The Effects of Motivation on Employee Performance: A Strategic Human Resource Management Approach

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Abstract:
Motivation has been established to be a critical sensation in the operations of today's small scale, large scale enterprises and multinational companies and its elements constitutes strength towards the achievement of organisations' strategic objectives in competitive environments. This study seeks to unravel the effects of motivation on employee performance, with a strategic human resource management approach. The fortitude for this research led to the retrieval of information from secondary sources published on the subject matter, and reviewed literature revealed the significance of intrinsic and extrinsic motivation. The careful examination of the content and process theories of motivation established actualities, and further facts described the impact of performance management on firms' growth and the role of strategic human resource management in enhancing high quality performance through a motivated workforce. The available reviewed sources established that appropriate motivation mechanisms has positive effects on employees performance and helps to retain high quality employees firms desire for competitive advantage. The relevance of this study could aid practising managers, heads of private and public institutions and also human resource management practitioners.

Keywords: Motivation, Employee Performance, Strategic Human Resource Management, Competitive Advantage

1.0 INTRODUCTION

Many organisations today recognise that motivating employees requires a level of respect between management and the workers. This respect can be seen as involving employees in decisions that affect them, listening to employees, and implementing their suggestions where appropriate. The motivation function is one of the most important yet probably the least understood aspects of the human resource management (HRM) process. Human behaviour is complex, and trying to figure out what motivates various employees has long been a concern of behavioural scientists. However, research has given us some important insights into employee motivation. First of all, one must begin to think of motivation as a multifaceted process-one with individual, managerial, and organisational implications. Motivation is not just what employees' exhibits, but a collection of environmental issues surrounding the job. It has been proposed that one's performance in an organisation is a function of two factors: ability and willingness to do the job. Thus from a performance perspective, employees need the appropriate skills and abilities to adequately do the job (DeCenzo and Robbins, 2010). Finding new ways to motivate and compensate employees is a major priority. The methods that most organisations employ to motivate and compensate their members have

long-term consequences for organisational health and viability. Effective employee motivation has long been one of the management's most difficult and important duties. Success in this endeavour is now becoming even more of a challenge due to the current fashion of downsizing and the difficulties associated with managing a diverse workforce (Kreitner and Kinicki, 1995). Greater workforce diversity increases the variety of issues managers must address to avoid demotivation among employees, conflicts among employees, and challenges of authority. With growing attention to political correctness and increased sensitivity to the ways people should be addressed and treated, it does not take much to alienate some employees by comments, looks, or gestures. Behaviours that might have been barely noticed in the past or at least not openly challenged may today result in litigation and undesired media attention (Condrey 2005).

Productivity requirements and quality standards can sometimes seem to be at odds with each other. A critical aspect of developing performance standards has team members (and line managers) understand that it is indeed a balancing act in many work environments to achieve excellent performance. Performance standards will, in themselves, not help a lot but the discussion and training and development that accompany the

drafting and implementation of performance standards will help develop a better understanding of performance and a greater clarity of expectations at both the individual and team level. In particular, the concept of variance in performance, what actually occurs, why it happens, and what can be done to reduce the degree of variability, are of critical importance (Carter and McMahon, 2005).

Strategic human resource management is systematically linked to the strategic needs of an organisation and aims to integrate human resource management strategies and systems to support the organisation's overall mission, strategies, and success while meeting the needs of employees and other stake holders. Strategic human resource management is a value driven, proactive focus on how best to deploy human resource tactics to enable an organisation of any size to achieve its goals. Human resource tactics are methods, procedures, or systems employed by human resource managers to achieve specific strategies. It is important that human resource strategies and tactics are mutually consistent and that they reflect the larger organisational mission and strategy. Even the best-laid strategies may fail if they are not accompanied by sound programs or procedures (Edvinsson n.d.). Strategic human resource management (SHRM) is about improving business performance through people.

Organizations in all sectors (private, public or voluntary) have to be business-like in the sense that they are in the business of effectively and efficiently achieving their purpose, whether this is to make profits, deliver a public service or undertake charitable functions. The major concerns of strategic HRM are to meet the business needs of the organisation and the individual and collective needs of the people employed in it. A considerable amount of research has been conducted recently on how HRM impacts on organisational performance. The assumption underpinning the practice of HRM is that people are the organisation's key resource and organisational performance largely depends on them. If therefore, an appropriate range of HR policies and processes is developed and implemented effectively; then HR will make a substantial impact on firms' performance (Armstrong 2006).

1.1 Research Aim
Successful organisations in today's competitive world have been able to identify the quickening enthusiasm that triggers employee performance; nevertheless, distinctions about what motivate different categories of employees have not been clearly identified and this serves as a challenge about what makes one pleasant in a working environment. Creating a pleasing working environment does not only concern about the availability of financial rewards such as satisfactory base pay, incentives, and bonuses, etc., but also non-financial rewards such as recognition, training, and staff development. In relation to facts aforesaid, this study seeks to examine the effects of motivation on employee performance with a strategic human resource management approach.

1.2 Research Objectives
This section outlines the clustered components of the research aim in a systematic order so as to enable the development of structured information in the review of secondary sources in order to establish meaningful facts that lead to a successful conclusion. The general objectives are outlined as follows:

- Describe intrinsic and extrinsic motivation and explicate the significance of motivation on employee performance.
- Explain content theories of motivation (Abraham Maslow's hierarchy of needs theory, Douglas McGregor theory X, and theory Y, Clayton Alderfer's ERG theory, Frederick Herzberg two-factor theory and McClelland's theory of needs)
- Discuss process theories of motivation (Reinforcement, Expectancy, Equity and Goal setting theory).
- Describe the role of performance management in enhancing organisational success
- Discuss the conceptual basis of Strategic human resource management in organisational performance.

