Influence of Motivation According to ERG Theory and Employee Commitment to Work-Performance: A Case Study of One Toy Car Manufacturing Company in Pathum Thani Province

Nantana Jongdee, Rajamangala University of Technology Thanyaburi, Thailand **Krisada Chienwattanasook**, Rajamangala University of Technology Thanyaburi, Thailand

Abstract: The objectives of this study are to study 1) the levels of employees' motivation as suggested in ERG theory, 2) the levels of employee commitment, and 3) the influence of both job motivation and employee commitment to employees' work performance. The samples in this study were 300 employees working for a toy car manufacturing company in Pathum Thani province. The data collection instrument in this study was a questionnaire. Statistics for data analysis were descriptive statistics including mean and standard deviation and inferential statistic including multiple regression analysis. The result indicated that employees in a toy car manufacturing company had opinion towards ERG motivation theory of employees and employee commitment in medium level meanwhile towards work performance in high level. For hypotheses testing, the multiple regression analysis revealed that employees' ERG work motivation including existence needs, relatedness needs and growth needs had an impact on employees' work performance. In the meantime, employees' commitment including attitudinal commitment, programmatic commitment and loyalty-based commitment also had an impact on employees' work performance at the statistically significant level as of 0.05.

Keywords: ERG theory, employee commitment, work performance.

Introduction

Presently, it is undeniable that the impacts of globalization and advancement in communication technology have changed the way people all around the world do their business. Our businesses today have become more competitive. Since knowledge and information can easily travel and be transferred across borders, today people are living in a knowledge society. While advanced technology and know-how's can be easily accessed, they could not completely replace the needs of the human workforce. People remain the key human resource in driving and moving organizations and business to achieve their goals. According to Kueasan (2005, pp. 14-17), "in almost every organization, some gaps between the needs of individuals and what the organization expects from its employees are often found". These gaps are likely to be eliminated by motivating and encouraging staff to have a proper mindset and perform their duty in the right way to meet the organizational goals. Na-Nan, Chaiprasit and Pukeree (2017) added that human resource management in organizations plays quite a significant role in driving people to work towards the organizational goals. This is in line with Promsuk (2001) pointing out that it does not matter how much resources the organization could possess, without having motivated members who are willing to strive for the organization goals, businesses could not run smoothly. Motivating employees in the organizations can implement various existing models including Hierarchy of Need Theory by Maslow describing about the level of needs of employees when reaching certain point in their 92

life and ERG Theory arguing the needs of employees being able to be reached at the same time. The ERG Theory was categorized into 3 categories existence needs, relatedness needs and growth needs (Alderfer, 1972, as cited in Chienwattanasook, 2017, p.171-173). With this, work motivation, as a result, becomes one of the human resource development issues which have never ceased being discussed in business. Work motivation can be regarded as an HRD element which discusses things that arouse people's feelings which come from both internal and external sources. They acknowledge feelings based on their own expectations. The feelings such as like, dislike, satisfaction, dissatisfaction, in other words, emerge due to the comparison between expectation and reality, work environment, working policies, supervision, rules and regulations, colleagues, etc. These factors form both positive and negative behaviors of staff members. However, organizational behaviors of employees could also be derived from the way they engage themselves with their company. By having correct attitudes towards the organization for whom they are working, employees are likely to work hard, come to work on time and cooperate and take part in activities arranged in their organization. In contrast, if employees have low work motivation, they tend to display undependable behaviors such as coming to work late, leaving work, breaking the rules, not attending activities organized by their companies, having poor attitudes about their work and organization. Kaewkeb, Watthanasongyot and Ingard (2007, pp. 84-100) asserted that "work motivation has a direct connection with staff's performance at work".

Employees' commitment, therefore, becomes a vital factor which many companies try their best to build in their people. To enhance these useful feelings and attitudes, employees need to have good experiences at work. They must also understand the scope of their work. their career path and development, as well as trust and feel engaged with the work they are doing in their organization. Srirakidakarn (2014 as cited in Saengsai, 2015, p. 15) described that "relationships between employees and their workplaces are individually developed and those who are satisfied with the jobs they are doing are likely to perform their work well. At least 3 factors comprising staff motivation levels, personal knowledge and traits, and realizing their own work and responsibility are basic factors encouraging people to do their best at work". Direct supervisors and the management team should thus consider how may the organization deal with managing their people – making sure that the company could meet their satisfaction levels, motivate and persuade them to work hard and use their knowledge when working. The managers, furthermore, need to ensure that staff recognize that the organization acknowledges the importance of having them as valuable resources of the organization. Increasing the commitment levels, in addition, can reduce the turnover rate as well as indicate that the organization has effective staff members who work wholeheartedly for their organization (Steer, 1977).

