

# AN EVALUATION OF PERFORMANCE INDICATORS OF EMPLOYEE MOTIVATION OF THE DISSERTATION WORK IN A MODERN ORGANIZATION

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## **Abstract**

*The development of an employee-driven system and its implementation within an organization is not a decision. If this problem is not addressed properly, an effective incentive system will allow 100% use of existing human resources and reduce revenue. Assessing the performance of the driven system will help select its optimal parameters and make it more optimal. The strategic task facing any company, regardless of the form of its ownership, is to increase the productivity of employees and get the most out of them. For a business entity, it means an increase in profit, for non-business - an increase in the efficiency of its operations, and a quick achievement of the goals set for it. In this paper a smart monitoring method was proposed. This was increased in labor productivity is directly related to the employees' interest in the work and its results, as well as their greater motivation for productive work. The employee motivation system is based on the use of material and non-material incentives. With the exception of low-skilled and low-productivity workers, the use of a single type of incentive has long been recognized as ineffective for a wide variety of activities.*

## **Keywords:**

*Employee-Driven System, Organization, Incentive System, Human Resources, Human Resources, Optimal Parameters, Productivity*

## **1. INTRODUCTION**

There are no concomitant recommendations on how and at what rate to use those opportunities for employees providing incentive and non-material incentives [1]. For each company, the determining ratios are selected individually between them and other motivating factors, taking into account both the specifics and characteristics of the optimal ratio product. Of course, non-material motivation from the first attempt to find the optimal ratio that determines the desired balance between object and material is impossible [2]. This reserve study and employee motivation system is empirically determined as a result of periodic evaluation of its effectiveness. This is institutional development [3]. There are many sophisticated methods that allow you to analyze and evaluate the performance of an employee motivation system that requires a large amount of initial data, with a high degree of accuracy in an organization [4]. The motivation system in a company is in its infancy and using them makes special sense [5]. To monitor the situation and quickly adjust the existing motivation system you can use a sufficient number of simple methods, which will allow you to get a clear picture of its effectiveness in practice. It is good to use complex evaluation methods to bring the effective system of employee motivation in the company to a truly excellent level [6].

Every company needs labor resources to carry out production activities. The cost of labor includes cash rewards, bonuses and other cash rewards, including the value of the allowances, expenses incurred by companies, social security, professional education, culture and living conditions, and other expenses (work clothes, transportation) taxed on the payroll (personal

income tax, ECH) [7]. Labor costs will increase due to the attraction of more qualified new employees, additional costs for retraining employees, and the entertainment system. The resource approach to the employee is reflected in the concept of human capital. Accordingly, investments in human capital are any activity that enhances the skills and abilities of workers or their productivity [8]. These costs and equipment costs can be seen as an investment, as their costs will be multiplied many times over by the increased income flow in the future. The theory of human capital has become widespread in developed countries [9]. The application of the resource approach at the organizational level faces a number of algorithmic problems, primarily related to the characteristics of the employees. Consumption of resources in the production process is a running cost [10]. Labor power consumption is labor that is expressed in terms of time spent (human hours, human days), and the costs of living labor are combined because they have a monetary expression in the form of wages. Obtain material costs and total production and sales cost (cost) of products [11].

Therefore, labor costs do not appear to be a part of advanced costs (resources), which are clearly expressed in terms of quantity, but the actual costs of the company for wages in the current period (including related taxation) [12]. The competitiveness of a company largely depends on the employees who work in it. The motivation for high level work of well trained and educated staff is as great wealth as the latest equipment or sophisticated technology. Under the conditions of the planned economy, most of the costs for the education and training of skilled workers were borne by the government, which determined the lack of interest of a company in investing in labor. Therefore, no accounting and analysis of company costs related to labor maintenance has been carried out. The wage system was strictly regulated by the government through pay rates, employee qualifications, conditions and differences in pay depending on the intensity of the work. Therefore, the task of improving the wage system also did not lead to an analysis of the costs and expenses associated with the maintenance of workers. The Personnel management in the operating organization determines the market conditions, and consequently the management of the material basis of labor motivation - the need to specify employee incentives, labor cost, accounting and analysis of all costs associated with its operation [13].

## **2. LITERATURE REVIEW**

Performance characterizes not only the efficiency of the process but also its economy, i.e. achieving a specific result at low cost. When evaluating an employee management system, indicators can be applied not only to labor productivity but also to system performance [1]. The personnel management system is designed to influence the labor efficiency of the organization to change its parameters in the desired direction. There are various

ways to solve this problem, but the right choice offers the lowest cost, i.e. saves money [2]. The effect of management can be assessed by measuring the proximity of the actual level of planned labor force. It is not possible to express the ultimate goal management with an indicator, so their structure is used, which reflects various aspects of the workforce (number of employees, professional qualifications, education, motivation, workforce, health status) [3].