1.3 Significance of the Study
Motivation has a significant role in stimulating organisations workforce to exhibit their potentials towards achieving strategic objectives. The success and sustainability of firms in an intensely competitive arena emanate from the willingness of employees to unleash their intellectual capital, an act that is triggered by intrinsic and extrinsic

motivation. Companies that neglect the worth of motivating personnel can hardly succeed in achieving targets and are disabled form gaining a competitive advantage since the key towards the success path has been deserted. In consideration of the above facts, this study is noteworthy to private and public corporations and humanitarian organisations. It is also of paramount importance to human resource management professionals since one of their duties is to ensure harmonious working relationship among employees and with a pleasant countenance so as to build and maintain a high performance culture.

2.0 LITERATRE REVIEW

It is essential to increase the overall efficiency of human beings to improve the performance of an organization. While machines, processes, technology of high order can be made available to the individuals, but high productivity can only be achieved if workers are highly skilled and adequately motivated. Motivation perhaps is a single most important factor in the study of organizational behaviour that concerns each and every executive today (Kondalkar, 2007). Motivation is an explanatory concept that we use to make sense out of the behaviours we observe. In other words, motivation is inferred. Instead of measuring it directly, we note what conditions exist and observe behaviour, using this information as a basis for our understanding of the underlying motivation. For example, you might assume that your friend works overtime because she needs the additional pay. But your inference isn't correct; your friend is actually doing the additional work to help out her boss and because she is fascinated by the specific project in which she is involved. The lesson is clear: we must always be cautious in making motivational inferences. As more and more information is accumulated, however, our inferences should become more accurate because we can eliminate alternative explanations.

One reason our understanding of motivation is important is that high levels of motivation are significant contributors to exceptional performance. Managers prefer highly motivated employees because they strive to find the best way to perform their jobs. They want to come to work and be part of a team; they're interested in helping, supporting, and encouraging co-workers. Self-confident and decisive employees display these

and other desirable actions. However, finding a universal set of principles to motivate employees and managers isn't likely to occur, as there is no one approach that works best (Gibson et al., 2012).

2.1 Intrinsic, Extrinsic and the Significance of Motivation:

2.1.1 Intrinsic Motivation: Intrinsic motivation can arise from the self-generated factors that influence people's behaviour. It is not created by external incentives. It can take the form of motivation by the work itself when individuals feel that their work is important, interesting and challenging and provides them with a reasonable degree of autonomy (freedom to act), opportunities to achieve and advance, and scope to use and develop their skills and abilities. Deci and Ryan (1985) suggested that intrinsic motivation is based on the needs to be competent and self-determining (that is, to have a choice). Intrinsic motivation can be enhanced by job or role design. According to an early writer on the significance of the motivational impact of job design (Katz, 1964): 'The job itself must provide sufficient variety, sufficient complexity, sufficient challenge and sufficient skill to engage the abilities of the worker.' In their job characteristics model, Hackman and Oldham (1974) emphasized the importance of the core job dimensions as motivators, namely skill variety, task identity, task significance, autonomy, and feedback.

2.1.2 Extrinsic Motivation: Extrinsic motivation occurs when things are done to or for people to motivate them. These include rewards, such as incentives, increased pay, praise, or promotion; and punishments, such as disciplinary action, withholding pay, or criticism. Extrinsic motivators can have an immediate and powerful effect, but will not necessarily last long. The intrinsic motivators, which are concerned with the 'quality of working life, are likely to have a deeper and longer-term effect because they are inherent in individuals and their work and not imposed from outside in such forms as incentive pay (Armstrong, 2009).

2.1.3 Significance of Motivation on Employee Performance

Kondalker (2007) describes the significance of motivation as follows:

High level of performance: It is the duty of every manager to ensure that the employees have a high degree of motivation. He should offer monetary and non-monetary incentives. Highly motivated workers would be regular for work, and have a sense of belonging to the organization. The quality of the product will be improved; wastage will be minimised and there will be an increase in productivity, and performance level will be high.

Low employee turnover and absenteeism: Employee turnover and absenteeism is caused due to the low level of motivation on the part of managers. When dissatisfaction is increased, employees do not enjoy the work assigned to them. Therefore there is a tendency of absenteeism. The workers hunt for an alternative job and leave the organization whenever they get an opportunity. High level of absenteeism causes a low level of production, wastages, poor quality and disruption in production schedules. Increased turnover is disastrous for any organization as it puts a strain on the financial position of the organization due to additional recruitment, selection, training, and development. Motivation is, therefore, a very important management tool to achieve organizational excellence.

Acceptance of organization changes: Management must continuously scan the external and internal environment. There has been a great impact of Social change and technology evolution on the motivation level of employees. The social change increases aspirations of workers and puts an additional demand on the organization, which must be considered positively so that conducive working environment is created. Technical innovation, better working conditions, better research and development (R & D) facilities, encouragement to employees and existence of better personnel policies should be part of any organization. This will facilitate employees retention. Management must ensure that the changes are introduced in the organization and its benefits explained to the employees so that there is no resistance to change and organizational growth is achieved. Re-engineering, empowerment, job enrichment, job rotation, the introduction of new technology and processes will go a long way to boost employee morale and achieve a high degree of motivation.

Organizational image: Employees are the mirrors of any organization. Managers must lay down high performance standards coupled with high monetary and nonmonetary rewards. Training & development programmes should be regularly organized, and employees' skills improved. It will have a positive impact on the employees, and the image of the organization will be improved. It will also reduce employee turnover, and the better employee will look forward to joining the organization. The high organizational image will contribute towards the brand image of the product and services the organization is marketing (Kondalkar, 2007).

