

**WORK MOTIVATION AND ITS EFFECT ON CORPORATE PRODUCTIVITY: AN
EMPIRICAL CASE STUDY OF NEBICO BISCUIT PRIVATE LIMITED IN
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ABSTRACT

Motivation means to influence others to proceed to fulfilling a want. The study's objective is to analyze the association between human resource motivation and corporate productivity (CP) and to assess the effect of work motivation on corporate productivity. The research design used in this study was the descriptive and causal-comparative design. In this study, primary data are collected from the respondents with the help of a questionnaire. The data are collected through a structured questionnaire containing a 5-point Likert scale. The data for the study was collected through the closed-ended structured questionnaire. The population of the study is 400. The researcher selected 120 employees as a sample size from the population of the organization. The researcher used a judgmental sampling technique. Data was analyzed by applying descriptive and inferential statistics. Mostly moderate and significant correlation was found between independent variables and CP. Salary and bonus have the highest coefficient among the variables. As opposed to it recognition has the lowest correlation with CP. All independent variables have significant and positive effects on dependent variables such as CP. The working environment has the highest positive effect on CP. On the contrary job security has the lowest positive significant effect on CP. Nebico Biscuit should focus on increasing pay such as salary, wages, and bonuses as basic needs of human resources. This kind of study can be conducted on motivating factors such as recognition, advancement, work itself, and so on.

Keywords:

work motivation, job security, working environment, pay, recognition, motivating factors, Nepal

INTRODUCTION

Motivation encourages people to push to fulfill their desires (Bulkus & Green (2009). It is derived from the term motive. This is why motivation could be regarded as an inspiration to achieve a certain aim. Much research on motivation has shown that employee motivation is the element that highly affects manpower productivity (Mougbo, 2013). To compete in this competitive and challenging business environment, every organization should develop and implement various strategies that provide them a competitive advantage over their rivalries in the business industry. As human capital is the main asset of any business organization, they should be constantly motivated. Human capital plays an important role and also influences on the corporate productivity. Corporations cannot achieve success without the motivation and satisfaction of human resources.

Many organizations today, understand the importance of motivation in the workplace. For this, they should give a motivating scenario for their employees (Osabiya, 2015). Human resource motivation promotes staff retention and increases human resource productivity, which leads to the growth and development of the business organization. The motivating factors could be monetary or non-monetary. There are various definitions and measurement approaches regarding the measurement of organizational performance. Corporate productivity is concerned with the measurement of efficiency that converts inputs into outputs. However, evaluating the "how" aspect of corporate performance or productivity poses a greater challenge as it is dependent on subjective judgments within the specific organization (Nworgu, 2006). According to Theng & Robin, (2023), productivity refers to the ability of human resources in the

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organization to make remarkable achievements, accomplishments, and outcomes that are higher than the expectations of the corporation. Employee or organizational productivity can be enhanced if the personnel is capable of being responsible for achieving the work. One of the major elements which affect productivity is human resource motivation. In today's competitive world, understanding the factors that influence corporate productivity is crucial for businesses striving for competitive advantage and long-term success. So, this study has been conducted aiming to determine the effect of work motivation on corporate productivity by understanding the key motivation theories that have a connection with the overall productivity of the corporation.

Statement of the Problem

The failure or success of any business institution largely relies on human resources. Employers today are aware that motivation plays an important role in increasing human resource productivity. A human resource may have the right skills but without proper motivation, one cannot perform their best. So, the relationship between corporate productivity and human resource motivation has been a huge issue of concern for managers and employers. The research problem to direct the study has been drawn as below:

- I. How is the association between work motivation and corporate productivity at Nebico Biscuit Private Limited in Kathmandu?
- II. What is the effect of work motivation on corporate productivity at Nebico Biscuit Private Limited in Kathmandu?

OBJECTIVES

The central objective of the research is to analyze the effect of work motivation on corporate productivity at Nebico Biscuit Private Limited in Kathmandu. The specific objectives of the research are to:

1. To assess the association between work motivation and corporate productivity.
2. To examine the effect of work motivation on corporate productivity.

