



CHAPTER II. LITERATURE REVIEW

In this chapter the researcher presents literature on the important concepts related to this study, various theories of motivation were reviewed and arranged. This chapter is divided into 4 sections: an overview of Honduras, theories of motivation, motivation at work and important tools, and linking motivation to performance.

Overview of Honduras and the Drinking Industry

Honduras, officially the Republic of Honduras, is a Spanish-speaking country colonized by the Spaniards, and achieved her independence in 1821. Honduras is located in Central America, bordered to the northwest by Guatemala, to the southwest by El Salvador, to the southeast by Nicaragua, to the south by the Pacific Ocean, to the north by the Gulf of Honduras and the Caribbean Sea, with Belize (formerly British Honduras) situated 50 miles (75 km) away, across the Gulf of Honduras, with a total land area of 112,090 square kilometers, and with an estimated population of 7,205,000 at July 2005 (Wikipedia, 2006).

Honduras is one of the poorest countries in the Americas, with GDP per capita at US\$2050 per year (1999). The economy has continued to grow slowly but the distribution of wealth remains very polarized with average wages remaining very low. Economic growth is roughly 5% a year, but many people remain below the poverty line. It is estimated that there are more than 1.2 million people who are unemployed. The rate of unemployment is 28%. The World Bank and the International Monetary Fund classified Honduras as one of the Heavily Indebted Poor Countries eligible for debt relief, and this debt relief was given in 2005 (Wikipedia, 2006). Historically Honduras dependent on exports of coffee and bananas, the economy has diversified over the past 20 years with the development of non-traditional exports such as cultivated shrimp, melons, and tourism, and the establishment of a growing maquiladora industry. Honduras also has extensive forest, marine, and mineral resources, although widespread slash-and-burn agricultural methods and illegal logging continue to destroy Honduran forests. The 2005 exchange rate was 18.92 Honduran Lempira to the US dollar, a slight devaluation from the 2004 rate of 18.21. Inflation, as measured by the consumer price index, was estimated

at 9.2% in 2005. International reserves, which were \$1.16 billion at end of 2003, rebounded to an estimated \$2.23 billion in 2005 (U.S. Department of State, 2006).

In Honduras the drink industry is located into the whole area of manufactory industry, in the period January – March 2006 the manufactory activate grew in 2.8%, contrary to the decrease observed at 2005 of 0.5%. The sub-sector that reflected the production growth have been: metal basic industry 42.8%, not metallic minerals 22.1%, paper products 9.0%, metallic products 8.1%, other industry 3.4%, wood products 2.6%, food, drink and tobacco 1.5%, and products of dressing and to wear 1.3%. In contrast, itself a decrease registration in the manufactory of substances and chemical products of 9.3% (Banco Central de Honduras, 2006).

The behavior in the industrial activities of the food, drinks and tobacco is explain by the growth of the tobacco production 18.4%, firewater and composed liquor 16.4%, concentrated animal food 14.2%, beef meat 13.8%, milk 3.1%, flour products 1.8%. By other hand the decreased the beer production 9.9%, seafood 9.1%, soda drinks 6.0%, oil and fat 5.2%, and sugar 2.3% (Banco Central de Honduras, 2006).

Table 2.1 Table of the monthly index of economic Honduras activity, January – March 2005 and 2006

Productive Sector	2005	2006	Relative Variance	
			2005/2004	2006/2005
Manufactory Industry				
Food, drinks and tobacco	266.8	270.8	-1.1	1.5
Textile, products of dressing and to wear	769.7	779.9	8.0	1.3
Wood products	101.7	104.3	1.2	2.6
Paper products	113.4	123.6	-11.0	9.0
Substances and chemical products	224.6	203.8	-2.3	-9.3
Not metallic mineral	309.1	377.3	-2.2	22.1
Metal basic industry	46.0	65.7	0.0	42.8
Metallic product	223.3	241.4	-23.7	8.1
Others industries	1,440.7	1,489.4	15.4	3.4

Data sources retrieved July 11, 2006 URL: Banco central de Honduras.

The above table gives an insight into the number of the manufacturing industry and where the drink industry is located. In this table it is possible to see the economic activity in this industry compared with the other areas in the manufactory industry.

Theories of motivation

Empirical findings have shown that it is difficult for theorist to agree over a single theory that can incorporate the entire dimension of motivation, because motivation is one of the most basic elements of human behavior (Linder, 1998). Based on the researchers of books, articles, documents, papers and several of the studies, the researcher of this study can realize that these theories are directly associated with motivation and implementing the most effective organizational structures, and with this reason the following theories are related with this case study, because these theories state about motivation and how it influences the behavior of the employees to achieve a better performance.

