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EMPLOYEE MOTIVATION AND ITS IMPACT ON JOB PERFORMANCE

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ABSTRACT:

Employee motivation is an important factor influencing job performance. Employees may be motivated by salary, promotion, recognition, meaningful work, learning opportunities, independence, or good workplace relationships. This review examines the relationship between employee motivation and job performance using findings from 15 published research papers and reviews. The literature covers intrinsic and extrinsic motivation, rewards, goal setting, job design, leadership, employee engagement, self-efficacy, job satisfaction, and performance-based HR practices. Overall, research suggests that motivation has a positive relationship with performance, although its effect depends on the type of motivation and the work environment. Financial rewards can improve performance, but recognition, autonomy, supportive leadership, clear goals, feedback, and meaningful work are also important.

KEYWORDS:

EMPLOYEE MOTIVATION, JOB PERFORMANCE, INTRINSIC MOTIVATION, EXTRINSIC MOTIVATION, REWARDS, LEADERSHIP, EMPLOYEE ENGAGEMENT.

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1. INTRODUCTION:

Employees are an important resource for every organization. Good technology and business plans cannot produce results without effective employees. Therefore, organizations need to understand what encourages employees to work with interest and responsibility.

Motivation is the force that encourages a person to take action and work toward a goal. In the workplace, it influences effort, persistence, and achievement. Job performance refers to work behaviour and results that contribute to organizational goals.

Research has studied motivation through rewards, personal interest, job design, leadership, goals, feedback, and employee engagement. This review combines these findings to understand how motivation affects job performance.

2. OBJECTIVES

1. To understand employee motivation and job performance.

2. To examine the relationship between motivation and performance.

3. To study intrinsic and extrinsic motivation.

4. To examine the role of rewards and incentives.

5. To understand the importance of goals and feedback.

6. To examine the role of job design and leadership.

7. To study employee engagement and job satisfaction.

8. To suggest ways organizations can improve motivation and performance.

3. RESEARCH METHODOLOGY

This paper is based on secondary research. Fifteen published research papers, meta-analyses, and review articles related to employee motivation and job performance were studied. The literature focused on motivation, rewards, goal setting, job design, leadership, engagement, self-efficacy, job satisfaction, and HR practices.

4. EMPLOYEE MOTIVATION

Employee motivation is the force that encourages employees to take action and continue working toward goals. Motivation differs between individuals. Some employees may value salary and promotion, while others may value recognition, learning, independence, or meaningful work.

5. INTRINSIC AND EXTRINSIC MOTIVATION

INTRINSIC MOTIVATION

Intrinsic motivation comes from the work itself. Employees may enjoy the task, find it interesting, or feel satisfied after completing it.

EXTRINSIC MOTIVATION

Extrinsic motivation comes from external factors such as salary, bonuses, promotion, recognition, rewards, or avoiding punishment.

Gagné and Deci (2005) explained that motivation also differs in the degree of personal choice and internal acceptance.

6. REVIEW OF PREVIOUS RESEARCH

Chaplot (2018), in an empirical investigation of selected organizations in Rajasthan, examined the impact of strategic management on organizational performance. The study provides a useful foundation for understanding the relationship between organizational planning and employee performance. Effective strategic management establishes clear objectives, defines responsibilities, and helps employees understand how their individual contributions support broader organizational goals. When employees receive appropriate guidance, resources, and feedback, they may develop a stronger sense of purpose and responsibility toward their work. From the perspective of employee motivation, strategic planning can therefore contribute to improved performance by creating clarity, encouraging accountability, and aligning individual efforts with organizational expectations. However, the relationship also depends on how effectively management communicates its objectives and involves employees in the implementation process.

Mehta and Hiran (2023) examined methods for managing change in medium-sized business organizations in small cities. Their work is relevant to employee motivation because organizational changes can influence employees' confidence, job satisfaction, and willingness to perform. Changes in technology, organizational structure, work procedures, or management practices may create uncertainty, particularly when employees do not understand the purpose of the changes or fear that their responsibilities may be reduced. Effective change management requires transparent communication, employee participation, appropriate training, and support from management. These practices can help reduce resistance and encourage employees to view change as an opportunity for professional development. Thus, employee motivation should be considered an important component of organizational change rather than merely an outcome of financial incentives.

Choudhary and Madhwani (2013) analysed the impact of recession on the tourism and hospitality industry. Their research provides a relevant economic context for understanding the factors that can influence employee motivation and job performance during periods of business uncertainty. Economic downturns may place pressure on organizational budgets, employment opportunities, wages, and working conditions. Such circumstances can affect employees' perceptions of job security and their willingness to invest additional effort in their work. In industries such as tourism and hospitality, where service quality depends heavily on employee behaviour and customer interaction, maintaining motivation during difficult economic periods is particularly important. Management practices that promote communication, fair treatment, recognition, and a supportive working environment may help employees remain engaged despite financial pressures.