The performance of the management process is determined by the evaluation of the progress of the management system and the condition of the technical equipment. Management work, qualifications of workers, etc. [5]. Factors that increase the efficiency of the management process do not affect the results of the company's economic activities. Each of the considered approaches to evaluating economic performance has its own positive aspects and difficulties in implementation. However, the most acceptable in practical terms seems to be the evaluation of certain parts of the incentive policy, which helps to identify the costs of implementing them and to determine the performance indicators of the current employee policy with sufficient accuracy [7]. However, different types of organizations (state, business, etc.) have different levels of freedom in choosing methods of implementing socio-psychological and motivational policies and the possibility of implementing alternative options [8].

To evaluate the effectiveness of the incentive policy used in employee management, a quantity and quality assessment is used to select the most appropriate for the working conditions of a particular organization through the proposed methods [10]. If low performance is found from the activities undertaken, approaches to implementing the motivational policy should be changed based on the needs and expectations of the employees in line with the goals and objectives of the organization [11]. At the same time, it is wrong to fully trust the calculated indicators; A contextual approach is needed to determine the effectiveness of current employee policy based on the issues within the organization [14].

### 3. PROPOSED MODEL

The proposed model performs the fastest and most affordable way to understand how satisfied a company's employees are with their work. Since the task of personnel managers is to obtain an overall picture of each unit that differs in its specifications production activities, personnel and working conditions, such a questionnaire can be anonymized. But employees must indicate the name of the configuration unit in it. The questionnaire should include the work environment and its content, each of which is a definite or intangible factor. For the convenience of calculations, you can use a five-point or ten-point system by which each factor is evaluated. Since one or another factor may have more or less an influence on the overall rating of the motivation system, it is best to use a weighted coefficient for each of them, while the sum of the coefficients should be equal to one. For example, wages such as a factor would be weighty than a comfortable room temperature or free work schedule. The weight importance of each of the motivating factors considered should be determined during expert discussion - heads of organizational and personnel services, heads of workshops and other structural divisions.

The selection of factors that assess the effectiveness of the employee motivation system should also be done by experts. For

example, in a questionnaire, employees can assess their satisfaction with material factors such as pay; Fair distribution of premiums and bonuses; Need free food and travel expenses, visits to fitness centers, medical service. They can also evaluate those involved in the company motivational system:

- The quality of the work and its conditions;
- Psychological climate in a nest;
- Opportunity for further education and self-improvement;
- Opportunity for career development;
- Job satisfaction;
- Objective abstractions of distribution;
- Work compatibility with personal life;
- Loyalty of the management of the company to ordinary employees.

Analysis of the employee motivation system can determine which motivating factors are causing employee dissatisfaction, which of them can be changed, and which are not. Measures to improve the motivation system should be taken as in Fig.1.

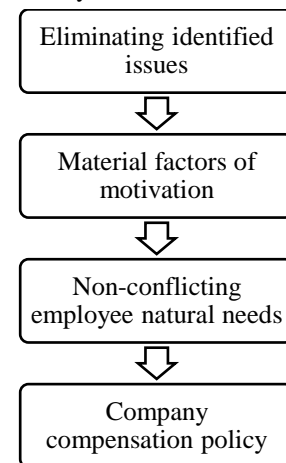


Fig.1. Motivation System

- Eliminating identified issues;
- The optimal combination of organizational, managerial and material factors of motivation;
- Satisfaction and motivation of non-conflicting employee natural needs Strategic goals Organizations: Adjusting and creating a new social set, improving working conditions;
- Using the principles of the company's compensation policy and taking into account the economic feasibility.

The goal is to establish an improvement in the motivation system. The different methods of managing employees and their motivation should focus on the performance of the desired object financing and achieving organizational goals. This is absolutely essential for a company operating in a market economy. This result is the source of the effect, which can take different form and be evaluated by different indicators. The control effect can be expressed in the following form in Fig.2:

- An increase in production due to the development of labor productivity and the improvement of its quality;
- Job satisfaction (motivation effect), worker-related when taking into account social aspects of work with employees;

The effect is manifested in an increase in labor productivity, minimizing damage from employee income due to group stabilization;

- Related cost savings due to the reduction of training periods due to the selection of professionally trained workers (the effect is expressed in the savings in funds required to achieve a specific workforce).