2.2 Content Theories of Motivation
There are many competing theories that attempt to explain the nature of motivation. These theories may all be at least partially true and help to explain the behaviour of certain people at certain times. The issue of motivation is often most acute for younger people starting on their career, for people at mid-career positions or for those who find limited opportunities for promotion or further advancement. For employers, there may be difficulties in motivating staff both in the longer term and in the short run. It is because of the complexity of motivation and the fact that there is no ready-made solution or single answer to what motivates people to work well that the different theories are important to the manager. They show, there are many motives that influence people's behaviour and performance. Collectively, the different theories provide a framework within which to direct attention to the problem of how best to motivate staff to work willingly and effectively (Mullins, 2010).

2.2.1 Abraham Maslow's Hierarchy of Needs Theory
A useful starting point is the work of Maslow, and his theory of individual development and motivation published originally in 1943. Maslow's basic proposition is that people want beings, they always want more, and what they want depends on what they already have. He suggests that human needs are arranged in a series of levels, a hierarchy of importance. Maslow identified eight innate needs, including the need to know and understand, aesthetic needs, and the need for transcendence. However, the hierarchy is

usually shown as ranging through five main levels, from, at the lowest level, physiological needs, through safety needs, love needs, and esteem needs, to the need for self actualisation at the highest level.

Physiological needs. These include homeostasis (the body's automatic efforts to retain normal functioning) such as the satisfaction of hunger and thirst, the need for oxygen and to maintain temperature regulation. Also sleep, sensory pleasures, activity, maternal behaviour, and arguably sexual desire.

Safety needs. These include safety and security, freedom from pain or threat of physical attack, protection from danger or deprivation, the need for predictability and orderliness.

Love needs. (often referred to as social needs). These include affection, sense of belonging, social activities, friendships, and both the giving and receiving of love.

Esteem needs (sometimes referred to as ego needs). These include both self-respect and the esteem of others. Self-respect involves the desire for confidence, strength, independence and freedom, and achievement. Esteem of others involves reputation or prestige, status, recognition, attention, and appreciation.

Self-actualisation needs. This is the development and realisation of one's full potential. Maslow sees this as: 'What humans can be, they must be,' or 'becoming everything that one is capable of becoming.' Self-actualisation needs are not necessarily a creative urge and may take many forms which vary widely from one individual to another.

2.2.2 Douglas McGregor Theory X and Theory Y

Douglas McGregor proposed two distinct views of human beings: one basically negative, labelled Theory X, and the other basically positive, labelled Theory Y. After studying managers' dealings with employees, McGregor concluded that their views of the nature of human beings are based on certain assumptions that mould their behaviour. Under Theory X, managers believe employees inherently dislike work and must, therefore, be directed or even coerced into performing it. Under Theory Y, in contrast,

managers assume employees can view work as being as natural as rest or play, and therefore the average person can learn to accept, and even seek, responsibility. To understand more fully, think in terms of Maslow's hierarchy. Theory Y assumes higher-order needs dominate individuals. McGregor himself believed Theory Y assumptions were more valid than Theory X. Therefore, he proposed such ideas as participative decision making, responsible and challenging jobs, and good group relations to maximize an employee's job motivation. Unfortunately, no evidence confirms that either set of assumptions is valid or that acting on Theory Y assumptions will lead to more motivated workers. Organisational Behaviour theories need empirical support before we can accept them. Theory X and Theory Y lack such support as much as the hierarchy of needs.

2.2.3 Clayton Alderfer's ERG Theory

Alderfer agrees with Maslow that individuals' needs are arranged in a hierarchy. However, his proposed needs hierarchy involves only three sets of needs:

- **Existence:** needs satisfied by such factors as food, air, water, pay, and working conditions.
- **Relatedness:** needs satisfied by meaningful social and interpersonal relationships.
- **Growth** needs to be satisfied by an individual making creative or productive contributions.

Alderfer's three needs—existence (E), relatedness (R), and growth (G), or ERG— correspond to Maslow's in that the existence needs are similar to Maslow's physiological and safety categories; the relatedness needs are similar to the belongingness, social, and love category; and the growth needs are similar to the esteem and self-actualization categories. In addition to a difference in the number of categories, Alderfer's ERG theory of motivation and Maslow's need hierarchy differ on how people move through the different sets of needs. Maslow proposed that unfulfilled needs at one level are of most importance and that the needs on the next higher level aren't activated or triggered until the currently important needs are adequately satisfied. Thus, a person only progresses up the need hierarchy once his lower-level needs have been effectively met. In contrast, Alderfer's ERG theory suggests that in addition to

the satisfaction–progression process that Maslow proposed, frustration– regression process is also at work. That is if a person is continually frustrated in attempts to satisfy growth needs, relatedness needs re-emerge as a major motivating force, causing the individual to redirect efforts toward exploring new ways to satisfy this lower-order need category (Gibson et al., 2012).

2.2.4 Frederick Herzberg Two-Factor Theory
The two-factor model of satisfiers and dissatisfiers was developed by Herzberg et al. (1957) following an investigation into the sources of job satisfaction and dissatisfaction of accountants and engineers. It was assumed that people have the capacity to report accurately the conditions that made them satisfied and dissatisfied with their jobs. Accordingly, the subjects were asked to tell their interviewers about the times during which they felt exceptionally good and exceptionally bad about their jobs and how long their feelings persisted. It was found that the accounts of 'good' periods most frequently concerned the content of the job, particularly achievement, recognition, advancement, responsibility, and the work itself. On the other hand, accounts of 'bad' periods most frequently concerned the context of the job. Company policy and administration, supervision, salary and working conditions more frequently appeared in these accounts than in those told about 'good' periods. The main implications of this research, according to Herzberg et al., were explained as follows: The wants of employees divide into two groups. One group revolves around the need to develop in one's occupation as a source of personal growth.

The second group operates as an essential base to the first and is associated with fair treatment in compensation, supervision, working conditions and administrative practices. The fulfilment of the needs of the second group does not motivate the individual to high levels of job satisfaction and to extra performance on the job. All we can expect from satisfying this second group of needs is the prevention of dissatisfaction and poor job performance. The second group forms the hygiene factors in the medical use of the term, meaning preventive and environmental. Herzberg pointed out that while financial incentives may motivate in the short term, the effect quickly wears off (Herzberg et al., 1957).