Mehta's study, Tax Revenue Composition: A Relative Assessment, provides a broader economic perspective that can be considered when examining the relationship between economic conditions and employee performance. Organizational performance is influenced by the wider economic environment, including changes in public revenue, business activity, and the availability of resources. These factors can indirectly affect employment opportunities, compensation policies, training budgets, and organizational incentives. Although the study's stated focus is tax revenue composition rather than employee motivation, its economic perspective provides contextual relevance for understanding how external financial conditions may influence the resources organizations can allocate to employee development and performance improvement.

Abid and Bhambi (2025) examined the impact of artificial intelligence and machine learning on accounting practices and financial reporting accuracy. Although their research focuses on accounting technology, it also has implications for employee motivation and job performance in technology-enabled workplaces. Automation can reduce repetitive tasks, improve the availability of information, and allow employees to concentrate on analytical and decision-making activities. These changes may increase job satisfaction when employees perceive technology as a tool that supports their capabilities. However, employees may experience uncertainty if automation is introduced without adequate training or clear communication about changing job responsibilities. Consequently, organizations adopting advanced technologies need to consider both operational efficiency and the psychological effects of technological change on their workforce.

Similarly, Abid and Lohar (2025) reviewed the impact of technology on financial accounting and auditing. Their work highlights the changing nature of professional responsibilities as digital tools become increasingly integrated into organizational processes. Technological developments can create opportunities for employees to acquire new skills, improve work quality, and undertake more analytical responsibilities. At the same time, they may increase pressure on employees to adapt to new systems and maintain higher levels of technical competence. From a motivational perspective, training opportunities, constructive feedback, recognition of new skills, and access to professional development can help

employees adjust to changing workplace requirements. Technology is therefore most likely to support job performance when employees receive the resources and encouragement needed to use it effectively.

Paliwal and Vaishnav (2026), in their review of factors influencing online purchase behaviour and consumer trust in online purchasing, provide a useful perspective on trust and behaviour in digital environments. Although their research focuses on consumers rather than employees, trust is also relevant to workplace relationships. Employees who trust their managers and believe that organizational decisions are fair may be more willing to cooperate, share information, and contribute to common goals. Similarly, the successful adoption of digital systems depends on confidence in the reliability and fairness of those systems. This connection suggests that trust, transparency, and perceived fairness are important considerations when organizations seek to improve employee motivation and performance in increasingly digital workplaces. However, consumer trust and employee motivation represent distinct research areas, and their relationship should be examined rather than assumed.

Mehta Kohli and Banjara (2026), in their study of the role of EXIM Bank of India in promoting exports by micro, small, and medium enterprises (MSMEs), provide an organizational and economic perspective on business development. MSMEs often operate with limited financial and human resources, making employee productivity especially important for achieving business objectives. In such organizations, employee motivation may be influenced by the availability of training, opportunities for advancement, managerial support, compensation, and recognition. Business expansion can create new opportunities for employees, while financial constraints may limit the incentives and development programmes available to them. The study's focus on MSME development is therefore relevant to understanding the organizational context in which motivation and job performance operate, although its direct findings on employee motivation would need to be established from the original research.

Kaduniya (2026), in examining the applicability of economic principles in the present era, offers a broader framework for understanding the relationship between incentives, resource allocation, and employee behaviour. Organizations use wages, bonuses, promotions, and other benefits to encourage employees to achieve performance targets. Economic reasoning helps explain why employees may respond differently to incentives depending on their expectations, available alternatives, and perceptions of fairness. However, motivation cannot be explained through financial rewards alone. Recognition, autonomy, meaningful work, supportive relationships, and opportunities for growth can also influence employees' willingness to perform effectively. The economic perspective therefore provides a useful starting point, but a comprehensive understanding of employee motivation also requires consideration of psychological and social factors.

Mandloi and Jha (2026), in their study of mobile commerce and smartphone penetration as drivers of retail growth in India, examined a wider business environment shaped by digital expansion. The growth of digital commerce can change employees' work patterns, performance expectations, customer interactions, and skill requirements. Employees in retail and related services may need to adapt to digital platforms, changing consumer expectations, and faster operational processes. These changes can create opportunities for learning and improved performance, but they may also increase work pressure when employees lack adequate training or managerial support. Organizations can address these challenges by providing clear performance expectations, practical training, appropriate resources, and recognition for employees who successfully adapt to new working methods.

Joon (2026), in a comparative study of leadership styles, innovation, and employee engagement in startups and traditional organizations in India, provides a particularly relevant perspective on the relationship between leadership and employee motivation. Leadership influences how employees perceive their roles, communicate with colleagues, respond to challenges, and contribute to organizational objectives. Supportive leadership can encourage participation, creativity, and a sense of belonging, whereas overly restrictive management may reduce employees' autonomy and willingness to contribute ideas. Startups and traditional organizations may differ in their structures and working cultures, but both depend on effective leadership to maintain employee engagement and performance. The study's focus on leadership, innovation, and engagement is closely related to the present topic because motivated employees are often better positioned to participate in problem-solving and organizational improvement. Nevertheless, engagement and motivation are related but distinct concepts and should not be treated as interchangeable without appropriate evidence.