With the exploration of these theory and their motivation factors, that these theories state, the researcher will be able to see how these different motivational factors under this study such as monetary, organizational culture, benefits, recognitions and HRD actualization, can vary according to the gender, age, status, and other demographics items that were evaluated in this study. We have to keep in mind that nobody is the same, and by this reason we don't have the same needs. As human being that we are, we have different needs, behavior and, way to take our problems and challenges, and with this issue is important to realize that what can motivate someone may not motivate in the same way to others, but may be for some persons with different status (Harvard Business School, 2005). Thus the monetary factor has different rank of relevance, and so on.

Different motivational theories attempt to explain how effort is generated and channeled (DeSimone, Werner, & Harris, 2002). This part in the literature review has a high rank of the importance, cause when we achieve a better understanding of the motivational theories, we will be able to know what kind of the factors or theories are more applicable or can fit better in the company, and help us to improve the employees' performance. Can be possible that the companies may not use one universal theory, they can make a combination of the theories in their motivational factors, and get a good

motivational employees' system, and after knowing more about these theories we can realize that it can convey different theories to achieve a better employee motivation at work, and also improve their performance.

Currently exist an abundance of theories of motivation available, these theories are divided in the early theories and in the contemporary theories of motivation as Robbins explain in his book. According to Robbins (2005) in the 1950s there was a fruitful period in the development of motivation concepts. Three specific theories were formulated during this period, which although heavily attacked and now questionable in terms of validity, but are probably still the best-known explanations for employee motivation. These theories are the hierarchy of need theory from Abraham Maslow, the two-factor theory from Frederick Herzberg (Robbins, 2005, p.170), McClelland's theory of Needs and Expectancy Theory that are still being used by different companies around the world. These three theories represent the beginning of the motivational theories and their impact on the employees' motivation in their workplace. After this period a series of theories have been developed, with the difference that these theories has a reasonable degree of valid supporting documentation, however this doesn't, mean that are unquestionable right.

Maslow's hierarchy of need theory & Herzberg's two factors theory

Maslow (1970) asserted that individuals satisfied their motivational needs by striving to attain five needs; the first one is the physiological needs that refer to needs such as food, water, and sleep. The second one is the safety need that refers to the security and protection from physical and emotional harm. The next need is the social needs that refer to the need to be part of a group and also to the need to love and be loved. The next need is the self-esteem needs that refer to the internal esteem factors such as self-respect, autonomy, recognition, and attention. And the last need is the self-actualization needs, is the drive to become what one is capable of becoming; includes growth, achieving one's potential, and self-fulfillment. According with Maslow, individuals must fulfill lower level needs such as food, water, security, and love and acceptance, before the self-esteem and self-actualization can be fulfilled (Robbins, 2002, p.171). For instance, a person who has reliable and stable means of meeting physiological and safety needs will become motivated to fulfill social needs, and so on (Daniel & Spiker, 1991, p.65).

The Maslow's theory is applicable to the employees' motivation and their performance, in this way; the first need of this theory is referring to the physiological needs, and these are to those needs that can be solve or covering throughout of the monetary factors, or category of the framework of this study. According with Cullen & Parboteeah (2005) when the employees achieve to get a good economic income from the workplace, as be, the amount of the salary that they earn, bonuses, rewards, and any other kind of the economic income, the employees will cover their physiological needs; Jackson & Schuker (2003) assert that is the reason that many employees leave their workplace. Once this need is achieved by the employees and they feel that the monetary income are solving the physiological needs, they will find the safety need (Maslow, 1970), this according with Cushway (1994) is to get a job security, social security, insurances, and others factors that the organization can bring to the employees and their families, and this need was categorized as benefits. Feeling safety in their workplace, the employees want it to feel that they are part of the team work of the organization, Bruce & Pepitone (1999) assert that the individuals that feel are part of the team work are more motivate to do more and perform better in their jobs. This is the Maslow social need, that can be factors as managers and coworkers relationship, communication channels, and so on, factors that make feel to the employee that are part of a group or team work, and these factors are into the organizational culture category. When the workforces feel that are part of a group or team work, they will try to satisfy the need of esteem, which is linked with the recognition category, where the employee will feel that he and his job are recognized and appreciated by their superiors and coworkers (Nelson & Spitzer, 2003, p.4). Finally the employee gets this step; he/she will want to get a new knowledge and challenges, reaching to the self-actualization need. Hiam (1998) assert that the employees' which to get other knowledge, grow into the organization, developing a career, getting promotion, and so on; and this get into the HRD actualization category. Having all these needs or category satisfy the employees' will feel motivated and also they will improve their performance.