Herzberg's two-factor theory has been strongly attacked by, for example, Opsahl and Dunnette (1966). The research method has been criticized because no attempt was made to measure the relationship between satisfaction and performance. It has been suggested that the two-factor nature of the theory is an inevitable result of the questioning method used by the interviewers. It has also been suggested that wide and unwarranted inferences have been drawn from small and specialized samples and that there is no evidence to suggest that the satisfiers do improve productivity.

2.2.5 McClelland's Theory of Needs
An alternative way of classifying needs was developed by McClelland (1961), who based it mainly on studies of managers. He identified three needs as being most important:

- The need for achievement, defined as the need for competitive success measured against a personal standard of excellence.
- The need for affiliation, defined as the need for warm, friendly, compassionate relationships with others.
- The need for power, defined as the need to control or influence others.

Different individuals have different levels of these needs. Some have a greater need for achievement, others a stronger need for affiliation, and still others a stronger need for power. While one need may be dominant, however, this does not mean that the others are non-existent. The three needs may be given different priorities at different levels of management. Achievement needs are particularly important for success in many junior and middle management jobs where it is possible to feel a direct responsibility for task accomplishment. But in senior management positions, a concern for institutionalized, as opposed to personal power, becomes more important. A strong need for affiliation is not so significant at any level.

2.3 Process Theories of Motivation
2.3.1 Expectancy Theory
Expectancy theory states that motivation will be high when people know what they have to do to get a reward, expect that they will be able to get the reward and expect that the reward will be worthwhile. The concept of expectancy was originally contained in the valency–instrumentality–expectancy (VIE) theory

formulated by Vroom (1964). Valency stands for value; instrumentality is the belief that if we do one thing, it will lead to another, and expectancy is the probability that action or effort will lead to an outcome. The strength of expectations may be based on past experiences (reinforcement), but individuals are frequently presented with new situations – a change in job, payment system, or working conditions imposed by management – where past experience is an inadequate guide to the implications of the change. In these circumstances, motivation may be reduced.

2.3.2 Goal Theory
Goal theory as developed by Latham and Locke (1979) states that motivation and performance are higher when individuals have set specific goals, when goals are difficult but accepted, and when there is feedback on performance. Participation in goal setting is important as a means of getting agreement to the setting of higher goals. Difficult goals must be agreed and their achievement reinforced by guidance and advice. Finally, feedback is vital in maintaining motivation, particularly towards the achievement of even higher goals.

2.3.3 Social Learning Theory
Social learning theory as developed by Bandura (1977) combines aspects of both behavioural and expectancy theory. It recognizes the significance of the basic behavioural concept of reinforcement as a determinant of future behaviour but also emphasizes the importance of internal psychological factors, especially expectancies about the value of goals and the individual's ability to reach them. The term 'reciprocal determinism' is used to denote the concept that while the situation will affect individual behaviour, individuals will simultaneously influence the situation. Robertson and Cooper (1983) have pointed out that 'there are many similarities between social learning theory and expectancy theory in their joint emphasis on expectancies, individual goals and values and the influence of both person and situational factors.'

2.3.4 Equity Theory
Equity theory (Adams, 1965) is concerned with the perceptions people have about how they are being treated as compared with others. To be dealt with equitably is to be treated fairly in comparison with another group of people (a reference group)

or a relevant another person. Equity involves feelings and perceptions, and it is always a comparative process. It is not synonymous with equality, which means treating everyone the same since this would be inequitable if they deserve to be treated differently.

Equity theory states, in effect, that people will be better motivated if they are treated equitably and demotivated if they are treated inequitably. It explains only one aspect of the processes of motivation and job satisfaction, although it may be significant in terms of morale. There are two forms of equity: distributive equity, which is concerned with the fairness with which people feel they are rewarded in accordance with their contribution and in comparison with others; and procedural equity, which is concerned with the perceptions employees have about the fairness with which company procedures in such areas as performance appraisal, promotion and discipline are being operated.

2.4 The Role of Performance Management in Enhancing Organisational Success
Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards, and competency requirements. Processes exist for establishing shared understanding about what is to be achieved, and for managing and developing people in a way that increases the probability that it will be achieved in the short and longer term. It is owned and driven by line management.

Performance management is much more than appraising individuals. It contributes to the achievement of culture change and it is integrated with other key HR activities, especially human capital management, talent management, learning and development and reward management. Thus performance management helps to achieve horizontal integration and the 'bundling' of HR practices so that they are interrelated and therefore complement and reinforce each other. As an important part of a high-performance work system, it contributes to the development of more effective work systems that largely determine levels of performance (Armstrong, 2009).

2.4.1Performance management as a system: It can be argued that performance management is essentially a process, one of managing performance. It can be regarded as a natural function of managing that involves the activities of planning, monitoring, analysing and reviewing. It is, therefore, legitimate to refer to the process of performance management where 'process' is defined as a way of doing things in order to achieve a purpose. There are those who object to associating the word 'system' with performance management because of its connotations with the notion of a sort of mechanism. They contend that performance management can never be mechanistic. It is, they say, not a matter of going through the motions in order to execute a number of bureaucratic procedures such as completing appraisal forms. This may be indisputable but the term 'performance management system' is in general use. The justification for this is that it requires the application of a number of interrelated activities that are dealt with as a whole, which is what a system does. As Katz and Kahn (1966) wrote, systems are 'basically concerned with problems of relationship, of structure and of interdependence.' Williams (1998) took a systems view when he identified three models of performance management: 1) performance management as a system for individual performance; 2) performance management as a system for managing organizational performance, and 3) performance management as a system for managing individual and organizational performance. However, it is undeniable that the management of performance is largely concerned with process – how it is done.