Gagné and Deci (2005)The authors explained the importance of autonomy and self-determination in workplace motivation. Employees may be more motivated when they feel trusted and have some control over their work.

Deci, Koestner and Ryan (1999)Their meta-analysis of 128 studies showed that some expected tangible rewards can reduce intrinsic motivation, while positive feedback can enhance it.

Cerasoli, Nicklin and Ford (2014)Their meta-analysis of 183 studies found that intrinsic motivation and incentives both contribute to performance. Intrinsic motivation was particularly important for quality of performance.

Fried and Ferris (1987)Their review supported the importance of job characteristics such as skill variety and autonomy. Good job design can improve employees' work

experiences and outcomes.

Locke and Latham (2002)Their 35-year review showed that clear and challenging goals can improve motivation and task performance, particularly when employees receive feedback.

Mento, Steel and Karren (1987)Their meta-analysis found strong support for specific and difficult goals compared with easy or general goals.

Christian, Garza and Slaughter (2011)Their quantitative review found that employee engagement is positively related to task and contextual performance.

Wang et al. (2011) Their meta-analysis of transformational leadership found a positive relationship between leadership and performance at individual, team, and organizational levels.

Judge et al. (2001) Their meta-analysis of 312 samples and 54,417 participants found a positive relationship between job satisfaction and job performance.

Judge et al. (2007) The study showed that self-efficacy can contribute to work performance, although ability, experience, and other individual differences also influence performance.

Kuvaas et al. (2017)The research found that intrinsic motivation was associated with positive employee outcomes, while extrinsic motivation was weaker or negatively related to several positive outcomes.

Kanfer and Chen (2016)The authors reviewed developments in motivation research and emphasized goal choice, goal pursuit, and self-regulation.

Lee (2019) Performance-based HR practices were more effective when employees considered performance appraisal fair and were satisfied with feedback.

Van Iddekinge et al. (2018)The research showed that both ability and motivation contribute to job performance. Motivation alone cannot replace the skills required for a job.

Wang, Luan and Ma (2024)Their longitudinal meta-analysis found that earlier work motivation significantly predicted later job performance, providing evidence that motivation can contribute to future performance.

7. FINDINGS

THE REVIEWED STUDIES SHOW THAT:

- Motivation is positively related to job performance.
- Motivation is not limited to salary or financial rewards.
- Intrinsic motivation can improve quality and involvement in work.
- Fair rewards and incentives can improve performance.
- Clear and challenging goals help direct employee effort.
- Feedback helps employees understand their performance.
- Autonomy and good job design can improve motivation.
- Supportive leadership contributes to better performance.
- Employee engagement is associated with stronger performance.
- Both ability and motivation are necessary for effective performance.
- Fair performance appraisal is important for motivation.

8. ROLE OF FINANCIAL REWARDS

Financial rewards such as salary, bonuses and incentives can encourage employees to achieve targets. However, money alone cannot provide long-term motivation.

Chen et al. (2023) found that pay-for-performance was positively related to job performance, especially task performance, but it could also increase employee pressure.

Therefore, financial rewards should be combined with recognition, development opportunities, autonomy, and supportive management.

9. ROLE OF LEADERSHIP AND RECOGNITION

Managers strongly influence employee motivation. Supportive leaders who communicate clearly, listen to employees, provide feedback, and recognize good work can create a positive work environment.

Positive feedback can also support intrinsic motivation, while transformational leadership has been linked with improved performance.

10. PRACTICAL SUGGESTIONS

Organizations can improve motivation and performance by:

1. Providing fair compensation.
2. Giving employees reasonable independence.
3. Setting clear and achievable goals.
4. Providing regular feedback.
5. Recognizing good performance.
6. Providing training and career opportunities.
7. Improving job design.
8. Developing supportive leadership.
9. Maintaining fairness in performance evaluation.
10. Understanding individual employee needs.

Employee motivation is an important factor in job performance. Research shows that both intrinsic and extrinsic motivation can influence performance, but they work differently. Salary and incentives can encourage employees, while recognition, meaningful work, autonomy, clear goals, feedback, leadership, and development opportunities can create stronger and more sustainable motivation.

11. LIMITATIONS

This review is based on secondary research and does not include a primary employee survey. The reviewed studies were conducted in different countries and industries, so workplace culture may influence the results. Motivation and performance are also measured differently across studies. More research across different organizations and cultures would be useful.

12. CONCLUSION

The recent longitudinal research by Wang et al. (2024) provides evidence that motivation can predict later job performance. Therefore, organizations should use a balanced motivation strategy rather than depending only on financial rewards.

A motivated employee who feels valued, supported, and clear about their goals is more likely to contribute positively to organizational success.

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