Studying concepts and theories involving staff's motivation and commitment allows managers and the management teams to be aware of their roles in motivating and maintaining a high level of job satisfaction in their people so that they could work wholeheartedly toward the organizational goals. The researchers of this study, consequently, are interested in studying influences of motivation according to ERG theory and employee commitment on work-performance. The work on this topic is worth conducting since it could not only ensure employees continue working for the organization but also improve staff competencies which help achieve missions, and visions, generate suitable organizational strategies and continuously improve their work performance.

Research objectives

With the interest in studying influences of motivation according to ERG theory and employee commitment on work performance, this research then had objectives as follows:

- 1) To study the levels of employees' motivation which are suggested in ERG theory of people working in a Toy Car Manufacturing Company in Pathumtani Province.
- 2) To study the levels of employee commitment of people working in a Toy Car Manufacturing Company in Pathumtani Province
- 3) To investigate the influences of job motivation and employee engagement on employees' work performance.

Research hypotheses

- 1) Employees' ERG work motivation has an impact on their work performance.
- 2) Employees' commitment has an impact on their work performance.

Research Framework

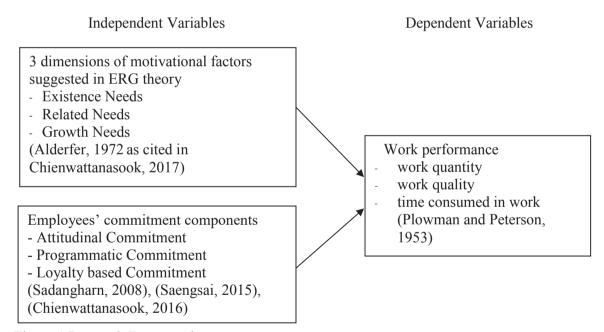


Figure 1 Research Framework

Significance of the study

- 1. The organization, which is the case study in this research, could review research findings as guidelines in planning human resource development activities and policy to increase the job commitment of their staff and retain their high performance workforce.
- 2. The research findings could show the management team the influence of job motivation and employee commitment on employees' work performance. This permits the management team to go over the current directions and organizational strategies.
- 3. This study reported certain shortfalls, challenges and guidelines for employee commitment and job satisfaction of employees. These are key needs assessments for the improvement and strategic work plan for the human resource department.

- 4. The research findings reported in this study could be shared with other organizations which are searching for techniques that could increase their employees' job satisfaction and commitment.
- 5. Other organizations could reveal research findings reported in this study when designing effective career development activities. This is to encourage their staff to work to achieve both personal and organizational goals as well as reduce the employee turnover rate.

Reviews of related literature

Concepts of ERG motivation theory proposed by Clayton P. Alderfer.

ERG motivation theory distinguishes three categories of people's needs in 3 levels consisting of Existence Needs, Related Needs and Growth Needs (Alderfer, 1972, as cited in Chienwattanasook, 2017, p.171-173). This theory describes that people may require different types of needs at the same time and it is no point categorizing needs orders. Meaning to say, people who may not be fulfilled with the lower-order needs (as classified in Maslow's hierarchy of needs) may require a higher-order one. This is in agreement with Naveekarn (1984, p. 68) summarizing the differences between ERG motivation theory introduced by Alderfer and the hierarchy of needs proposed by Maslow (1970) in the following points:

- 1. ERG motivation theory does not classify the needs orders. However, this theory observes that if people are not fulfilled with the existence needs, it could cause severe frustration.
- 2. ERG motivation theory reveals that although some needs are fulfilled, people are likely to require the same type in a higher level. For example, people having high salaries and secure jobs may look forward to receiving even higher salaries. The fulfilled needs could in this case motivate people to obtain more.

Self-Actualization	Growth Needs			
Esteem Needs				
Social and Belongingness Needs	Relatedness Needs			
Safety Needs]			
Physiological Needs	Existence Needs			

Maslow's Hierarchy of needs

Clayton's ERG motivation theory

Figure 2 The comparison between Maslow's Hierarchy of needs and Clayton's ERG motivation theory).