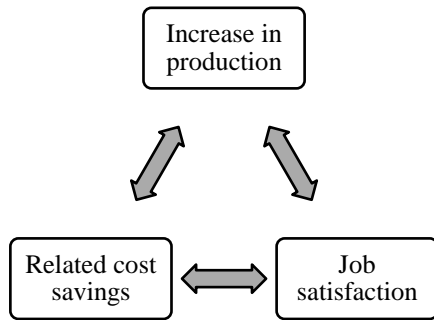


Fig.2. Control Effect

There may also be an intermediate result - advanced training of staff (ranking, type, class, etc.). The end result is an increase in the quantity of goods produced or the revenue from sales of the best quality goods. In evaluating the economic performance of employee motivation, it is necessary to specify and determine what is accurately estimated when comparing costs and results shown in Fig.3.

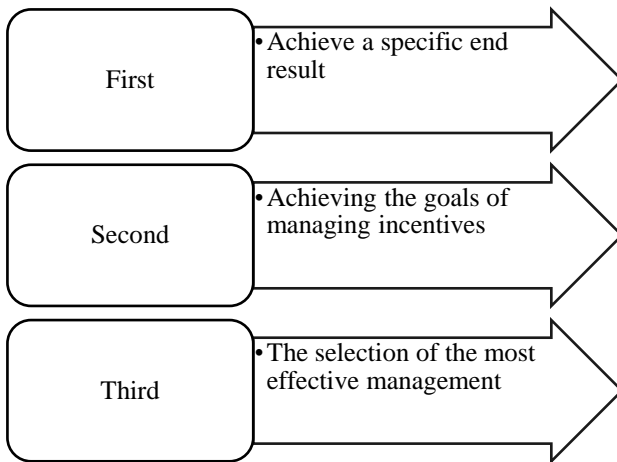


Fig.3. Economic performance of employee motivation

- The first is to achieve a specific end result with the help of a specially selected, trained and motivated company created as a result of the selected process.
- Second, achieving the goals of managing incentives with minimal financial outlay.
- Third, the selection of the most effective management methods to ensure the effectiveness of the management process.

Therefore, when developing methods for managing employee motivation, great attention should be paid to evaluating the performance of management, which is of great practical importance. Economic performance is about getting more results at the same cost or reducing costs when getting the same result. Therefore, when talking about the problem of performance of

employee management, it is necessary to find out what the costs are and what the economic impact is. In addition to labor costs, economic efficiency is used as an indicator of the effect of this process when estimating. The development of the workforce skills of the overall organizational team and individual as a result of the adoption enables management to derive additional results from the production activities.

## 4. RESULTS AND DISCUSSION

The proposed Employee Motivation model (EMM) was compared with the existing Employee Engagement and Turnover utilizing model (EETUM), OCB and Turnover Intention Model (OCBM), Effective Ways and Key Issues Model (EWKIM) and Levering Employee Engagement Model (LEEM)

### 4.1 ECONOMIC EFFICIENCY

The overall economic impact can be seen as the result of all economic activity companies. The economic effect is the quantity of goods produced in terms of body or value. In addition, the volume is taken into account the products sold profit. The Products should be disclosed at current prices because it allows you to compare results with costs.

Table 1: Economic Efficiency

Employees	EETUM	OCBM	EWKIM	LEEM	EMM
100	45.25	51.62	64.86	58.83	90.84
200	45.58	53.12	65.45	60.70	91.85
300	45.91	54.62	66.04	62.57	92.86
400	46.24	56.12	66.63	64.44	93.87
500	46.57	57.62	67.22	66.31	94.88
600	46.90	59.12	67.81	68.18	95.89
700	47.23	60.62	68.40	70.05	96.90

The Performance improvement can be achieved by reducing the cost of obtaining the same production result or by reducing the cost increase rate relative to the resulting increase rate. Often, the labor cost efficiency indicator is used to estimate the final output (production) efficiency.

### 4.2 INCENTIVE MANAGEMENT AT MINIMAL COST

The effectiveness of motivational management can be identified and analyzed in specific areas of this process - such as the effectiveness of employee policy, training and retraining of staff, improved training, and reduction of employee adaptation time.

Table.2. Incentive management

Employees	EETUM	OCBM	EWKIM	LEEM	EMM
100	46.92	54.23	66.43	61.53	92.01
200	48.06	54.61	67.64	62.44	92.97
300	49.20	54.99	68.85	63.35	93.93
400	50.34	55.37	70.06	64.26	94.89

500	51.48	55.75	71.27	65.17	95.85
600	52.62	56.13	72.48	66.08	96.81
700	53.76	56.51	73.69	66.99	97.77

The source of the effect, however, is the saving of funds to achieve the set goals, however, the main task of the current policy is to achieve such labor potential, which will have a specific economic and social effect. Maximum savings in labor costs because cheap labor strength is not always ideal, especially for high quality products. Therefore, cost should be minimized as a performance criterion in relation to achieving specific quantity and quality parameters of labor energy.