This theory in spite of have been stalemated in 1954 is still used by many companies around the world, and in this way we can realize the relevance and impact that this theory has over the employees motivation. As we can see in the research made by Di Cesare &

Sadri (2003), where they trying to present the relevance of the Maslow's theory into two important yet different global business cultures: the United States and Japan. They found that the Marlow's need hierarchy shows similarities of the motivation impact in Japan and United Stated. It seems that Japanese workforces, like American employees, are motivated to reach each of the five levels of Maslow's model, and it's what this I articulate presents.

So in base of the researchers, studies, books and documentation we can see the relevance that the Maslow's theory represent in the motivation of the employees in the workplace, and with this the researcher can base her study with the factors that Maslow's state in his theory, and the factors that will be evaluate in this study to see the impact in the employees' performance.

Maslow's Hierarchy of Needs and Frederick Herzberg (1959) motivator-hygiene theory offer prescriptions and influencing or gaining others' compliance (Daniels & Spiker, 1991, p.200). Herzberg's theory is modeled after Maslow's hierarchy of needs theory; however, Herzberg integrated the terms of satisfaction and dissatisfaction. But the Herzberg theory said that the employees will more be motivated by the individual's relation with work is the basic point to motivate (Robbins, 2005, p.169), more than the own need of the employees' as Malosw stated in his theory.

Herzberg was interested in critical incidents when workers felt either very good or very bad about their jobs. An analysis of such incidents led to the development of two sets of factors, extrinsic and intrinsic. He found that these two sets of factors were directly linked to job satisfaction and dissatisfaction. According with Herzberg, the same factors that increase satisfaction do not decrease dissatisfaction. Satisfaction and dissatisfaction are two separate and distinct conditions; therefore, each condition requires a set of different factors that contribute with job satisfaction or job dissatisfaction. For instance, this theory provide six components, termed motivators that seem contribute to job satisfaction. These motivators are: achievement, recognition, advancement, the work itself, responsibility, and possibility of growth (Di Cesare & Sadri, 2003).

Herzberg's (1959) factors that promoted dissatisfaction are termed Hygiene Factors. These factors are divided in intrinsic and extrinsic factors. According with Di Cesare & Sadri (2003) the extrinsic factors relate to the job environment and job context such as

quality of supervision, work conditions, company policies, relations with co-workers, and level of pay. If extrinsic factors are absent, job dissatisfaction is likely to occur. Herzberg called these extrinsic factors Hygiene or Maintenance Factors. On the other hand, intrinsic factors relate to the job itself, for example its complexity, level of importance within the organization as well as recognition and advancement opportunities. This second set of factors, if present, lead to feelings of satisfaction. These intrinsic factors were named as Motivators or Growth Factors because they were associated with the high levels of job satisfaction, as the self-actualization on the Maslow's Theory, which is the high level in the hierarchy of needs

Herzberg (1959) says that both of these factors are equal importance in explaining employee motivation (Hubbell & Chory-Assad, 2005). A worker's satisfaction with Hygiene factors will result in average performance and serve to prevent dissatisfaction but this will not by itself create a positive attitude or motivation to work. In order to motivate employees, the company must enrich the content of the work that it asks employees to do (Ramlall, 2004). To explain, job enrichment is when management places greater levels of responsibility on the employees and when the opportunity to develop new skills is present.

Ruthankoon & Ogunlana (2003), made a study named "*Testing Herzberg's two-factor theory in the Thai construction industry*" about the Herzberg theory, where they tested this theory in the Thai construction industry, trying to see how this theory can have some variations in this sort of industry. The result that founded with this testing was that the employees care more about the relationship and the salary; in the first place, however, also they found that the others factors that Herzberg state in his theory still being relevant to this employees (Ruthankoon & Ogunlana, 2003) . So, based on this study we can see that these factors are relevant for the employees in the companies, and will help us to understand how these factors can increase or decrease the employees' motivation.

McClelland's theory of needs

This theory is as well known as a theory of needs, like the Maslow's and Hertzberg's theories. Cullen & Parbooteeah (2005) assert that the needs theories rest on the assumption that employees can satisfy their needs in the work setting. This means that the

employees are motivated to work because their jobs satisfy both basic needs, such as money and higher-level needs, such as personal growth.

McClelland (1956) identified three key needs as the basis of motivation, these three needs are: achievement, power, and affiliation. According with Ramlall (2004) the need of achievement is defined as the drive to excel, to achieve in relation to a set of standards, to strive to succeed. The need for power is defined as the need to make others behave in a way they would not have behaved otherwise. And the need for affiliation is defined as the desire for friendly and close interpersonal relationship, this is referent to the relationship that the employee might create among their managers and coworkers, Nelson (2005) assert that people valued the managerial support and involvement, asking the employees their opinions, involving them in decisions, giving them authority to do their jobs, and so on (Harvard Business School, 2005, p.177). This theory proposes that motivation and performance will vary according to the strength of one's need for achievement.