Source: Principles of management in organization, motivation in organization (Chienwattanasook, 2017, p.173)

The ERG motivation theory is, in addition, supported by a study of Pongchawee, (2013) uncovering that relatedness needs have a high impact on work performance and it influences the way people make their decision about whether they are leaving the company. Moreover, positive relationships among employees may lead to better work performance. Additionally, Yuthavorn (2015) reported in her study that the most influential factor that could motivate people to work is a positive relationship between employees and their supervisors as well as having a good relationship among colleagues themselves. Quality of relationships at the workplace therefore seems to be one of the most profound motivation factors driving staff to perform their best. The more happiness they have at work the more work motivation they have.

Concepts and theories concerning employee commitment

Sadangharn (2008) and Na-Nan, Tanompong, Thipnete and Kulsingh (2016) categorized 3 types of employees' commitment as follows:

- 1. Attitudinal Commitment refers to employees' willingness to work continuously and enthusiastically for their organization. This is because they feel proud of becoming members of the organization. This can been seen from research findings revealed by Hewitt Associates (2008). According to the study, people who want to be members, work hard and intend to do their best to ensure the benefit to their organization and maintain quality relationships with their colleagues usually have a high level of employee commitment.
- 2. Programmatic Commitment refers to work commitments that connect with private needs of employees. For example, people may remain working in their organization as they are waiting for their money from pensions, provident funds, or a good employment record.
- 3. Loyalty based Commitment connects with a positive feeling towards an organization. Employees having loyalty based commitment are likely to repay the kindness given by their organization by working to their full potential. Some employees develop loyalty based commitment after receiving educational opportunities or scholarships from their company, working with good colleagues, or receiving some kinds of assistance from their organization. One interesting study relating to employees commitment was conducted by Kaewsang and Phasunon (2015). This study revealed that people who feel engaged with their organization will also feel loyal to their organization. Moreover, the more employees feel loyal to their organization, the higher the effectiveness of their work performance could become.

It can be assumed that employees' commitment is derived from employee's attitudes and feelings the employees have for their organization. They accept an organization's goals, values, and cultures and feel proud of being a part of their organization. They are willing to contribute both physically and emotionally efforts to repay kindness to their organization. They believe that if they do their best to help the organization, the organization could become a competitive organization. An organization having workforces with high employee commitment could develop great synergy that is used to compete with competitors and be successful in their business.

Concepts and theories concerning employees' performance

Peterson and Plowman (1989 as cited in Thavornwongsakul, 2011, p. 71) summarized three criteria which could be considered when measuring employees' performance.

- 1. Work Quality refers to the correctness and completeness of work which employees do based on standards set by the organization. It also connects with satisfaction levels of people who the work is submitted to. The performed work must be worthwhile and usable by people who receive it. The quality of performed work is one criteria of the job motivation factors which is found and reported by Juengprasit (2012) that job motivation leads to work performance effectiveness. Many people are likely to first pay attention to the quality of the work they are doing or considering than to the quantity of work they could do.
- 2. Work Quantity refers to the amount of work people could perform. The work quantity must balance the expected work quantity, time consumed in work, and resources required to perform the job enough workforce, materials, equipment or devices.
- 3. Time refers to working operation time which is given for someone to complete the work. To meet the time standard, the time consumed in work is counted from the time the task is assigned until the completed task is submitted.

Work performance in this study is evaluated based on the measurement of work quality, quantity and time consumed in work. The results of employees' performance appraisal are used to indicate 1) how well employees could perform their work, 2) whether

employees deserve awards/punishment, 3) if consultation should be given to some employees, 4) ways of helping employees to increase both work quality and quantity.

Research Methodology

Population and sample

Population of this study are 545 employees working for one toy car manufacturing Company in Pathumtani Province. The number of the sample size was determined based on Yamane's formula (1973). By applying Yamane's formula of sample size with an error of 5% and with a confidence coefficient of 95%, the calculation from a population of 545 came up with 230 employees. To minimize potential errors which might be derived from collecting incomplete questionnaires, the researchers collected questionnaires from 300 employees. The researchers considered steps of Quota sampling technique to identify their samples from each group of their population.