Rational of the research study

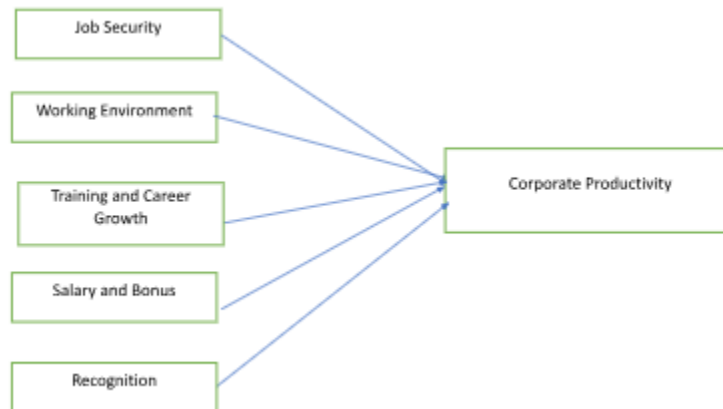
This research could be beneficial for employers to understand the human resource motivation status of the organization and identify the ways to promote human resource motivation. It can help managers to revise and rethink their policies. It will support Nebico Biscuit Pvt. Ltd. to understand motivational issues and problems and to decide about corrective actions. The research will provide insights into the motivation which could be beneficial for the students as well as researchers and academicians. It is helpful to understand practical solutions to the issues with the assistance of motivation in the organization.

Delimitation of the study

Productivity is affected by many factors. However, this research attempted to study the effect of employee motivation on it as the case of Nebico Biscuit Pvt. Ltd. in Kathmandu, Nepal. Hence, the findings of the study cannot be generalized to the entire cooperatives in Nepal.

Conceptual framework

A conceptual review is a critical analysis of the theoretical framework and concepts that emerge in a particular field of study. In this study training and career growth, working environment, job security, salary and bonus, and recognition is the independent variable whereas organizational study is the dependent variable



Source: Williams and Adams (2024)

Hypotheses

H_0 = There is an association between all the independent variables and corporate productivity.

H_1 = All independent variables affect corporate productivity.

REVIEW OF LITERATURE

The literature review includes the following conceptual, theoretical, and empirical ones:

Conceptual Review

Nebico Biscuit Pvt. Ltd. is the leading industry in the biscuit sector of Nepal. The industry was born in 1966 to manufacture qualitative confectionaries and biscuits in Nepal. This organization is located at Balaju Industrial Estate in Kathmandu. Currently, the products of the company are distributed throughout the country. The products of the company such as Thin Arrowroot, Digestive, Temple Cream (Orange, Custard), etc. are popular among the consumers. Unmotivated people are less or not productive. They are unwilling towards the task and demonstrate unexpected behaviors such as absenteeism, backbiting, and accidents which lead to low organizational productivity (Jovanich, 1961). Therefore motivated workers are essential if Nebico wants to achieve and maximize its strategic advantage in such a complex competitive circumstance. According to Nnabuife (2009), the motivation of employees is made up of two driving forces- internal and external that bring inspiration and willingness that lead to accomplishing the goal.

Theoretical Framework

Maslow's Theory of Hierarchical Needs and Herzberg's Two Factor Theory are applied in this study.

Maslow's Theory of Hierarchical Needs

Maslow propounded five different hierarchical needs. Physiological needs as bottom and basic biological ones include food, shelter, clothes, sex, and air. Safety and security needs fall under the second order of Maslow's needs. Under third level of Maslow's needs involves belonging, and social and affectionate association with people. Esteem or ego needs that are placed at the fourth level of the pyramid remain self-respect such as status, recognition, attention, reputation, and so on. Self-actualization needs as the top level of the needs pyramid of Maslow indicates the interest in enhancing one's fullest potential (Poston, 2009).

Briefly, Maslow's theory suggests that a low-level need must be somewhat satisfied to motivate high-level needs (Graham & Balloun, 1973). According to Maslow previously satisfied needs do not motivate people.