From research into the achievement need, McClelland (1956) found that high achievers differentiate themselves from others by their desire to do things better (Robbins, 2005, p.177). They seek situation in which they can attain personal responsibility for finding solutions to problems, in which they can receive rapid feedback on their performance so they can determine easily whether they are improving or not, and in which they can set moderately challenging goals. High achievers are not gamblers; they dislike succeeding by chance (Ramlall, 2004). They prefer the challenge of working at a problem and accepting the personal responsibility for success or failure than leaving the outcome to chance or the actions of others. Importantly, they avoid what they perceive to be very easy or very difficult tasks. They prefer tasks of intermediate difficulty (Ramlall, 2004).

Expectancy theory

The Expectancy Theory of Victor Vroom deals with motivation and management. Vroom's (1964) theory assumes that behavior results from conscious choices among alternatives whose purpose it is to maximize pleasure and minimize pain. This theory assumes that part of motivation is an individual's desire to satisfy his or her needs (Cullen & Parboteeah, 2005, p.546). The Vroom theory come to give support to

Maslow's theory, where stated that the own needs that the individual's or employee's has is what will motivate them to strive in improve their performance (Rouse, 2004). However, in the expectancy theory the level of motivation also depends on people's belief regarding how much, or if, their effort at work will eventually satisfy their needs.

Robbins (2005) assert that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual. In more practical terms, expectancy theory says that an employee will be motivated to exert a high level of effort when he or she believes that effort will lead to a good performance appraisal, that can monetary or not monetary. A good appraisal will lead to organizational rewards such as a bonus, salary increase, or promotions; and that the rewards will satisfy the employee's personal goals motivating them to perform better to achieve the rewards, recognitions or benefits. In a study survey developed by Nelson (2003) found that in the top 10 factors, there were four types of praise: personal praise, written praise, public praise, and electronic praise (Harvard Business School, 2005, p.177).

The expectancy theory, therefore, is focuses on three relationships that the first one is effort – performance, this refer to the probability perceived by the individual that exerting a given amount of effort will lead to performance. The second relationship is performance – reward that refers to the degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome, so this mean if the employee strive for performance at one hundred percent is because he/she is trying to achieve a reward that is behind the get a good performance, we have to keep in main that the employees will work harder and smart not for you but for themselves, by this reason we need for employees to make a connection between meeting their own needs and doing exceptional work (Bruce & Pepitone, 1999, p.38) .

In the follow figure 2.1 we can see the three relationships in the expectancy theory:



Figure 2.1 Expectancy theory

Data sources retrieved from Robbins, 2005.

Expectancy theory helps explain why a lot of workers aren't motivated on their jobs and do only the minimum necessary to get it.

In the thesis of the Employee Expectations and Motivation by Schepman & Richmond (2003), they are focus on the Vroom theory or Expectancy Theory, they found in the end of their research that the implications for employees motivation on the job are clear: if organizational employees are unable to develop and maintain a strong confidence in their ability to accomplish the expectations for their work – called “expectancy” in the three-element motivational model of Vroom (1964) – then there is little likelihood that an organization addressing even both of the subsequent two elements of the performance and rewards would be able to realize or retain significant employee motivation.

In base of the founded of this thesis research, we can see the importance that the rewards and performances, or better said, the relationship that these two element have, can drive to the high motivation of the workforce, and how this can improve the organization performance, how the rewards has a stronger positive relationship on the employees performance.

Given the detailed background on about the different motivational factors that can fit and are relevant to this study, we can see as these theories share many of the factors inside each theories, and also we are more able to understand the different factors that can make employees feel more motivated to work, and also we can realize that these different factors in each of these theories aren't only referent to the monetary part affect the

employee motivation, if not, that can see many others ways and features that can help to feel motivation at work. By these reasons the next section in this literature review objectives is to expose the different sort of monetary and non-monetary factors that can be using in the companies to improve the employees' motivation at work, and also the sort of de-motivators that can affect these factors.

Motivating in the workplace

Currently organizations that want to improve their employees' motivation and at the same time their performances, resort to the aid of the theories of motivation that will help to achieve this goal, Robbins (2005) in his book exposes several examples of the companies applying the different theories of motivation and its' results. These theories suggest or propose different tools, ways, factors or system that can be use it by the companies in it's' goal to motivate employees and improve performance; these factors can be monetary or non-monetary (emotional) factors. It is important to keep in mind that these factors could be affected by the intrinsic and extrinsic situation that the workforce are having in its personal lives.