### 4.3 SELECTION OF MANAGEMENT METHODS

A general view of computer economics can be expressed in terms of the unit cost of its operation. Management performance can be characterized by rational evaluation of the organizational architect service. In this case, indirect criteria are used - the costs of maintaining the management structure and their share in the total cost of the company in the production of products.

Table.3. Management Methods

Employees	EETUM	OCBM	EWKIM	LEEM	EMM
100	49.11	55.62	68.78	63.36	92.54
200	49.82	56.55	69.89	64.69	93.74
300	51.12	57.55	70.59	65.56	93.89
400	52.03	58.50	71.56	66.74	94.74
500	53.03	59.47	72.47	67.84	95.42
600	54.04	60.43	73.37	68.94	96.09
700	55.04	61.40	74.28	70.04	96.77

The performance of the organizational structure of the employee management service largely depends on the dynamics of the structure, how quickly the employee responds to changes and problems in the tasks facing them, and how they adapt to business conditions in the market economy.

### 4.4 EMPLOYEE MANAGEMENT

It is important to clearly define the responsibilities between company managers and operational leaders for staff management. Each affiliation must perform its organizational functions. The author believes that such a framework should be adopted as large companies have a way of maintaining a comprehensive employee management framework. In small private companies, the key role in ensuring effective motivation is assigned to staff managers who implement motivational policies and managers who directly fund decision-making and motivation projects. These managers take various courses in personnel management and psychology training to continuously improve their skills

Table.4. Employee Management

Employees	EETUM	OCBM	EWKIM	LEEM	EMM
100	42.95	49.32	68.26	61.57	89.93
200	43.28	50.82	68.85	63.44	90.97
300	43.61	52.32	69.44	65.31	92.01

400	43.94	53.82	70.03	67.18	93.05
500	44.27	55.32	70.62	69.05	94.09
600	44.60	56.82	71.21	70.92	95.13
700	44.93	58.32	71.80	72.79	96.17

### 4.5 EMPLOYEE PROMOTION

The big role in managing the motivation of employees should be assigned to the representatives of the working class who will protect the interests of the workers and compromise between the positions of the employers. In government agencies, such representatives are union groups that act as a buffer between management and staff, establishing a normal socio-psychological environment within the group and meeting social and partial material needs.

Table.5. Employee Promotion

Employees	EETUM	OCBM	EWKIM	LEEM	EMM
100	44.62	51.93	69.83	64.27	91.10
200	45.76	52.31	71.04	65.18	92.06
300	46.90	52.69	72.25	66.09	93.02
400	48.04	53.07	73.46	67.00	93.98
500	49.18	53.45	74.67	67.91	94.94
600	50.32	53.83	75.88	68.82	95.90
700	51.46	54.21	77.09	69.73	96.86

### 4.6 EVALUATING LABOR PERFORMANCE

Under the conditions of a better model that any company wants, each employee proves the maximum productivity, which is why the overall company achieves maximum productivity and profitability. The sum of the indicators of the individual performance of the work of the employees is generally included in the indicator of the social impact of the company.

Table.6. Labor Performance

Employees	EETUM	OCBM	EWKIM	LEEM	EMM
100	46.81	53.32	72.18	66.10	91.63
200	47.52	54.25	73.29	67.43	92.87
300	48.82	55.25	73.99	68.30	92.98
400	49.73	56.20	74.96	69.48	93.84
500	50.73	57.17	75.87	70.58	94.52
600	51.74	58.13	76.77	71.68	95.19
700	52.74	59.10	77.68	72.78	95.87

Comparing the current situation with the ideal is within the scope of the manager's activities and serves the purpose of identifying and implementing mechanisms to improve the performance of each employee. It should be taken into account that due to the social nature of human nature, a decrease in the labor and productivity of one of the employees will result in a corresponding decrease in the efforts and productivity of the persons associated with him.

## 5. CONCLUSION

The overall final result can be calculated as the common value of all results (increase in production volume, sales revenue, etc.); then the sum of the individual effects of the performance of specific activities carried out by the employee service (motivational activities). Each of these methods has its own advantages and disadvantages. In the case of the use of factors such as the increase in the volume of production and the change in the level of labor productivity as a general indicator of the performance of the organizing committee, their value is not limited to the individual factor. Employee Motivation model (EMM). The proposed model production is motivated by employee motivation, but also technical and technological and organizational factors. The results of the current year may have been more affected by the expenditure of previous years than the expenditure of the present period. Therefore, it is difficult to undoubtedly assess the impact of employee management on the economic impact of the company.

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