) either. These factors included company's policy, administration, pay, interpersonal relations, work relations, supervision
- b) **Motivators:** In order to motivate the workers, Herzberg suggested emphasizing motivators, the factors which increase job satisfaction & motivation. These factors included achievements, recognition, work itself, responsibility, advancement, & growth etc.

Thus, in Herzberg's study the major factors that removed satisfaction but did not motivate were company's policy, administration, pay, interpersonal relations, work relations, supervision and the major

factors/motivators which motivate caused motivation were achievements, recognition, work itself, responsibility, advancement, & growth.

### **1. OBJECTIVES OF THE STUDY:**

The main objectives of the study are;

- i) to find out the major motivating factors among employees and
- ii) what are the key success factors in the selected organizations of Peshawar, Khyber Pakhtunkhwa-Pakistan.

### **2. LITERATURE REVIEW**

The Literature review of this study mainly focuses on the related studies on motivation in general and on the review of the Herzberg's two factor theory in particular. Different theories and studies on the motivational factors in different areas and field of research will also be discussed in order to have an idea of multivariate variables/factors that cause motivation among people.

Maslow (1954) conducted a study to analyze the different factors causing motivation in the people. He observed that in each person there is a hierarchy of five needs which cause motivation. Other need does not arise unless one need is sufficiently satisfied.

Magrager (1960) focused his study on two factors X & Y which were responsible for demotivation and motivation respectively. Factor X represents the negative view of people. It assumes that workers have little ambition, dislike work, want to avoid responsibility and hence need to be controlled to work effectively. While Factor Y offers a positive view. It assumes that workers can exercise self-direction accept and actually seek out responsibility and consider work to be a natural activity. According the McGrager, theory Y represents the true nature of workers & should guide the management practice.

Herzberg (1959) believed that a person's association with his job & his attitude towards his work is the basic determinant of work success or failure. In his study he interviewed 200 Engineers & Accountants and discovered two important factors i.e. the Hygiene Factors, the factors that eliminate job dissatisfaction but do not cause motivation, and the Motivators, the factors that cause motivation among employees.

Besides these theories, there has been a great amount of research work on motivation in different fields of study. Following are some of the important research works conducted on motivation in the field of Health Sector:

Adzei and Ating (2012) studied the impact of financial and non-financial incentives on motivation and retention of health workers in Ghana's district hospitals. They found that financial incentives significantly influence motivation and intention of the health

workers to remain in the hospitals. Agarwal, Kumar and Gupta (2009) found that awareness about human rights is a key motivator which helps the medical doctors to serve the humanity with more care. Bhe Great, Kelly, Ros and Zou (2004) studied the staff shortages in the field of radiology and implementation of incentive plans of radiology in gaining importance and found that though fiscal rewards for motivation are most common but the managers must also consider other incentives like research time, resources for research, vacation time and recognition awards to motivate academic radiologists.

Bari and Strepparava (2011) studied the voluntary blood donors in Italy and concluded that 56% of the donors were motivated by sympathy factor “to help others”, 22% said that they were influenced by their family/friends and 11.2% donated blood due to social/moral obligations. Amitay, Halliday, Taylor, Sohoglu and Moore (2010) studied the effect of providing varying amount of positive feedback on performance of the learners and concluded that besides feedback from Management, the self-monitoring of performance also supports better performance in learning.

From the above discussions, it can be concluded that both intrinsic and extrinsic factors account for motivation. Moreover, motivation is a key factor for effective performance and output in any field or area of study.

### **3. RESEARCH METHODOLOGY**

The study was made in a broad perspective of the problems faced by the employees for not making efforts up to their maximum capacity. An attempt was made to see what the major motivating factors in employees in Peshawar are and then compare them with the same factors as were identified by Herzberg in his theory.

#### **3.1 Data Collection**

The data were collected through Primary Source. Structured Open-Ended Questionnaires were used to collect data. One set of questionnaires was used to collect data from general employees regarding motivation factors and the second set of questionnaires was used on managers to find out the key success factors. **(Questionnaires are attached at Annex-A)**

Total number of employees in all the three selected organizations i.e. 3700 formed the population of the study. From the population a sample of 56 employees was chosen by using the Simple Random Sampling & Convenience Non-Random Sampling techniques.

**Table-1 Sample Organizations, Number of employees and Sample Size**

Organization	Total Number of Employees	Sample
i) Khyber Teaching Hospital Peshawar	1500	18
ii) Rehman Medical Institute (RMI) Peshawar	1200	14
iii) Accountant General Office Peshawar	1000	13
Total	3700	45

Source: Management of Organizations, 2010.

Lottery method was used for selection of employees for the purpose of the study. The allocation of the sample size among the three organizations was done by using the formula  $n_i = nNI/N$ .