Nobody can honestly say that financial or monetary incentives don't matter in our professional lives. But according to empirical research money alone isn't enough to motivate people to excel on the job (Bruce & Pepitone, 1999); and with this statement we need to figure out what kind of the factors are really important for the employees' or what kind of the benefits, reward or recognition they are waiting from the company in exchange to their effort. The Harvard Business School (2005) asserts that the most effective incentive systems blend monetary with non-monetary forms of reward. With this statement we can realize that the companies might elaborate a motivational system, mixing the monetary and non-monetary factors.

Before diverting to talk about the different compensation, reward, incentives, or benefits, we should have a clear understand about how managers can differentiate motivation from manipulation; and the next section touches that issue.

Difference between motivation and manipulation

The underlying principal difference between motivation and manipulation is one of the most common pitfalls in all of management. In this instance, the manager thinks that he is motivating his employees, but, the employees think that the manager is manipulating them.

The main point in this situation is how managers set performance goals for employees. It is all about the task and how it is presented, not about the rewards and incentives. People love to be motivated, but they hate being manipulated! But, how can the manager make sure that his incentives don't feel like manipulation to others? Hiam (1999) says that the manager needs to define tasks and set goals clearly, in advance. If the manager thinks about it, manipulation simply means making people do something they didn't know about or didn't agree to up front. If employees ever say, or even feel like saying, "But you didn't tell us that..." or "Hey, how could we know that...?" then the managers have to manipulate them in their eyes (p.75).

To achieve the motivational goal it is important that the managers make much use of the goal-setting and task design methods. The appropriately designed task and clear, agreed-upon performance goals and measures take much of the uncertainty out of what the manager is asking them to do and rewarding them for doing. Hiam (1999) says:

- 1) Clear goals ensure that people are aware of what you expect them to do.
- 2) One-to-one goal-setting session ensure that people have agreed to the goals and measures of their performance.

If the manager use these two techniques, then his efforts to get them to do what the manager want will seem motivational, not manipulative. The main difference between manipulation and motivation is that manipulation is thinking of a reason others will want to do something, and then convincing them of the corrections; and motivation is the genuinely seeking out the wants, needs, and desires of the employees', and then working with them to find solutions that meet your needs and theirs.

Employee requirements and motivation

Numerous criteria exists that are important that the manager needs to take into consideration about how to motivate the employees at work, we can name this criterion like evaluative motivation criteria, and some of these criteria are linked with the Maslow's hierarchy of needs. But, why the managers need to understand employees' evaluative criteria? This is because the criteria consciously or unconsciously, are a determinant if the manager efforts to motivate employees are working.

According to Hiam (1999) one of the biggest concerns for employees is that managers provide open communication, giving employees information they need on the topics that interest them. Robbins (2005) asserts that the function of the communication into the organization is providing control, motivation, emotional expression, and information among the members of the company. However, the mangers has to be careful how will manage the communication among their employees, because if the manager allows communication issues to distract the employees, then, the communication problem will become a motivation problem, too.

We have to considerate others issues that can work in a similar manner as the example of the communication mentions in the last paragraph. If employees feel job insecurity or feel threatened with loss of status, for example, they will be concerned about this issue and not easy to engage in motivational efforts.

Here are some ideas to evaluate criteria that concerns employees motivation cited by Hiam (1999) and that he considered that are the most important:

- 1) Open communication
- 2) Security
- 3) Commitment
- 4) Fairness
- 5) Respect
- 6) Development opportunities

With all these criteria's the manager will more able to understand the feelings and needs of the employees in the workplace, if they are really feel motivated or satisfied

with the company, or even where the motivational problem is happening, so will be able to fix the situation, and improve the employees' motivation and their performances.

Total compensation

Total Compensation is a combination of base pay, incentives (bonus program and recognition awards), benefits, recognitions, work conditions, promotion, training opportunity, and so on. The fundamental purpose of compensation is to provide an adequate and appropriate reward system for employees such that they feel valued and worthwhile as organizational members and representatives (DeNisi & Griffin, 2001, p.327). The compensation are form from many elements, so much monetary and non-monetary, in the figure 2.2 we can have a better panorama about this different elements that are involve in the total compensation system, and that will help to improve the employees performance. However, we should remember that the level of impact of these elements on the employees can variety according with the demographics items, as can be gender, age range, educational level, and so on.