2.4.2 Characteristics of Performance Management: As Mohrman and Mohrman (1995) emphasized: 'Performance management practices must derive from and be tailored to fit each organization's changing requirements. This will lead to a wide diversity of practices.' But there are certain common characteristics as described below.

Performance management is a planned process whose five primary elements are agreement, measurement, feedback, positive reinforcement and dialogue. It is concerned with measuring outcomes in the shape of delivered performance compared with expectations expressed as goals or objectives. In this respect, it focuses on targets, standards, and performance measures or indicators.

It is based on the agreement of role requirements, goals, and performance improvement and personal development plans. It provides the setting for on-going dialogues about performance that involves the joint and continuing review of achievements against objectives, requirements and plans, feedback, reinforcement, and coaching. However, it is also concerned with inputs and values. The inputs are the knowledge, skills, and behaviours required to produce the expected results. Developmental needs are identified by defining these requirements and assessing the extent to which the expected levels of performance have been achieved through the effective use of knowledge and skills and through appropriate behaviour that upholds core values (Mohrman and Mohrman, 1995).

Performance is not just a top-down process in which managers tell their subordinates what they think about them, set objectives and institute performance improvement plans. It is not something that is done to people. As Buchner (2007) emphasizes, performance management should be something that is done for people and in partnership with them. Performance management is a continuous and flexible process that involves managers and those whom they manage acting as partners within a framework that sets out how they can best work together to achieve the required results. It is based on the principle of management by contract and agreement rather than management by command. It relies on consensus and cooperation rather than control or coercion (Buchner, 2007).

2.4.3 Influences on Performance: Vroom (1964) suggested that performance is a function of ability and motivation as depicted in the formula Performance = (Ability $\times$ Motivation). The effects of ability and motivation on performance are not additive but multiplicative. People need both ability and motivation to perform well, and if either ability or motivation is zero, there will be no effective performance. Another formula for performance was originated by Blumberg and Pringle (1982). Their equation was Performance = Individual Attributes $\times$ Work Effort $\times$ Organizational Support. By including organizational support in the formula, they brought in the organizational context as a factor affecting performance. Research carried out by Bailey et al. (2001) in 45 establishments focused

on another factor affecting performance – the opportunity to participate. They noted that 'organizing the work process so that non-managerial employees have the opportunity to contribute discretionary effort is the central feature of a high performance work system.

2.4.4 Work System: All these above formulae are concerned with individual performance, but this is influenced by systems as well as person factors. These include the support people get from the organization, the leadership and support they get from their managers, and other contextual factors outside the control of individuals. Jones (1995) made the radical proposal that the aim should be to 'manage context not performance', and goes on to explain that: In this equation, the role of management focuses on clear, coherent support for employees by providing information about organization goals, resources, technology, structure, and policy, thus creating a context that has multiplicative impact on the employees, their individual attributes (competency to perform), and their work effort (willingness to perform). In short, managing context is entirely about helping people understand; it is about turning on the lights (Jones 1995).

2.4.5 High-performance Cultures: A high-performance culture is one in which people are aware of the need to perform well, and behave accordingly in order to meet or exceed expectations. Such a culture embraces a number of interrelated processes which together make an impact on the performance of the organization through its people, in such areas as productivity, quality, levels of customer service, growth, profits, and ultimately, in profit-making firms, the delivery of increased shareholder value. In our more heavily service- and knowledge-based economy, employees have become the most important determinant of organizational success (Armstrong, 2010).

2.4.6 High-performance Work System: A high-performance work system (HPWS) is described by Becker and Huselid (1998) as An internally consistent and coherent HRM system that is focused on solving operational problems and implementing the firm's competitive strategy.' They suggest that such a system 'is the key to the acquisition, motivation, and development of the underlying intellectual assets that can be a source of sustained competitive advantage.' This is because it has the following characteristics: It links the firm's selection and promotion decisions to validated competency models. It is the basis for developing strategies that provide timely and effective support for the skills demanded to implant the firm's strategies. It enacts compensation and performance management policies that attract, retain and motivate high-performance employees.

2.4.7 Setting Performance Objectives: There is any amount of prescriptive advice which indicates that the objectives need to be achievable and linked to organisational objectives. Where the purpose of setting such objectives is to direct, monitor, motivate and audit individual performance they must fulfil both of these criteria. Otherwise, the process will result in the opposite effects being secured. The application of expectancy and goal-setting theories implies that this is best achieved where the individual has an important role in the determination of the objectives for the period concerned. As suggested in the discussion above, this will encourage the selection of appropriate goals which are specific, attainable and owned by the individual. The process, as a management tool, is established on the basis that organisational objectives can be broken down and translated into individual goals, the attainment of which can then be effectively measured (Beardwell et al., 2004).

2.4.8 Measuring Performance in Achieving Objectives: Measurement is an important concept in performance management. It is the basis for providing and generating feedback, it identifies where things are going well to provide the foundations for building further success, and it indicates where things are not going so well so that corrective action can be taken. Measuring performance is relatively easy for those who are responsible for achieving quantified targets, for example, sales. It is more difficult in the case of knowledge workers, for example, scientists. But this difficulty is alleviated if a distinction is made between the two forms of results – outputs and outcomes. The output is a result that can be measured quantifiably, while an outcome is a visible effect that is, the result of effort but cannot necessarily be measured in quantified terms. There are components in all jobs that are difficult to measure quantifiably as outputs, but all jobs produce outcomes even if they are not quantified.

It is therefore often necessary to measure performance by reference to what outcomes have been attained in comparison with what outcomes were expected, and the outcomes may be expressed in qualitative terms as a standard or level of competency to be attained (Armstrong, 2009).

