

ASSIGNMENT – PROPOSAL

**“EMPLOYEE MOTIVATION AND ITS IMPACT ON
ORGANIZATIONAL PERFORMANCE”**

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Title

Proposed title for current research is, “Employee Motivation and its impact on Organizational Performance-Using Carefour as a case study”

Introductory Part

A wide range of literature exists on employee motivation and its link to business growth. Many studies have been conducted to explore this phenomenon from different perspectives. Cragg, (2007) highlighted that organizations today feel a great need to motivate and retain their employees because of globalization, increasing competition in labor market as well as other market forces. Growing rates of employee turnover as well as de-motivated staffs have forced organizations to seriously consider their evaluation of this problem (Abbass & Hollman, 2000). Economic recessions as well as increasing rates of unemployment sometimes cause a diversion to clearly recognize key determinants (Dawson, 2005). Yet, it is clear from previous research that both the management approaches have great influence on employee motivation and retention (Catlette & Richard, 2001).

Many comprehensive research studies exist showing the link between employee motivation and turnover. For example, Poole (2009) referring to the studies conducted by Gallup, NOP, the Work Foundation and Roffey Park pointed out that a direct link exists between employee motivation and retention (Poole, 2009). In addition to that he also highlighted that a motivated employee is expected to remain with an organization for a longer time period as compared to de motivated employee (Catlette & Richard, 2001). Further there is statistical evidence that if an organization fails to motivate its employees it will result in a high voluntary employee turnover rate (Abbasir & Hollman, 2000).

During recent years the studies conducted on employees understanding of their business strategy have found that there is surprisingly low percentage of employees understands their company's

strategy and their contribution towards business growth. (Kaplan & Norton, 2001; Collis & Rukstad, 2008) It is therefore clear that companies do not understand what return they are getting against their corporate strategy (Mankins & Steele, 2005) and that the companies that seem to be very innovative and established fail to compete in larger and competitive markets (Finkelstein, 2005). Though it has been found that communicating business strategy to employees' results in a positive impact on employees yet for most of the senior managers it is a challenge to align employees to the strategic objectives of the organization (Collis & Rukstad, 2008; Muciiri, 2007; Boswell, 2006).

As regards key factors that influence employee motivation many researchers (Badarcco, 2002) and scholars, practitioners (Drucker, 1999) have studied this phenomenon recommending either one way or the other choosing between top down management versus bottom up management approaches and have concluded that management style plays a key part in improving employee motivation (Drucker, 1995). Senguder (2002) pointed out that though a wide range of literature exists on the influence of these two approaches no consensus exist as to which one is best and most influential in motivating employees.

Rationale

Through this research the researcher intends to explore the impact of employee motivation on business performance. This rationale behind this is that workers today are more aware of their rights and recognition and they know their importance for the business growth, so, it is important to explore the impact of employee motivation on business performance. The success of an organization greatly depends on the management approach to include employees' in the decision making process (Cragg, 2007) and the effectiveness of this involvement of integration depends on what management approach has been adopted by the organization and how employees

respond to this approach(Kinjerski & Skrypnek, 2006). This process greatly impacts employee motivation and retention.

Study is important because through a broad review of literature it conducts a comparative analysis of both the management approaches and their influence on employee motivation and retention. It is the management approach in an organization which helps to increase employee participation and morale (Catlette & Richard, 2000`). The management approaches holds a contribution towards employees' job satisfaction, productivity, loyalty and motivation. (James, 2005)

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