Similarly, a sample of 11 Managers from these three organizations was chosen through convenience/Non-Random sampling technique to study their point of view regarding the key success factors for the organization. They were first asked about their opinion regarding the key success factors influencing upon the success of the organization by administering an open-ended questionnaire upon them. They identified a number of key success factors out of which three most important success factors i.e. Training, Incentives and Efficient HR were prioritized. Then another close ended questionnaire was administered upon them and they were asked “**whether in their opinion the above-mentioned factors are key success factors or Non-success factors for an organization’s success**” in order to know which of these factors is most important key success factor for the organization’s success, though all the three factors were contributing towards the organization’s success. The results of their responses are given in the table given below in table 2.

From the results, it can be seen that 9 out of 11 Managers i.e. about 82% regarded Training as the most important key success factor; similarly, the 63.6% of total managers regarded incentives the most important and followed by Efficient HR with 54.5% support.

**Table:2 Sample of Managers**

<b>Key Success Factors</b>	<b>Training</b>	<b>Incentives</b>	<b>Efficient HR</b>
Success	9 (81.8%)	7 (63.6 %)	6 (54.5%)
Non-Success	2	4	5
Total	11	11	11

#### 4. ANALYTICAL TECHNIQUES

##### 1. (The Fisher's Exact Test) for comparison of categorical variables

The data was classified into 2\*2 table for comparison purpose to see which of the above mentioned key success factors is more significantly related to success of the organization. Then the Fisher's Exact Test was applied in order to have comparative analysis of the key success factors. Fisher's Exact Test is used for comparison of proportion/categorical variables especially with low samples. In the instant study since the data was smaller (sample of 11 managers was taken) and each cell did not contain 5 or more values, therefore the said test was utilized.

#### 5. RESULTS AND DISCUSSIONS

##### i) Training Vs Incentives

<b>Orga+++++nization Success</b>	<b>Training</b>	<b>Incentives</b>	<b>Total</b>
Yes	9	7	16
No	2	4	6
Total	11	11	22

##### Results/Input

Odds Ratio= 2.570

P-Value= 0.6351

##### **Interpretation:**

Since the odds value is  $> 1$  in favour of training, it shows that Training is more than 200% significantly related to success of an organization as compared to incentives. The

larger P-value shows insignificance of the model, but it is due to the smaller sample size. The P-value would be significant if we increase the sample size.

### ii) Training Vs Efficient HR

Organization Success	Training	Efficient HR	Total
Yes	9	6	15
No	2	5	7
Total	11	11	22

### Results/Input

Odds Ratio= 3.700

P-Value= 0.3615

### **Interpretation**

Since the odds value is  $> 1$  in favour of training, it shows that Training is more than 300% significantly related to success of an organization as compared to Efficient HR. Again the larger P-value shows insignificance of the model, but it is due to the smaller sample size. The P-value would be significant if we increase the sample size.

### iii) Incentives Vs Efficient HR

Organization Success	Incentives	Efficient HR	Total
Yes	7	6	13
No	4	5	9
Total	11	11	22

### Results/Input

Odds Ratio= 1.400

P-Value= 1.000

### **Interpretation**

Since the odds value is  $> 1$  in favour of incentives, it shows that incentives are more than 100% significantly related to success of an organization as compared to Efficient

HR. Again the larger P-value shows insignificance of the model, but it is due to the smaller sample size. The P-value would be significant if we increase the sample size.

### Conclusion

Since the Odds Ratio is greater than 1 in case of all the three key success factors, therefore we conclude that all the three success factors are significantly related to success of an organization.

### 6.1 Use of Chi-Square Test

#### Hypothesis Testing

The following hypothesis was formed to test the relationship between motivation and the organization's performance:

**H<sub>0</sub>**: There is no association between success of an organization and key success factors.

**H<sub>1</sub>**: There is an association between success of an organization and key success factors.

The level of significance used was  $\alpha=0.05$ , showing that we were 95% sure or confident about rejecting the Null hypothesis.

**Test statistics:** The Chi-square test was used for testing of hypothesis:

$$X^2 = \sum_{i=1}^2 \sum_{j=1}^3 (O_{ij} - e_{ij})^2 / e_{ij} \text{ with } (2-1) (3-1) = 2df$$

Where  $E_{ij} = (A_i)(B_j)/n = (\text{ith row total})(\text{jth row total})$

#### Calculations

Given the DATA (O<sub>i</sub>)

Key Success Factors	Training	Incentives	Efficient HR	Total
Success	9	7	6	22
Non-Success	2	4	5	11
Total	11	11	11	33



The expected frequencies are given below (ei)

Key Success Factors	Training	Incentives	Efficient HR	Total
Success	$11 * 22 / 33 = 7.33$	7.33	7.33	22
Non-Success	3.67	3.67	3.67	11
Total	11	11	11	33

