*Corresponding author. E-mail: rajinighanth@gmail.com

A CRITICAL REVIEW ON THE ROLE OF EMPLOYEE MOTIVATION ON ORGANIZATIONAL QUALITY IMPROVEMENTS EFFORTS

*R.M. Karthigeyan[1], G.C.B. Tennakoon[2]

[1]Gasing Indah, Kuala Lumpur, Malaysia; [2]Udumulla Road, Battaramulla, Sri Lanka.

ABSTRACT

The last century saw the emergence of a new approach by the business world which is to adapt to the continuously changing needs of this ever competitive environment – the focus on the human resource or simply the employees. It is obvious that the quality of the employee determines the very future direction of any institution, be it a profit-making organization or a non-commercial organization. Hence, it is vital for organizations to address the needs of the employees in order to sustain their competitive edge and to outperform their competitors. This paper is an overview of ways of increasing an employee's motivation to strive for quality improvement culled from existing literature.

1.0 Introduction

The intensity of business rivalry and the turbulent changes facing today's organizations, coupled with the emergence of the more matured, better informed and more discriminating customers, have pushed the boundaries of organizations to compete at the highest level – with the primary focus on the quality of their produced goods and services. Hence, the need for a quality management program is no longer an option, but has become an imperative – a crucial need for organizations in maintaining the competitive edge. Consequently, many have adopted the Total Quality Management (TQM) programs in facing this heightening situation.

Moreover, virtually every examination of the quality environment with which we are familiar emphasizes the importance of employees, from the top management (Choi and Behling, 1997; Solomon, 1996) to the non-management workforce (Bowen and Lawler, 1992; Dean and Evans, 1994) to successful implementation of any quality program. In other words, the principles of TQM presume full commitment from all levels of the management in both words and actions to a process, in which quality is an integral part of the production (Miller & Cangemi, 1998). Thus, the vitality of employee involvement arises as TQM is not a system but it is rather a "state of mind, both collectively and individually". When implemented effectively, TQM empowers all people in an organization to do their best to fully satisfy all customers' needs (Anjard, 1988). The assumption made is that employees need to be "turned on" to the challenges inherent in the quality environment, that fear must be driven out, and that employees are expected to participate and work toward the organizational benefit (Shearer, 1996).

However, a great deal of emerging literature has suggested that TQM represents anything but a panacea, and that many efforts to introduce quality programs have encountered problems. Among many others, one of the main reasons for such failures was that it over-emphasized the "hard" side of the quality and neglected the "soft" side of the people which depends on the broad-based employee involvement and commitment (Simon, 1996).

Rather than focusing solely on improving the production processes which include a range of process design and control tools like quality function development (QFD), just-in-time inventory (JIT) and statistical process controls, organizations should also give equal attention to the "soft" side while motivating employees at all levels towards quality endeavors by reinforcing employees' commitment to quality.

While the techniques of total quality improvements may be sophisticated to some, the overall concepts are quite simple. Quality is determined by customer – be it internal (next operation) or external (end-item user) (Anjard, 1988). The internal customers contribute towards the external customers' satisfaction through the quality chain and all people in organization need to be motivated to achieve its common goal – the customers' satisfaction. Organizations should realize that the main source to their quality management fully depends on their internal customers. Therefore, organizations need to realize that a good way to move towards quality excellence is through a concerted effort to improve not only the quality of the products or services but also the quality of the work life of their employees whose jobs may become more demanding because of TQM and who must be equipped to handle the work through proper training (Simon, 1996). Put it in another way, to achieve quality excellence, the motivation should come from within the organization. Without the right motivation, dissatisfaction against the in-plant procedural system may likely cause both the employer and employees to avoid quality efforts (Lo, 2002). This is empirically proven where employee motivation and vision have a significant positive effect on the perceived service quality (Hays and Hill, 1999).

However, unfortunately, motivating employees towards achieving quality excellence is often made complicated by the inability of the organizations to fully understand the various level and factors that motivate employees. According to the Self-Determination Theory (SDT) (Deci and Ryan, 1985), the distinction between different types of motivation was based on the different reasons or goals that give rise to an action. The most basic distinction is between intrinsic motivation, which refers to doing something because it is inherently interesting or enjoyable, and extrinsic motivation, which refers to doing something because it leads to a separable outcome (Ryan and Deci, 2000). A further elaboration would be that extrinsically motivated behaviors are actions that result in the attainment of externally administered rewards, including pay, material possessions, prestige, and positive evaluations. In contrast to extrinsic motivation, intrinsic motivation is said to exist when behavior is performed for its own sake rather than to obtain material or social reinforces (Reinholt, 2006). Through the identification and change of environmental contingencies, including extrinsic reinforcements, motivation increases have been realized in work behaviors including attendance, punctuality, stock work, selling, cost reduction, work quality, productivity, sales calls, and customer service (Komaki, 1982).