Data collection instrument

The data collection instrument in this study was a five-point-rating scale questionnaire asking 32 questions. The questionnaire was divided into 4 main parts. The researchers distributed and collected 300 sets of completed questionnaires themselves.

Statistics for data analysis

- 1. Descriptive Statistics including frequency, average $(\bar{\mathbf{x}})$, Standard Deviation, and percentage were used to summarize overall pictures of levels of ERG motivation theory, levels of work performance and levels of employee commitment rated by the samples.
- 2. Inferential Statistics such as One-way Analysis of Variance (ANOVA) and LSD (Least Significant Difference) were used to determine whether there were any statistically significant differences between the means of two or more independent (unrelated) groups. To predict the value of work performance based on the value of two or more other variables (the levels of job motivation suggested in ERG theory and the levels of employee commitment) which are the test of the first and second hypothesis, Multiple Regression Analysis, an extension of simple linear regression, was performed.

Table 1.1 Summary of research findings

Variables	level	Average	Standard Deviation	
		$(\bar{\mathbf{x}})$	(SD)	
1. ERG motivation theory of employees				
1.1 Existence Needs	medium	3.30	0.75	
1.2 Relatedness Needs	medium	3.42	0.78	
1.3 Growth Needs	medium	3.36	0.74	
Average	medium	3.36	0.66	
2. employee commitment				
1.1 Attitudinal Commitment	medium	3.35	0.69	
1.2 Programmatic Commitment	medium	3.27	0.71	
1.3 Loyalty based Commitment	medium	3.37	0.72	
Average	medium	3.33	0.65	
3. work performance				
3.1 Work Quality	high	3.43	0.69	
3.2 Work Quantity	high	3.43	0.68	
3.3 Time Consumed in Work	high	3.42	0.75	
Average	high	3.43	0.65	

4. Summary of hypothesis testing

Hypothesis 1: Employees' ERG work motivation has an impact on their work performance.

Table 1.2 The analysis of Multiple Regression testing the impact of ERG work motivation on

employees' work performance.

Work motivation (ERG		Employees' work performance					
theory)	В	S.E	ß	t	Sig.	Tolerance	VIF
Constants	1.005	0.132	-	7.609	0.000*	-	-
Existence Needs (X1)	0.164	0.047	0.187	3.459	0.001*	0.520	1.924
Relatedness Needs (X2)	0.347	0.049	0.413	7.044	0.000*	0.441	2.265
Growth Needs (X3)	0.208	0.051	0.234	4.099	0.000*	0.464	2.154

$$R^2 = 0.742$$
, $F = 120.800$, *p<0.05

The result of hypothesis testing using regression analysis formula reports that ERG motivation theory in all dimensions – Existence Needs (X1), Relatedness Needs (X2), and Growth Needs (X3) have an impact on employees' work performance. The most influential dimension of ERG motivation theory impacting employees' work performance is Relatedness Needs (X2) ($\beta = 0.413$). This is followed by Growth Needs (X3) ($\beta = 0.243$) and Existence Needs (X1) ($\beta = 0.187$). The Coefficient of Determination ($R^2 = 0.742$) shows that all 3 dimensions of ERG motivation theory could well predict the variance of employees' work performance (74.20%) while the other 25.80% could be other types of factors influencing employees' work performance.

Hypothesis 2: Employees' commitment has an impact on their work performance.

Table 1.3 The analysis of Multiple Regression testing the impact of employees' commitment on employees' work performance.

1 1	1						
Employage' commitment	Employees' work performance						
Employees' commitment	В	S.E	ß	t	Sig.	Tolerance	VIF
Constants	1.186	0.148	-	7.997	0.000*	-	-
Attitudinal Commitment (X1)	0.252	0.065	0.269	3.890	0.000*	0.391	2.556
Programmatic Commitment (X2)	0.153	0.076	0.167	2.000	0.046*	0.268	3.732
Loyalty based Commitment (X3)	0.266	0.070	0.294	3.824	0.000*	0.315	3.174

 $R^2 = 0.669$, F = 80.070, *p<0.05

The result of hypothesis testing using regression analysis formula reports that all three types of employees' commitment – Attitudinal Commitment (X1), Programmatic Commitment (X2) (X2), and Loyalty based Commitment (X3) have an impact on employees' work performance. The most influential type of employees' commitment impacting employees' work performance is the Loyalty based Commitment (X3) ($\beta = 0.294$). This is followed by Attitudinal Commitment (X1) ($\beta = 0.269$) and the least influential type of employees' commitment impacting employees' work performance is Programmatic Commitment (X2) ($\beta = 0.167$). Moreover, the Coefficient of Determination ($R^2 = 0.669$) shows that all 3 types of employees' commitment could predict the variance of employees'

work performance (66.90%) while the other 33.10% could be other types of factors influencing employees' work performance.