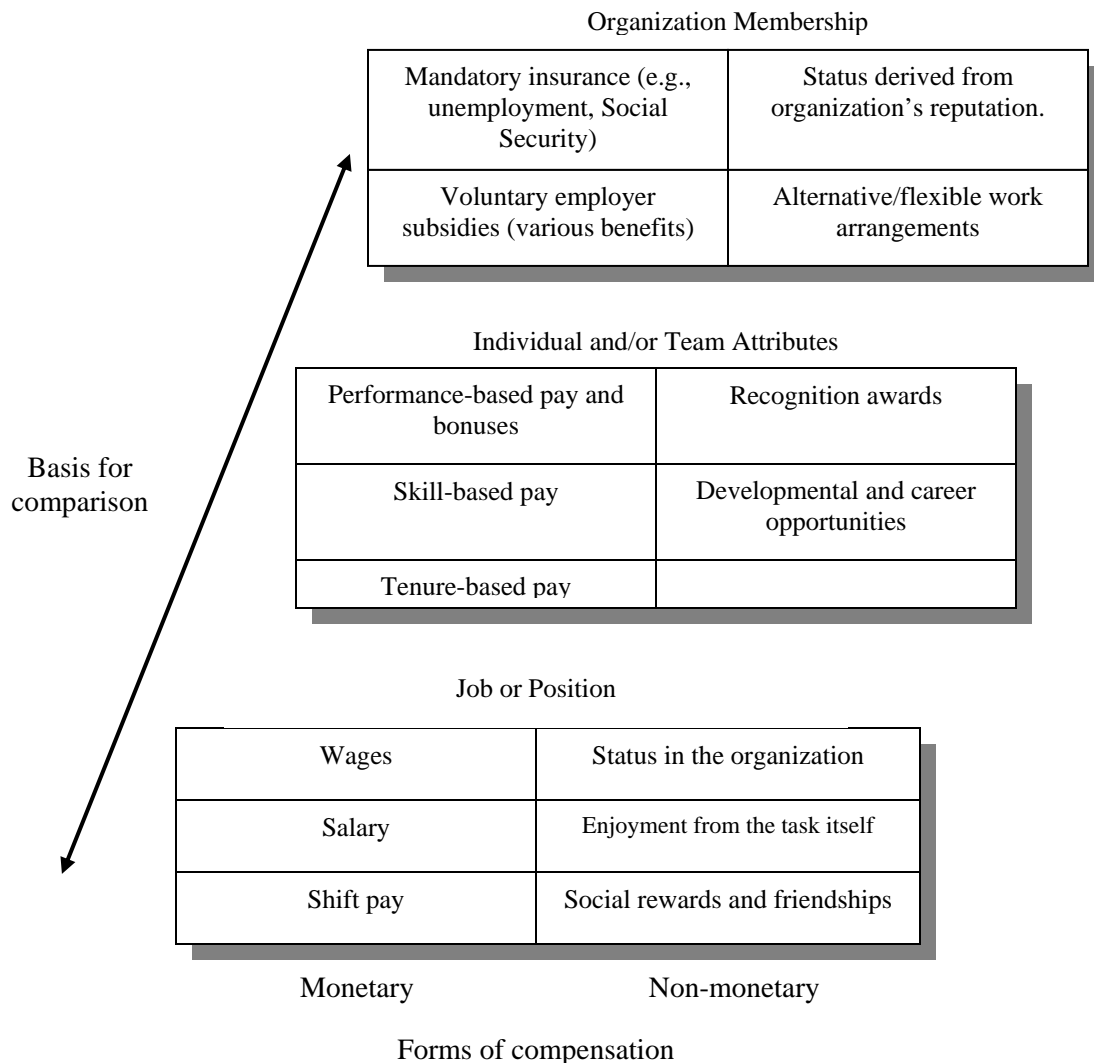


Figure 2.2 Element of total compensation

Data sources retrieved from Jackson & Schuler, 2003.

As we can see in the graphic above the elements of total compensation include both monetary and non-monetary forms of rewards. These two categories of compensation are shown on the horizontal dimension, and according with Jackson & Schuler (2003) the monetary compensation includes direct payments such as salary, wages, and bonuses, and indirect payments such as payments to cover the costs of private and public insurances plans, etc. On the other hand, we have the non-monetary compensation that includes many forms of social and physiological rewards – recognition and respect from others, enjoyment from doing the job itself, opportunities for self-development, and so on.

Clearly, both monetary and non-monetary forms of compensation are important to most employees; remember that money alone isn't enough to motivate employees' to excel on the jobs, that is the reason that we can see in the figure 2.2 that the total compensation is a combination of the monetary and non-monetary factors or elements.

The vertical dimension shown in figure 2.2 reflects the basis for receiving the compensation. Some compensation is based solely on organizational membership. That is, the compensation is received by all, or almost all, employees in the organization, regardless of what job they perform or how well they perform it. Most forms of insurance and other benefits fall into this category. Compensation can also be based on the employee's particular job in the organization. Base wages and salaries fit here, as do social and physiological rewards derived from performing the job itself. Finally, some forms of compensation are based on the individual employee or perhaps the attribute of an employee's work team. Performance-based incentives and bonuses fit here, as do skill – or knowledge-based compensation (Jackson & Schuler, 2003, p.404). Besides, it is important to see that after all the sort of compensation are given it is not a big motivator. If we don't take into consideration the intrinsic and extrinsic factors that can motivate or de-motivate employees, as well as the needs levels that the workforce is presenting, and the different need that each employee as individual person has, then we cannot understand the bigger picture of motivation.