Whereas intrinsic motivation is often associated with the involvement in complex tasks, extrinsic motivation is claimed to be important in relation to unattractive and simple tasks (Osterloh and Frey, 2000; Gagné and Deci, 2005). Hence, both types of motivation are indeed required in organizations and such motivating efforts should be shown at every aspect or principles involving the "soft" side of TQM. The investigation of the "soft" side of TQM resulted in the identification of nine (9) key principles most commonly found in quality management literature – (1) Total Employee Involvement, (2) Continuous

Improvement, (3) Continuous Training, (4) Teamwork, (5) Empowerment, (6) Top-management Commitment and Support, (7) Democratic Management Style, (8) Customer/Citizen Satisfaction and (9) Culture Change (Alexandros, 2007). Similarly, many researchers have suggested internal work motivation, job/career satisfaction, job involvement, organizational commitment (Boon *et. al.*, 2005) and feedback (Paswan *et. al.*, 2005) as the mechanisms which encourage employees to engage in efforts towards organizational quality improvements.

Hence, understanding the essentiality of employee motivation for instilling a quality-conscious culture, this paper provides an overview culled from prior management literature regarding ways of increasing employee motivation for organizational quality improvements efforts. However, the discussion in this paper is mainly focused on four (4) key factors— *(1) management commitment, (2) employee empowerment, (3) rewards,* and *(4) feedback*—that stood out as the key elements in motivating employees.

2.0 Management Commitment
As per Argyris (1998, p.99):
Commitment is about generating human energy and activating the human mind. Without it, the implementation of any new initiative or idea would be seriously compromised.

Commitment from top management is like a framework for cultivating a quality conscious culture. Top management decides the policies to establish the level of training and communication required. Without a solid framework, it is almost impossible to motivate employees to take effective steps for quality improvement. It is necessary that the management provide commitment to quality improvement efforts by adopting formal policies that delivers its purpose clearly. Because, in the absence of a clear purpose/s, employees often become deficient in their enthusiasm to take on new responsibilities or get involved (Ramus, 2001).

On adoption of a formal quality management program, senior administrators must address issues of organizational culture primarily due to the TQM program being more than simply another operations-improvement program. It must be ingrained in a company's culture at all levels (Mohrman *et. al.*, 1996; Partlow, 1996). Organizational culture is composed of a set of assumptions and values that guide individuals' daily work behaviors (Wilms *et. al.*, 1994). Several researchers have noted that one of the reasons for the failure of an organizational change effort is that the management ignored the strength of cultures (Harris and Ogbonna, 1998). It is important to consider organizational culture, because companies with rigid, top-heavy, and bureaucratic structures have a more difficult time implementing changes than a company that has a flexible and lean organizational structure. Thus, motivation for quality improvement efforts may be supported or undermined by the organizational culture.

Hence, management commitment must include a culture that encourages innovation and risk-taking. Values, norms, attitudes, and behaviors that promote quality improvement efforts have to be supported. According to Wilms *et. al.* (1994, p. 108):

People will follow management's direction. Whatever management does, and in what direction they push, and how hard they push dictates where this company eventually goes.

Top management within a quality-conscious organization should strive for a strong culture that allows its employees the freedom to make quality improvements. Employees should be allowed inputs for enhancement and time for experimentation. Therefore, management can demonstrate its commitment to quality endeavors by an adoption of a participative culture, in which employees are involved in problem solving, decision-making etc (Rao *et. al.*, 1996 as cited in Chiu, 1999). In addition to setting a participative culture, management communication of goals and priorities will be essential in motivating employees for action. In the same fashion, successful quality improvement mandates employees receive thorough training. Insufficient training may result in employees who are unable and unwilling to participate in quality improvement efforts. Through education and training, employees become more aware of the essentiality of quality and prevention of defects, increase adaptability to change, and change to a proactive attitude. Moreover, such increased awareness achieved through learning will enhance employee motivation to organizational quality efforts (Pool, 2000).

3.0 Employee Empowerment
Authors Leitch *et. al.* (1995, p. 72) described employee empowerment as:
 ". . . the importance of giving employees both the ability and the responsibility to take active steps to identify problems in the working environment that affect quality or customer service and to deal effectively with them."

According to Argyris (1998, p. 98), a CEO once said: "No vision, no strategy can be achieved without able and empowered employees". Moreover, empowered employees are not only preferable but also essential to implement the organization's goal to be fiscally sound and environmentally responsible. The introduction of a new program will yield optimal results when employees are treated as major stakeholders in an organization (Mohrman *et. al.*, 1996). Empowered employees are motivated and committed to participate and engage in good quality practices. The employees who are not empowered have less commitment for improvements than the empowered employees (Argyris, 1998). The management can encourage employee empowerment by changing the organizational structures that support empowerment (Leitch *et. al.*, 1995). One way that the management can encourage employee empowerment is by changing the form of the organization. The traditional top-down organization inhibits employee empowerment; instead, a flatter, horizontal organization should be in place to encourage employee empowerment.