Discussion of research findings

The following discussions are presented based on research findings reported in this study.

1. ERG motivation theory

This study reveals that employees working in the toy car manufacturing company in Pathumtani Province look for Relatedness Needs the most. This might be because working in an organization requires them to develop a good relationship with their colleagues. By getting along well with friends, it could also create a good working environment. This finding is also supported by the study of Pongchawee (2013) asserting that employees are likely to search for relatedness needs the most. In addition, her study discovered of the relationship between having a good relationship with colleagues and employees' work motivation. Yuthavorn (2015), also found that a positive relationship among supervisors, subordinates and colleagues becomes the most effective factor motivating employees to work for the best performance. To increase staffs' job motivation, team building and happiness at work, a company should organize employees' relationship activities boosting up strong relationships between supervisors and subordinates and among subordinates themselves.

2. Employee's commitment

Three types of employee commitment were discussed in this study Attitudinal Commitment, Programmatic Commitment and Loyalty Based Commitment. This study uncovered that employees continuing working in the company rated themselves as employees having the loyalty based commitment the most. This might be because this issue has been instilled in them by their company. They further express that the reason that makes them work hard for the company is because they feel proud of being part of this company. The study of Kaewsang (2015) also supported this describing that people can engage themselves and feel loyal to their organization if they are continuously encouraged to love their organization. In addition, her study, similarly, reported a positive relationship between levels of employees' commitment and employees' work effectiveness. It is also correspondent with the study of Thongdech (2015) revealing that employees with different personal characteristics in terms of gender, age, education level, income and working duration have different organizational engagement. In addition, motivational factors have positive relationship with organizational commitment; meaning that when employees have higher motivation, they will have higher degree of organizational commitment. Furthermore, the study done by Paothong (2016) found that employees with different personal factors in terms of working duration have organizational commitment. Also, the relationship between motivational factors and organizational commitment is also in positive direction.

3. Employees' work performance

Three related work performance issues measured in this study are work quality, work quantity, and time consumed in work. This study reported that employees working in this toy company have a high work performance in all aspects – work quality, work quantity and time consumed in work. This is because they are requested to pay attention to ensuring the correctness, high quality and time consumed in work. Before handing in their products to customers, their department must check the quality of products based on their quality standard. This finding is supported by the study presented by Juengprasit (2012). She found that people are likely to be concerned more about the quality of their work before looking at their work quantity. This is also agreed by the findings found by Thidiseree (2014) which disclosed that employees with different educational backgrounds and incomes may perform different quality at work. As a result, an organization wishing to enhance quality of their

product should focus on the working process quality instead of the quantity of work they could produce. Since the educational background of staff indicates their quality of work, the company, in addition, should be more specific when designing job specifications matching work and responsibility. Furthermore, the company must consider issues concerning staff compensation. All employees should receive fair pay reflecting the quality of work, responsibility and competence they contribute at work. Not only does a competitive salary help increase their morale at work, it also reinforces them to keep producing quality work.

Recommendations based on research findings in this study

- 1. The company should consider and implement various job motivation techniques that can fulfill the needs of their employees. The company should ensure and maintain the high level of job motivation of their staff by organizing activities promoting the importance of good relationships and cooperation at work. Since a positive relationship between supervisors and subordinates as well as among subordinates themselves could develop good cooperation and teamwork impacting on employees' work performance.
- 2. The findings in this study signify that although good compensation has an influence on employees' work performance, it is not the most important thing which the employees are seeking in the first place. In contrast, a company which could develop the loyalty based commitment in their people is less likely to encounter a high turnover rate. This is because employees who feel loyal to their organization could ignore problems or upsetting feelings they may occasionally experience at work. To maintain staff's loyalty and retain them at work, the company must look after their attitude, compensation, as well as organize some activities to promote, instill and increase staff's loyalty based commitment. Apart from boosting their loyalty, the company should consider whether they have proper management policies and good retention programs matching the needs of their employees.

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