Herzberg's Two Factor Theory

Oldham (1976) found that job enrichment, based on Herzberg's motivators, can significantly improve human resource morale and productivity. However, hygiene factors don't motivate people. Moreover, Herzberg's theory is frequently used in human resource management to guide training and development, as well as compensation systems. In

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industries such as healthcare and education, Herzberg's ideas have been applied to create more satisfying work environments by improving job design and enhancing recognition practices (Smith & Shields, 2013).

Empirical Review

A study by Deci & Ryan (2000) has shown that intrinsic motivation is strongly correlated with higher job productivity. Conversely, extrinsic motivation, driven by external rewards like pay or bonuses, tends to produce short-term increases in productivity but may not sustain long-term organizational benefits.

In a study conducted by Gagné & Deci (2005), intrinsic motivation was positively related to human resources innovation, problem-solving abilities, and teamwork skills. They suggest that organizations that emphasize intrinsic motivation through job enrichment, autonomy, and recognition of human resources' achievements experience better long-term institutional performance outcomes.

Yukl (2010) also suggests that organizations with leaders who focus on motivating human resources report higher performance indicators such as profitability and productivity.

Herzberg et. al., (1959) suggest that intrinsic factors or motivators and extrinsic or hygiene factors play a role in human resource satisfaction and productivity.

Studies such as Kian et al. (2014) have empirically tested this model and found that intrinsic motivators have a stronger correlation with performance outcomes than hygiene factors, suggesting that simply improving work conditions without addressing human resource recognition and growth opportunities may not yield better organizational performance. Numerous studies focus on the relative impact of intrinsic (internal satisfaction) vs. extrinsic (external rewards) motivation on productivity.

A research study by Kuvaas (2006) inferred that intrinsic motivation has a stronger correlation with human resource performance, particularly in complex, creative, and knowledge-based jobs.

A study by Amabile & Kramer (2011) found that human resources perform better when they perceive their work environment as supportive and meaningful. In contrast, toxic work environments can lead to disengagement and poor performance.

A study by Kaplan & Norton (1996) suggested that both financial and non-financial measures need to be assessed to enhance organizational productivity. Their framework emphasizes that financial performance alone is not sufficient for long-term sustainability, and other dimensions like customer perspective, internal processes, and learning and growth should also be considered.

The study conducted by Williams & Adams (2024) explores various workplace motivation strategies and their effectiveness in improving human resource performance. It identifies key strategies such as job enrichment and recognition programs that have shown significant positive impacts on efficiency and effectiveness.

A study by Maduka & Okafor (2014) concluded that the influence of motivation is of great significance in employee productivity which leads to corporate productivity. In a recent business environment, Nnewi should attempt to apply appropriate, positive, and inspirational motivational tools to enhance the morale of human resources toward productivity.

The result from the study by Sunarsi (2019) inferred that motivation has a positive, significant, and strong impact on employee productivity that resulted in enhancing organizational productivity and performance.

A study by Theng & Robin (2023) revealed that human resource motivation has an influence on productivity at UD Segren Binjai.

A study by Nathaniel & Osemeke (2024) found that the employees were not satisfied with the pays such wages and salaries they were currently getting which resulted in ineffective institutional productivity.

A study by Angila (2012) found a correlation between employee motivation and performance and productivity in the company. Money is a key motivator that affects the employees in the company. In conclusion, the company maintains a high level of employee motivation to attain company productivity.

Research Gap

Human resource motivation and its effect and correlation with corporate productivity is a fresh issue in an underdeveloped and developing nation like Nepal. To the best of researchers' knowledge no research, to date, of its type has been performed at Nebico Biscuit Private Limited. This study fulfills this gap.

RESEARCH METHODOLOGY

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Descriptive and causal-comparative research design in the study has been used. In this study, primary data are collected. The data are collected through a close-ended structured questionnaire containing a 5-point Likert scale. The total number of human resources in the company is 400. So, the population of the study is 400. The researcher selected 120 employees as a sample size from the population of the company. A judgmental sampling procedure was applied. Statistical Package for Social Science (SPSS) and inferential statistics were used to analyze the data. Inferential statistics includes correlation and regression analysis.