Calculation of  $\chi^2$

Oij	eij	Oij-eij	(Oij-eij) <sup>2</sup>	(Oij-eij) <sup>2</sup> /eij
9	7.33	1.67	2.789	0.381
7	7.33	-0.33	0.1089	0.0148
6	7.33	-0.33	1.7689	0.2413
2	3.67	-1.67	2.7889	0.7599
4	3.67	0.33	0.1089	0.02967
5	3.67	1.33	1.7689	0.4819
				$\chi^2 = 1.908$

Critical Region: C. R =  $\chi^2_{\alpha(r-1)(c-1)}$

### Conclusion

Since our calculated value of  $\chi^2 = 1.908$  does not fall in C.R, so we reject the Null hypothesis and conclude that the data provides sufficient evidence that there is an association between the success and key success factors.

## 6. FINDINGS AND CONCLUSIONS

Main findings with respect to the objectives of the study are:

- i) Results of the Fisher's Exact Test show that since the Odds Ratio is greater than 1 in case of all the three key success factors; therefore, we conclude that all the three success factors i.e. Training, Incentives and Efficient HR

- are significantly related to success of an organization.
- ii) Results of the Chi-square test showed that there is a positive association between the key success factors and organization's success.
  - iii) From the study, many internal and external factors causing motivation in employees were identified and their influence on the employees' and organizations' performance was examined. There were ten major external factors causing motivation among employees, the most important of them included efficient and caring management, friendly working environment, teamwork, promotional opportunities etc., while the most important internal motivating factors were Job & Client's satisfaction, Organization's association pride, Aim and goal achievement etc.
  - iv) In the Herzberg's Hygiene Factor Theory, it is concluded that motivation is caused only by internal factors like sense of achievement, success and satisfaction and that the Hygiene factors like company's policies, supervision and working environment (i.e. external factors) can cause only satisfaction by removing dissatisfaction through improving on these factors and do not directly cause direct motivation. But this study/report proved that these are both the internal and external factors which cause motivation.
  - v) External factors causing motivation though were found more in number as compared to the internal factors, but it was found that the internal factors were more effective than the external factors.
  - vi) The quality of responses and the understanding of the "Motivation" concepts were high in the Private Sector organizations i.e. Rehman Medical Institute as compared to other two Public Sector Organizations. The reason for this fact was that the Private Sector cares more for its employees. This sector understands the importance of motivation of employees which increases the productivity of both the employees and organizations. In the case of RMI it was noticed that the organizations were investing a reasonable amount on the employees' welfare. There were regular programs for employees' training and development, more promotional opportunities and employees' benefits & rewards. The only and the biggest benefit that the Public-Sector organizations were offering was the Retirement benefits i.e. pension after retirement. But its impact on the employees' motivation was very low as compared to other employees' welfare programs which being offered in the Private Sector Organizations.
  - vii) The degree of understanding of "Motivation" was higher in the Management of both the public and private sector organizations. The 2<sup>nd</sup> questionnaire which was addressed to the management of the organizations

to find out the key factors responsible for the success of the organization. The large number of factors pointed out in the study by them were reduced to top three key success factors in order of priority determined through 2<sup>nd</sup> part of the questionnaire having yes (success factor) or no (not success factor) questions. The results depicted that the capacity building of employees through regular training and development programs was ranked as the highest ranked key success factor having more than 50% of votes from the managers consulted out of the selected organizations. The other two key success factors in priority were motivation through incentives having 26% and Efficient HR having 23% of weightage from the managers.

- viii) In order to empirically determine the association between the key success factors for an organization i.e. Training of employees, incentives and efficient HR and success of an organization, the statistical tool Chi-Square Test was applied. Results of the statistical measurement indicated an association between these factors and the success of the organization.
- ix) In the Herzberg's two factor theory main factors leading to motivation (i.e. motivators) were Achievement, Recognition, work itself, responsibility, advancement and growth, while main factors causing dissatisfaction (i.e. Hygiene factors) were Company Policy, Supervision, Relationship with Boss, salary and Relationship with Peers. While in the instant study, main motivators were Satisfaction from job, job commitment (responsibility), Organization's association pride, having a purpose/aim, Goal achievement (achievement), salary & benefits, team work (conducive working environment), good management, taking care of employees' needs and promotional opportunities.

## 7. CONCLUSIONS

“Motivation is an important internal factor which stimulates the people to work hard and contribute their maximum towards achievement of their goals. Moreover, motivation is caused by both the internal and external factors, as was proved by this study, and not alone by the internal factors. However, the internal factors are more effective in causing the motivation in people. The organizations thus need to focus both on internal and external motivating factors and also need to develop policies for removal of de-motivation as if it remains for a longer time; it affects the performance of both the employees as well as the organizations”.