2.4.9 Measuring the Outcomes: Where the objectives relate to numbers, increased sales or an increased production of things, for example, the measurement appears unproblematic. However, not all of us are 'sales' representatives or 'things'-makers; indeed, in the current economic climate such crude measures may be inappropriate and in some respects a return to 'old pay' notions of piecework. The growth of 'knowledge' workers has been accompanied by a change to competence-based approaches to measurement which centre on the three stages of competence development (know-what, know-why and know-how (Raub, 2001). Therefore the outcomes can be measured in relation to the individual's success in deploying, integrating and improving their competence in the identified field of activity. This allows the organisation to refocus on the development of competitive advantage through the application of 'core knowledge,' including tangible and intangible assets. It allows the application of 'just enough discipline' to establish a relevant 'core knowledge' base which is defined by strategic business drivers and monitored to maintain balance (Klien, 1998).

The outcomes are often measured by the application of appraisal schemes. The purpose of performance planning, review and appraisal need to be made clear if employees at all levels of the organisation are to play an active part in the process. It is possible that some employees and line managers may meet performance appraisal schemes with distrust, suspicion, and fear, but an integrated and effective process can lead to increased organisational performance and employee motivation. It is important for employees to be genuinely involved in the design of an appraisal scheme, the evaluation of performance, and the objective-setting process. An appraisal scheme should be set up in an atmosphere of openness, with an agreement between management, employees and employee representatives on the design of the scheme (Grayson, 1984: 177). Employees need to have a clear understanding of the purpose of the process (evaluative or developmental).

2.4.10 Human Resource Policies and Practices: If we accept that there is sufficient evidence to claim that HR policies and practices do affect company performance (although some studies, for example, Lahteenmaki and Storey (1998) do not support this) then we need to understand better the processes which link these HR practices to business performance. As Purcell et al. (2000) point out, 'what remains unclear is what is actually happening in successful organisations to make this connection. Job satisfaction was for a long time seen as key, and some evidence was produced to support this (Patterson et. al. 1997). However, more generally, connections between this and organisational performance did not prove fruitful, and the focus moved to commitment (Guest 2002) in mediating the impact of HR policies and practices on business performance. In addition to commitment, researchers have also identified motivation as the mediating mechanism, and some identify trust and morale. Purcell and his colleagues (2003) give equal prominence to job satisfaction and motivation and commitment. In their model HR policies and practices are seen to impact on employee ability/ skills, motivation and incentive, in that people can be motivated to use their ability productively via intrinsic and extrinsic rewards and opportunity. In turn, these three factors have an impact on commitment, individual motivation, and job satisfaction, all of which have an impact on employee discretionary behaviour which in turn impacts on performance.

2.4.11 Major Performance Initiatives: I have previously considered some HR policies and practices that have been identified as related to high performance, and have noted the idea of using practices in bundles. Many of the popular performance initiatives that companies have adopted represent similar (but not the same) bundles of HR policies and practices, and I now turn to these. There are many small initiatives every day that helps to improve performance, but I am concentrating here on major strategic initiatives although the labels may, of course, mean different things in practice in different organisations. Interestingly, Guest and King (2001) found that many senior managers were not aware of the research on performance, and it is, therefore, unclear what is informing senior managers' choice

of performance initiatives. This brings us to the concern that too many initiatives in the same organisation will give conflicting messages to employees, particularly when they are introduced by different parts of the business. There may, for example, be contradictions between the messages of total quality management ('right first time') and those of the learning organisation type of approach. The performance research to date focuses very much on the individual, but I agree with Caulkin (2001) who suggests that organisations also need to develop the capability of the organisation as a whole.

2.4.12 Performance Appraisals: Performance appraisals are used to assess an employee's performance and provide a platform for feedback about the past, current, and future performance expectations. Performance appraisal is variously called employee rating, employee evaluation, performance review, performance evaluation, or results appraisal. Performance appraisals are widely used for administering wages and salaries, giving performance feedback, and identifying individual employee strengths and weaknesses. Most employers use performance appraisals for office, professional, technical, supervisory, middle management, and non-union production workers, and there are many reasons for this widespread use. According to a recent report issued by Bersin & Associates, performance management, which comprised self, manager, and multisource reviews and goal setting benefits an organization with increased operational competence, legal compliance, enhanced corporate growth, and heightened transformational processes and performance. Indeed, performance appraisals can provide answers to a wide array of work-related questions, and by advancing a road map for success, poor performance can be improved. Even after a positive appraisal, employees benefit if appraisals help them to determine how to improve job performance. In addition, even though an employer may not need a reason to terminate an employee, as a practical matter, appraisals can provide justification for such actions should that become necessary (Mathis and Jackson, 2010).

2.4.13 Performance Appraisal Process: Performance appraisal means evaluating an employee's current and/or past performance relative to his or her performance standards. The effective appraisal also requires that the supervisor

set performance standards. And it requires that the employee receives the training, feedback, and incentives required to eliminate performance deficiencies. Effective appraisals begin before the actual appraisal, with the manager defining the employee's job and performance criteria. Defining the job means making sure that you and your subordinate agree on his or her duties and job standards and on the appraisal method you will use. Stripped to its essentials, performance appraisal always involves the 3-step performance appraisal process: (1) setting work standards; (2) assessing the employee's actual performance relative to those standards (this usually involves some rating form); and (3) providing feedback to the employee with the aim of helping him or her to eliminate performance deficiencies or to continue to perform above par (Dessler, 2013).

2.4.14 Dealing with Under-performers: The improvement of performance is a fundamental part of the continuous process of performance management. The aim should be the positive one of maximizing high performance, although this involves taking steps to deal with under-performance. When managing underperformers remember the advice given by Handy (1989), which was that this should be about 'applauding success and forgiving failure.' He suggests that mistakes should be used as an opportunity for learning – 'something only possible if the mistake is truly forgiven because otherwise the lesson is heard as a reprimand and not as an offer of help.' When dealing with poor performers, note should be made of the following comments by Risher (2003): 'Poor performance is best seen as a problem in which the employer and management are both accountable. In fact, one can argue that it is unlikely to emerge if people are effectively managed.' This is another way of expressing the old Army saying: 'There are no bad soldiers, only bad officers. Managing under-performers is, therefore, a positive process that is based on feedback throughout the year and looks forward to what can be done by individuals to overcome performance problems and, importantly, how managers can provide support and help.