Bruce & Pepitone (1999) said that the intrinsic factors are the factors that motivate the persons from within, as personal interest, desire, and fulfillment; and the extrinsic factors are the factors outside of the persons that influence our internal needs, wants, and subsequent behaviors, such as, rewards, promotions, and praise. Extrinsic factor is often referred to as motivation forces, but that's not quite accurate (Eckblad, 1981). Whatever part these external factors play in motivation, they're always subject to our individual, intrinsic concerns. We must make a connection between the intrinsic motivation and extrinsic stimuli. Without this connection, receiving rewards won't motivate high performance over the long term. Instead, people will work only until they receive the rewards – and once they do, they'll stop (Bruce & Pepitone, 1999, p.21).

The managers should think about these intrinsic and extrinsic factors that will change according with the demographics items, and trying to arrange these with the motivational factors or elements. By this reason DeNisi & Griffin (2001) assert that the organizations need to provide appropriate and equitable rewards to employees. Individuals how work for an organizations want to feel valued and want to be rewarded at a level that is commensurate with their skills, abilities, knowledge and contributions to the organization.

Rewards, recognition, and incentives

This section is quite relevant to the study on motivational factors because in order to know what sort of rewards, recognition, incentives and benefits each organization can give to their employees to motivated and improve their performances. Citing Bruce & Pepiton (1999) they says that is important to let employees know what expect about them, if they meet or exceed the standards that the manager has developed. Let employees know what's in it for them.

But, how specifically might be reward and recognize employees? Well, there's always money. It's simple, but money isn't everything for the employees, because they have other needs and desires beyond of just money. Other valued outcomes can be tied to employees' performance, and even simply praise for a job done well, so the manager must keep in mind that monetary rewards are one of the several forms of reward that employees may value (Jackson & Schuler, 2003, p.510). So we can consider also the following forms of positive rewards and recognitions (Nelson & Spitzer 2003; Bruce & Pepitone 1999; Hiam 1999):

- 1) A promotion
- 2) Increased visibility within the organization
- 3) Additional resources
- 4) Special recognition
- 5) A more flexible work schedule
- 6) Fair pay and benefits.
- 7) Material rewards, such as trips, dinners, and lunches.
- 8) Training, seminars, and workshops
- 9) Being a part of a team

10) Career development

Of course these are just ones suggestion about the sort of rewards, recognitions, benefits, and incentives that the organization can provide to the employees to they feel motivate in their work-place. Many of the factors that are mention here are considerate by the researcher to seek the effect in the employees in the company.

Nelson & Spitzer (2003) explain that the widespread lack of rewards, benefits and recognition programs at the time they are most needed is particularly inexcusable, because what motivates people the most takes very little time and money to implement. Rewards, benefits and recognition are tools that can be used by every manager and leader in any organization to help realize enormous business benefits.

The recognition, benefits and rewards has enormous and tremendous benefits, like Nelson & Spitzer (2003) tell us, that the benefits from recognition are:

- 1) Improved morale
- 2) Enhanced productivity
- 3) Increased revenue and profit
- 4) Decreased stress
- 5) Decrease absenteeism
- 6) Decrease turnover
- 7) Lower related costs

Currently workers want respect, and they want it now. They want to be trusted to do a good job; they want autonomy to decide how best to do it; and they want support, even if they make a mistake. Most importantly, they want to be appreciated when they do a good job. Providing this entire thing to them can make a world of difference in keeping them, and in getting the best efforts out of them (Nelson & Spitzer, 2003, p.47).

Linking motivation to performance

Many authors have the certainty that when the employees feel more motives they tend to have a better performance in the workplace, these employees are content with their job,

and by this reason they feel commitment to be better in what they are doing (Hiam, 1999) . Quite apart from the benefits and moral value of an altruistic approach to treating the workforce as human beings and respecting human dignity in all its forms, research and observations show that well motivated employees are more productive and creative. The inverse statement is also true.

As Bruce & Pepitone (1999) says, it is important to remember that there's a link between motivation and performance. We need for employees to make a connection between meeting their own needs and doing exceptional work; that's where management comes in, in meeting the challenges of linking motivation and performance. Sometimes the challenges may seem difficult, but the manager can overcome it. The key is to learn the techniques that are working for other managers and then try them when they seem appropriate. Understand why those techniques worked for those managers, and then try to think which ones might help more effectively with your employees.