RESULTS AND DISCUSSION

Results and discussion include the following analytical procedures:

Results

Table 1: Pearson Correlation Coefficient

Variables	CP	JS	WE	TC	SB	R
CP Correlation	1					
Sig. (2-tailed)						
JS Correlation	0.561**	1				
Sig. (2-tailed)	0.003					
WE Correlation	0.529**	0.638**	1			
Sig. (2-tailed)	0.008					
TC Correlation	0.532**	0.661**	0.687*	1		
Sig. (2-tailed)	0.001	0.284	0.005			
SB Correlation	0.638**	0.638**	0.665*	0.668*	1	
Sig. (2-tailed)	0.000	0.001	0.436	0.042		
R Correlation	0.498**	0.623**	0.646**	0.732*	0.532*	1
Sig. (2-tailed)	0.032	0.000	0.591	0.600	0.300	

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Table 1 shows that the correlation coefficient of Corporate Productivity (CP) with Job Security (JS), Working Environment (WE), Training and Career Growth (TC), Salary and Bonus (SB), and Recognition (R) resulted in 0.561, 0.529, 0.532, 0.638 and 0.498 respectively and p-value of the respective correlation coefficient resulted in 0.003, 0.008, 0.001, 0.000 and 0.032 respectively at 0.05 significant level.

Table 2: Regression Analysis

Predictors	Coefficient	Standard Error	Beta	T	Sig.
(Constant)	2.264	1.068		2.119	0.000
JS	0.127	0.143	0.15	1.457	0.003
WE	0.551	0.86	0.182	6.391	0.000
TC	0.196	0.134	0.161	0.887	0.001
SB	0.538	0.242	0.228	2.229	0.000

R 0.543 0.160 0.132 0.490 0.000
 R = 0.819 R² = 0.671 Adjusted R² = 0.338
 F Sig. = 0.000 F = 127.3

Predictors: (Constant), Job Security (JS), Working Environment (WE), Training and Career Growth (TC), Salary and Bonus (SB), and Recognition (R).

Table 2 shows that all variables were incorporated in the regression analysis. The value of R is 0.819 indicating multiple correlations between the joint effect of independent variables i. e., JS, WE, TC, SB, and R, and dependent variable i. e., CP. Likewise, the values of R² and adjusted R² are 0.671 and 0.338 respectively. This table represents the multiple linear regression model (F=127.3, p-value less than 0.05) that predicts that CP is significantly well-fitted to the given data set.

The regression model in this study is:

$$Y = \alpha + \beta_1 JS_1 + \beta_2 WE_2 + \beta_3 TC_3 + \beta_4 SB_4 + \beta_5 R_5 + \epsilon$$

Taking JS, WE, TC, SB, and R as independent variables the equation is constructed as $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$. Based on the coefficients, the regression equation can be written as $Y = 2.264 + 0.127JS_1 + 0.551WE_2 + 0.196TC_3 + 0.538SB_4 + 0.543R_5 + \epsilon$. The table indicates the coefficient for the predictors. The results show that Job Security, Working Environment, Training and Career Growth, Salary and Bonus, and Recognition status are 0.127 with a p-value of 0.003, 0.551 with a p-value 0.000, 0.196 with p-value 0.001, 0.538 with p-value 0.000, and 0.543 with p-value 0.000 respectively.

Discussion

Table 1 indicates that a moderate and significant association was found between JS and CP as their association was 0.561 and p-value 0.003 at 5% level respectively. Likewise, the correlation between WE and CP was also found moderately significant as their correlation was 0.529 and p-value 0.008 respectively. Similarly, the correlation between TC and CP was also found moderately significant as their correlation was 0.532 and p-value 0.001 respectively. A highly significant correlation was found between SB and CP as their correlation and p-value were 0.638 and 0.000 respectively. However, the lowest but significant correlation was found between R and CP as their correlation and p-value were 0.498 and 0.032 respectively.