2.5 Conceptual Basis of Strategic Human Resource Management in Organisational Performance
The conceptual framework of human resource management begins with an investment

perspective for guiding managerial, strategic decisions regarding human resources. Human resource management practitioners and management scholars have long advocated that human resources should be viewed from an investment perspective. Current practices in many organizations indicate that employees are viewed as valuable investments. However, some still view their employees as variable costs of production, while physical assets are treated as investments. When employees are viewed as variable costs, there is little recognition of the firm's contribution to their training or the costs of recruiting and training their replacements. Likewise, there is less incentive to provide training or make other investments in them (Greer, 2001).

2.5.1 The Concept of Strategic Human Resource Management: As Baird and Meshoulam (1988) remark: 'Business objectives are accomplished when human resource practices, procedures, and systems are developed and implemented based on organizational needs, that is, when a strategic perspective to human resource management is adopted. Strategic HRM supplies a perspective on the way in which critical issues or success factors related to people can be addressed, and strategic decisions are made that have a major and long-term impact on the behaviour and success of the organization. It is not just concerned with 'mirroring current conditions or past practices' (Smith, 1982).

As a means of developing integrated HR strategies, strategic HRM is facilitated to the extent to which the following seven principles set out by Ondrack and Nininger (1984) are followed:

- There is an overall purpose, and the human resource dimensions of that purpose are evident.
- A process of developing strategy within the organization exists and is understood, and there is explicit consideration of human resource dimensions.
- Effective linkages exist on a continuing basis to ensure the integration of human resource considerations with the organizational decision-making process.
- The office of the chief executive provides the challenge for integrating human resource considerations to meet the needs of the business.

- The organization of all levels establishes responsibility and accountability for human resource management.
- Initiatives in the management of human resources are relevant to the needs of the business.
- It includes the responsibility to identify and interact with the social, political, technological and economic environments in which the organization is and will be doing business.

2.5.2 Human Resource Strategies: HR strategies set out what the organization intends to do about its human resource management policies and practices and how they should be integrated with the business strategy and each other. They are described by Dyer and Reeves (1995) as 'internally consistent bundles of human resource practices,' and in the words of Peter Boxall (1996) they provide 'a framework of critical ends and means.' Richardson and Thompson (1999) suggest that 'A strategy, whether it is an HR strategy or any other kind of management strategy, must have two key elements: there must be strategic objectives (i.e. things the strategy is supposed to achieve), and there must be a plan of action (i.e. the means by which it is proposed that the objectives will be met).' Because all organizations are different, all HR strategies are different. There is no such thing as a standard strategy, and research into HR strategy conducted by Armstrong and Long (1994) and Armstrong and Baron (2002) revealed many variations. Some strategies are simply very general declarations of intent. Others go into much more detail. But two basic types of HR strategies can be identified. These are overall strategies such as high performance working; and specific strategies relating to the different aspects of human resource management such as learning and development and reward.

2.5.3 The Strategic Nature of Human Resource: The work of HR practitioners can be divided into two main areas: transactional activities and strategic activities. Transactional activities consist of the service delivery aspects of HR – recruitment, training, dealing with people issues, legal compliance, and employee services. HR strategic activities support the achievement of the organization's goals and values and involve the development and implementation of forward-

looking HR strategies that are integrated with one another and aligned to business objectives.

Importantly, HR strategic activities also involve HR practitioners working with their line management colleagues in the continuous development and implementation of the business strategy. HR has to get its service delivery activities right – that's what it's there to do, day by day, and its reputation with line managers largely depends on this. But in accordance with the resource-based view, which emphasizes the importance of human capital in achieving competitive advantage, the credibility of HR also depends on its ability to make a strategic contribution that ensures that the organization has the quality of skilled, motivated and engaged people it needs (Armstrong, 2008).

2.5.4 Formulating and Implementing Human Resource Strategies: When considering approaches to the formulation of HR strategy it is necessary to underline the interactive relationship between business strategy and HRM, as have Hendry and Pettigrew (1990). They emphasize the limits of excessively rationalistic models of strategic and HR planning. The point that HR strategies are not necessarily developed formally and systematically but may instead evolve and emerge has been made by Tyson (1997): 'The process by which strategies come to be realized is not only through formal HR policies or written directions: strategy realization can also come from actions by managers and others. Since actions provoke reactions (acceptance, confrontation, negotiation, etc.), these reactions are also part of the strategy process. Perhaps the best way to look at the reality of HR strategy formulation is to remember Mintzberg, Quinn and James's (1988) statement that strategy formulation is about 'preferences, choices, and matches' rather than an exercise 'in applied logic.' It is also desirable to follow Mintzberg's analysis and treat HR strategy as a perspective rather than a rigorous procedure for mapping the future.

Moore (1992) has suggested that Mintzberg has looked inside the organization, indeed inside the heads of the collective strategists, and come to a conclusion that, relative to the organization, the strategy is analogous to the personality of an individual. As Mintzberg sees them, all strategies exist in the minds of those people they make an impact upon. What is important is that people in the organization share the same perspective 'through their intentions and/or by their actions.' This is what Mintzberg calls the collective mind, and reading that mind is essential if we are 'to understand how intentions become shared, and how action comes to be exercised on a collective yet consistent basis.'