Further, motivating employees for a greater participation in quality improvement efforts may also require the employment of teams (Chiu, 1999). The use of team-based environmental improvement (EI) programs has become a major trend. Such programs are particularly popular in manufacturing organizations, where manufacturing strategies, competitive pressures, and advanced technology require shop-floor employees to take more responsibility (Magjuka and Baldwin, 1991). As Magjuka and Baldwin (1991) found in their study, teams well designed for EI programs are perceived to be the main contributor for employee motivation and also to improving organizational performance. Thus, the use of teams in conjunction with extensive EI efforts may be conducive in motivating

employees to actively partake in proactive defective prevention efforts. Further as per Love *et. al.* (2004) to compete effectively, the organization should first focus on issues such as improving the way it manages projects, markets (specifically service quality) and increases employee autonomy through empowerment initiatives.

4.0 Rewards
A well-designed reward system can be helpful in promoting and motivating employees to perform good quality practices. According to Herzberg (1966), work rewards refer to the intrinsic and extrinsic benefits that workers receive from their jobs. Rewards can be a reinforcement to continuously motivate and increase commitment from workers to be responsible for quality. There have been studies which show that reward systems can motivate and reinforce employees to be quality-conscious (Partlow, 1996). However, reward systems and incentives need to reflect corporate commitment to the importance of quality performance. Rewards can be implemented in several forms such as financial rewards and recognition awards. Award and recognition programs, profit-sharing programs, increase in pay, benefits and incentives and suggestion programs are some of the systems that can be used to reward employees for good quality practices (Govindarajulu and Daily, 2004). Among many other rewards, monetary rewards may be one of the strongest motivators in inducing employees to participate in quality improvement efforts. Prior research suggested that monetary rewards significantly affected job satisfaction and work motivation (Lawler, 1973). On the other hand, research also suggests that employees are not likely to be motivated by money all the time. Some employees may be more motivated by recognition and praise than other factors. In a nationwide study, the employees admitted that they would do their best if their input was recognized (Jeffries, 1997). Research indicates that employees expect appreciation from supervisors, colleagues and even their families for their effort (Miller, 1991) and, often, praise beats monetary rewards (Kohn, 1993). However, regardless of the type of the rewards used, the benefits should fit the needs of the employees. In other words, managers should have an understanding of the factors that motivate each employee towards quality excellence and customize compensation packages to suit each employee (Barrier, 1996). As such, reward systems can be used systematically to motivate employees to perform desired behaviors so that both the company and its workers can benefit from the program.

5.0 Feedback and Review
In order to achieve a long-term success, most managerial programs need some form of review and feedback for continuous improvements. For instance, MacStravic (1990) indicated the importance of providing feedback to improve employee relations, employee satisfaction, and productivity in the health care sector. However, many quality improvement programs failed to stress the importance of feedback on quality issues. Researchers have suggested that feedback ensures employees know their responsibilities and communicates the link between their performance outcomes and rewards in quality endeavors. Furthermore, it has been shown that employees' value verbal feedback from supervisors as much as formal rewards (Ramus, 2001); informal verbal feedback in addition to formal written feedback may help motivate employees in quality improvement. Employees need continual feedback concerning their impact and effectiveness on quality improvement efforts. Without appropriate feedback and communication, employee efforts may come to a standstill.

6.0 Conclusion

It is a misnomer that quality improvement efforts can be achieved solely by improving the production processes which include a range of process designs and control tools like QFD, JIT and statistical process controls. Organizations should pay the equal or even more attention to the "soft" side while motivating employees at all levels working towards quality endeavors by reinforcing employee commitment to quality.

In reinforcing employee commitment to quality, organizations should ensure that they take crucial steps that are outlined throughout this paper, to ensure employee motivation. In other words, while top management should provide a framework by formalizing the necessary policies and communicating employee motivation in quality endeavors, managers and supervisors should also actively involve employees from all levels towards fulfilling quality improvement goals. Therefore, the importance of empowerment and continual feedback and review cannot be ignored. Also, it must be noted that these factors are dynamic in nature and the relationship between these major elements should be given careful thought and consideration if organizations were to achieve quality improvement efforts. Furthermore, organizations should understand that these factors do not stand alone; for instance, rewards alone will not lead to significant quality improvement, but rewards in conjunction with feedback, empowerment and clear communication can lead to quality enhancements.

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