The manager might be surprised at how he/she can help to improve employees' productivity and attitudes when the manager try appropriate, innovative techniques and use them with his or her own personal style of leadership, business sense, and people skills. Improve performance may be an important goal for all managers, but it will mean different things if they are manufacturing widgets, selling gizmos, or designing promotional materials.

Now, is important to define the word "performance", as Bruce & Pepiton (1999) says, the meaning of performance depends on the manager context, and particular situation. Don't assume that the employees know what you as managers mean by "performance". It's managers' responsibility to clearly define performance standards for the employees. Here's what each of the employees need to know first and foremost:

- 1) What's expected of me?
- 2) What is my role as a part of the group and the organization?
- 3) What's considered unacceptable performance?
- 4) What do I have to do to reach your standards of performance?

The manager can set performance expectations when hiring an employee, during his or her performance review, during strategic planning, or at the start of a new project. The

point is that the managers need to do it. The managers most likely know what expect from their employees; in fact, the manager have probably to spent hours figuring out what would be best for his or her department and the organization. It's certainly worth a little more time and effort to make sure that they understand "performance" as the managers understand it (Bruce & Pepiton, 1999, p.40).

After knowing more about how motivation can be linked with performance, we are more able to understand how the motivational factors can affect the employees' performances because as we see above, when the employees feel contented and motivated with his or her work he or she will want to be better in what they are doing and they'll feel commitment with the organization. Another point that is important to remark is that the effort from the manager to motivate employees might be doomed to fail unless that the manager accepts the responsibility of setting a positive example for them. Understand that the manager is a role model, not just is their manager – employees will take their behavioral cues from the manager, for good or ill. Setting a positive example may be the toughest responsibility that the manager is obligated to do.

Summary, comparison among the motivational theories

Maslow's hierarchy of need theory

The structure Abraham Maslow devised for understanding different types of human needs. Human beings must first fulfill those needs at the lower end of the hierarchy before being concerned with those at the higher end. From bottom to top, the levels are physiological needs, need for security or safety, social needs, esteem needs, and need for self-actualization (Bruce & Pepitone, 1999).

Two-factor theory

This theory is base on the belief that an individual's relation to work is basic and that one's attitude toward work can very well determine success or failure. In this way the assumption of this theory is that a job has two basic characteristics, motivators and hygiene factors (Robbins, 2005).

McClelland's theory of needs

Is focuses on three main needs that are, achievement, power, and affiliation. A person's motivation and effectiveness in certain job functions are influenced by these three needs. McClelland's theory sometimes is referred to as the three need theory or as the learned needs theory (Cullen & Parboteeah, 2005).

Expectancy theory

Is based on the belief that employees effort will lead to performance and performance will lead to rewards. Rewards may be either positive or negative. The more positive reward the more likely the employee will be highly motivated. Conversely, the more negative the reward the less likely the employees will be motivated (Lindner, 1998).

Comparison table

In the follow table, the researcher will show the different motivational theories used in the literature review of this study, and the matching with the factors at the framework of the study.

Table 2.2 Comparison factors among motivational theories

Maslow's hierarchy of needs	Two-factors theory	McClelland's theory of needs	Expectancy theory
-Physiological	-Achievement -Recognition	-Need of achievement	-Effort-performance relationship.
-Safety	-Advancement -Growth	-Need for power	-Performance-
-Social	-Work condition -Salary	-Need for affiliation	reward relationship.
-Esteem	-Relationship with peers		-Rewards-personal goals relationship.
-Self-actualization	-Status -Security		

Data sources retrieved from Robbins, 2005.

Table 2.3 Cooperation between framework of the study and motivational theories

Framework of the Study Factors	Maslow's Hierarchy of needs	Two Factors Theory	McClelland's Theory of Needs	Expectancy Theory
<u>Monetary</u>				
-Amount of the base salary	Physiological	Hygiene factors:	Need for affiliation	Reward-personal goals relationship
-Salary according with performance		-Salary		
-Bonuses				
-Reward				
<u>Organizational Culture</u>				
-Managers & Coworkers relationship	Affiliation	Hygiene factors:	Need for affiliation	Performance-reward relationship
-Culture		-Work conditions		
-Work conditions		-Relationship with peers		
-Communication				
<u>Benefits</u>				
-Job security	Security	Hygiene factors:	Need for affiliation	Performance-reward relationship
-Social security		-Job security		
-Insurance				
<u>Recognitions</u>				
-Goal achievement	Esteem	Motivators factors:	Need for power	Reward-personal goals relationship
-Employee performance		-Achievement		
-Acknowledgement		-Status		
		-Recognitions		
<u>HRD Actualization</u>				
-Career development	Self-actualization	Motivators factors:	Need for achievement	Effort-performance relationship
-Trainings opportunity		-Growth		
-Self – actualization		-		
-Promotions		Advancement		