## 8. RECOMMENDATIONS

- i) The organizations need to consider motivation as a key factor for success of the employees as well as the organizations. Motivated employees are the most effective employees for the organization as they are likely to contribute more through their enhanced efforts.
- ii) They need to avoid such policies and practices which are likely to produce de-motivation among the employees. Because de-motivated employees not only themselves non-productive for the organization but are also a source of de-motivation for the rest of the employees.
- iii) Capacity building of employees is key success factor for employees of the organization. Especially, in the today's dynamic environment where technology is changing at a very fast track, employees' learning and skills need to be upgraded consistently. Organizations' need to focus on this very important factor as well.

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**Annex-A**

**Questionnaire-I (For Employees)**

**Title:** “A study of the motivational and Key Success factors of the selected organizations of Peshawar, Khyber Pakhtunkhwa-Pakistan. “

**Purpose:** To know about the key motivational factors among employees & find out its impact on organization’s performance.

**Type:** Structured closed ended questionnaire.

**Employee’s Profile:**

Name of Organization: \_\_\_\_\_

Name of Employee: \_\_\_\_\_

Designation: \_\_\_\_\_

Field: \_\_\_\_\_

**Part-A:**

**Research Questions:**

Q1. What factors make you feel happy in your job? Give brief priority wise reply.

- i) .....
- ii) .....
- iii) .....

Q2. What is essential for an organization’s success? Give priority wise reply.

- i) .....
- ii) .....

- iii) .....
- iv)

**Questionnaire-I (For Employees)**

**Part-B: Closed Ended Questions**

**Q1. Whether in your opinion the following Internal factors cause motivation among employees or otherwise. Tick the relevant box.**

**Internal Factors:**

**Answers**

- |  |         |                          |        |                          |
|--|---------|--------------------------|--------|--------------------------|
| i) Job Commitment                              | a). Yes | <input type="checkbox"/> | b). No | <input type="checkbox"/> |
| ii) Satisfaction from Job, client satisfaction | a). Yes | <input type="checkbox"/> | b). No | <input type="checkbox"/> |
| iii) Organization’s Association Pride          | a). Yes | <input type="checkbox"/> | b). No | <input type="checkbox"/> |
| iv) Goal Achievement                           | a). Yes | <input type="checkbox"/> | b). No | <input type="checkbox"/> |
| v) Having a purpose/aim.                       | a). Yes | <input type="checkbox"/> | b). No | <input type="checkbox"/> |

**Q2. Whether in your opinion the following external factors cause motivation among employees or otherwise. Tick the relevant box.**

**External Factors:**

**Answer**

- |  |         |                          |        |                          |
|--|---------|--------------------------|--------|--------------------------|
| i) Team Work, Good Working Environment.        | a). Yes | <input type="checkbox"/> | b). No | <input type="checkbox"/> |
| ii) Attractive salary & benefits               | a). Yes | <input type="checkbox"/> | b). No | <input type="checkbox"/> |
| iii) Taking Care of Employee’s needs           | a). Yes | <input type="checkbox"/> | b). No | <input type="checkbox"/> |
| iv) Promotional Opportunity/Career Development | a). Yes | <input type="checkbox"/> | b). No | <input type="checkbox"/> |
|  |         | <input type="checkbox"/> |        | <input type="checkbox"/> |

- v) Good Management, Feedback, Respect                      a) Yes                      b). No

**Questionnaire-II (for Management)**

**Title: “A study of the motivational and Key Success factors of the selected organizations of Peshawar, Khyber Pakhtunkhwa-Pakistan. “**

Purpose:            To know about which factor contribute most towards an Organization’ success.

**Manager’s Profile:**

Name of Organization: \_\_\_\_\_

Name of Manager: \_\_\_\_\_

Field of Management: \_\_\_\_\_

Designation: \_\_\_\_\_

Q. What factor (s) in your opinion is /are contributing most towards your organization’s/department’s success/performance? (please give reply in priority/highest % first)

	Factor	Percentage
i)	.....	.....
ii)	.....	.....
iii)	.....	.....

**Questionnaire-II (for Management)**

**Part-B:    Closed Ended Questions**

Q.        **Whether in your opinion the following factors are key success factors for an organization by ticking into the relevant box.**

**Key Success Factors**

**Answer**

- |      |                         |         |                          |         |                          |
|------|-------------------------|---------|--------------------------|---------|--------------------------|
| i)   | Efficient HR            | a). Yes | <input type="checkbox"/> | b). No. | <input type="checkbox"/> |
| ii)  | Training of Employees   | a). Yes | <input type="checkbox"/> | b). No  | <input type="checkbox"/> |
| iii) | Incentives / motivation | a). Yes | <input type="checkbox"/> | b). No  | <input type="checkbox"/> |