Table 2 indicates that adjusted R² is 0.338 which indicates the total difference in the corporate productivity is jointly explained with 33.8% by JS, WE, TC, SB, and R. The rest 66.2% of the differences are described by other dimensions not encompassed by the model. Likewise, the F-Statistics is evidence of the validity. The F value is 127.3 and F(sig.) is equal to 0.000. that is why the F-value is significant at the 0.05 level which means JS, WE, TC, SB, and R. (the independent variables) were able to explain the corporate productivity (dependent variable).

Table 2 indicates that JS has the lowest positive significant effect on CP as its coefficient is 0.127 with a p-value (0.003). Hence, H₀ is rejected and the H₁ is accepted. It indicates that the CP can increase by 0.127 when the JS score increases by 1 score on average keeping the effect of other variables constant. It is interpreted that JS influences CP. This result is similar to the research of Herzberg et. al., (1959) and partially consistent with Kaplan & Norton (1996). This result is contrasted by Deci & Ryan (2000).

Working Environment has the highest positive and significant effect on CP due to its p-value (0.000) < significance value/alpha (0.05). Hence, the H₀ is rejected and the H₁ is accepted. It means that the CP can grow by 0.551 when the WE value grows by 1 score on average. It is interpreted that WE can affect CP. This result is contrasted with the study of Kuvaas (2006), Williams & Adams (2024)

Similarly, TC has a coefficient of significance of 0.196 (t = 8.877, p-value < 0.05). Therefore, H₀ is rejected and H₁ is accepted. It depicts that the CP can enhance by 0.196 when the TC score is enhanced by 1 score. It can be explained that TC impacts MPS. The result rejects the findings provided by Angila (2012) and Herzberg et. al., (1959).

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Likewise, the SB has a significant positive influence on OP since its coefficient is 0.538 and p-value < .05. That is why H_0 is rejected and H_1 is accepted. It means the CP can enhance by 0.538 when the SB score is enhanced by 1 score. The result is the same with the results carried out by Angila (2012) and Herzberg et. al., (1959) and contrasted with Nathaniel & Osemeke (2024) and Deci & Ryan (2000).

Finally, the Recognition has a positive significant impact on CP since its coefficient is 0.543 and p-value < .05. Therefore, H_0 is rejected and H_1 is accepted. It means the CP can enhance by 0.543 when the Recognition score enhances by 1 score on average staying the influence of other dimensions constant. Importantly the result is similar to the results conducted by Gagné & Deci (2005), Deci & Ryan (2000), Herzberg et. al., (1959).

CONCLUSION

A moderate and significant correlation was found between job security and corporate productivity (CP). The correlation between working environment and corporate productivity was also found moderately significant. The correlation between training career growth and corporate productivity was also found moderately significant. A highly significant correlation was found between salary and bonus and corporate productivity. However, the lowest and most significant correlation was found between recognition and corporate productivity. Job security has a significant positive influence on corporate productivity. It is interpreted that JS increases CP. Also, a positive and significant influence of the working environment on CP. It is interpreted that WE can enhance CP. TC has also a positive and significant effect on CP. Hence, TC affects CP. Salary and bonuses have the highest positive and significant impact on CP. So, SB highly increases CP. Likewise, R has the lowest positive but significant effect. So, Recognition is less effective in increasing corporate productivity. To sum up, there is a mostly moderate relationship between the dimension of motivations and corporate productivity. All of the dimensions affect corporate productivity. That is why the dimensions can help to enhance the productivity of Nebico Biscuit Pvt. Ltd.

IMPLICATION

The state government should formulate an employment policy that the businesses of the private sector should be encouraged to practice a motivational strategy. The researchers believe that more positive and inspirational strategies will produce more efficiency and productivity in the corporation than the ones currently performed. Nebico Biscuit has to focus on increasing pay such as salary, wages, and bonuses as basic needs of human resources. This is because the correlation between salary and bonus and corporate productivity was the highest value. In other words, monetary benefits remarkably motivate human resources. Motivating factors also should not be ignored. This kind of study can be conducted on motivating factors such as recognition, advancement, work itself, and so on. It is suggested to apply structure equation modeling for further research. It is suggested that further study has to be conducted in public and government institutions.

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