2.5.5 Strategies for Improving Organisational Effectiveness: Strategies for improving organizational effectiveness will focus on developing processes that support the achievement of business goals and a positive culture. There are no universal prescriptions for the development of strategies. Rosabeth Moss Kanter (1989) noted that corporations are being pushed in ever less bureaucratic and ever more entrepreneurial directions, cutting out unnecessary layers of the hierarchy and forging closer ties with employees. She emphasizes, however, that the pursuit of excellence has multiplied the number of demands on executives and managers and described this as the 'post-entrepreneurial corporation.' This represents 'a triumph of process over the structure.' She suggests that relationships and communication and the flexibility to combine resources are more important than the formal channels and reporting relationships represented in an organization chart: 'what is important is not how responsibilities are divided but how people can pull together to pursue new opportunities.

2.5.6 Strategies for Managing Performance: Strategies for managing performance exist to develop a high-performance culture and achieve increased organizational effectiveness, better results for individuals and teams, and higher levels of skill, competence, commitment, and motivation. Managing performance is a continuing responsibility for managers and team leaders. It is not achieved by a once-a-year performance appraisal meeting. Individual employees are responsible for managing their own performance but may need guidance and support in doing so (Armstrong, 2006). Managing performance strategies need to recognize in the words of Purcell (1999) that, in circumstances of lean production, employees increasingly come to possess knowledge and skills that management lacks: 'Employees need to be motivated to apply these skills through discretionary effort. And it is often the case that the firm's business or

production strategy can only be achieved when this discretionary effort is contributed.' Strategies for managing performance are concerned with how the business should be managed to achieve its goals.

3.0 MATERIALS AND METHODS

A high performance culture is a satisfactory component that enables organisations to maintain sustainable competitive advantage and firms that determine to achieve such advantage should ensure that employees have reasonable rewards (financial and non-financial) in order to motivate them towards outstanding performance. Measuring the effects of motivation on employee performance is quite a critical assignment since employees views and perceptions vary and as a result, firms should try to distinguish what motivates the different teams or set of employees in their domain. In this regard, this study originated from a qualitative perspective and determines to assess the effects of motivation on employee performance, with a strategic human resource management approach. The nature of this study navigated the retrieval of secondary information from sources published on the subject matter and to discuss such facts in order to establish the meaningful conclusion.

4.0 RESULT AND DISCUSSION

Effective performance of employees stems from their intrinsic motivation, which the extrinsic qualifies and ultimately leads to result achievement. Intrinsic motivation is not triggered by what an organisation offers as a reward to stimulate performance but by an individual's interest in doing something he/she finds interesting. Extrinsic motivation is distinct form intrinsic in the sense that it describes financial and non-financial rewards employees receive for specific task entrusted to them so that objectives of such task can be achieved. The significance of both motivating components is that employees who are highly motivated (financially and non-financially) have the capability to perform above expectations and consequently accelerates the operations of an organisation towards a sustainable competitive advantage level. The growth of every enterprise whether small scale, large scale or multinational can only sustain in a competitive environment if it can motivate and retain high quality employees. An organisation that refuses to motivate its workforce will always

experience poor performance and a demotivated workforce is a recipe for turnover since the spirit of commitment in employees is stifled by the inability of management to provide the required motivating tools to enhance performance.

Content and process theories of motivation have established facts about the different categories on how employees should be motivated at different levels to improve performance. Even though critics raised concerns about the absence of empirical examination of the concepts in order to substantiate facts presented in their findings of motivation, several elements clearly stated the relevance of motivation in organisations. The critical components discussed unravel difficulties that organisations experience in creating a pleasing working environment through motivating employees so as to achieve targets set. The early theorists on motivation played a vital role in enabling us to have a pathway towards identifying and developing motivating machinery to enhance outstanding performance.

Managing performance in today's enterprises is quite a challenging task considering the dealings with different categories of employees. Performance management has a significant role in improving employees' commitment and enhancing organisational success. Managers must ensure that tasks are clearly defined, and performance target is set so that employees will be well informed about specific duties to be performed and objectives to be achieved. Appraisal of performance is a key element that assesses an employee's competence and performance level so that strength and weakness can be identified and improved on to maintain high performance level. The success of organisations is determined by an outstanding performance which makes them distinct in competitive environments. Achieving such level is determined by high quality employees who are recruited, trained, rewarded (financially and non-financially) and retained.

Managing human resource strategically towards organisational performance deals with aligning employees' performance to the strategic objectives of the organisation. Organisations should acknowledge employees commitment and invest in them so that the returns will be high quality performance. Achieving strategic plans stems from training and developing employees

capacity which empowers them for successful implementation of organisations activities, an act that leads to sustained growth. One of the successes of firms operations is as a result of the strategic management of their human resources which does not only focus on staff capacity building but also the administration of satisfactory compensation to stimulate employees commitment towards achieving organisation's objectives. The organisation's strategic plan should include an investment plan in its workforce. Successful organisations today have been able to attain level desired as a result of satisfactory rewards and retention mechanisms employed to inspire employees and retain their commitment.

5.0 SUMMARY AND CONCLUSION

Motivation is seen as a fundamental element that constitutes the stimulation of employees' commitment to outstanding performance and a retention strategy for sustained competitive advantage. Successful implementation of firms operations is achieved as a result of high quality performance which is triggered by the appropriate motivating mechanisms. The retrieval of secondary information from sources published on the subject matter in order to address the focus of this qualitative research revealed pertinent issues surrounding the act of motivating employees for outstanding performance. Retrieved information disclosed actualities about intrinsic and extrinsic motivation, described the significant contribution of the early theories on motivation and substantiate the relevance of performance management and strategic human resource management. Reviewed sources disclosed that the implementation of suitable motivating mechanisms has positive effects on high quality employee performance, which leads to the achievement of firms' strategic objectives. Considering the theoretical nature of this study, which restrained the collection of data only from secondary sources, further research could be conducted in the subject matter, using empirical examination to deal with distinct issues of motivation and performance management.

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