

# A Study on the Impact of Promotion as a Motivational Tool on Employee Performance

Janice Castelino

janice.cast2001@gmail.com

## Abstract

**Purpose:** The purpose of this research paper is to understand the importance of promotion among all other motivational tools and the impact it has on the performance as productivity of an employee. Along with the monetary benefits enjoyed by the employee, the research paper also aims to explore the advantages that compliment promotion. These added advantages motivate employees to perform better and complete their jobs with efficiency. The study helps organisations highlight the importance of promotion and the benefits that accompany it which proves helpful for the organisation. The paper also aims at understanding how employee perceive promotion and it is not just the money but the recognition, appreciation, sense of belongingness that motivate employees to perform their tasks better.

**Research Implications:** The paper mentions how motivation cause can influence the performance of employee and the importance of motivation for employee to perform better in the work front. For organisation to provide a healthy environment for employee it is important to motivate them through different motivational tools. The research paper focusing on promotion mentions the various benefits and advantages it brings to the company as well as the employees.

**Originality/Value:** The research paper focuses on promotion as a motivational tool to improve employee productivity and performance. It mentions the different components that play a role along with promotion and suggest ways to improve the approach towards promotion and the expectations that need to be met by an employee in order to get promoted.

**Keywords:** Motivation, Motivational Tools, Promotion, Employee Performance.

## I. INTRODUCTION

Motivation can be defined as the complexity of forces that inspires a person at work to intensify his desires and willingness to use his potential to perform in order to achieve organizational objectives (Ekundayo, 2018). In order to satisfy employee needs, the use of motivational tools is very important to guide them towards achieving a certain goal. These tools are of different types each having the potential to motivate employees to enhance their productivity. (Koontz et al. 1990) opined that motivation of employees is an important inner control tool and should be satisfied in order to attain advantages such as increased employee commitment, increased productivity and efficiency. In order for organisations to be competitive in the outside world, it is important to motivate, incentivise, and guide them towards the right goals that employees have competence to achieve. The research paper is based on one of these motivational tools which is promotion. A promotion, understood as an advancement of employee's position within an organization, evaluated positively by the promoted, constitutes an important motivation factor. It satisfies the need of recognition and increases employee's

self-assessment (Roszyk-Kowalska & Duda, 2017). If a promotion is to be motivating in an organisation, it must be focused on fair, validated criteria that open promotion opportunities, primarily for workers who are innovative, gifted, and produce excellent results in their jobs.

## II. RESEARCH QUESTION

Does Promotion as a motivational tool have an impact on Employee Performance?

## III. OBJECTIVES

1. To evaluate the role promotion plays on employee performance.
2. To examine the effectiveness of promotion on employee performance.
3. To assess procedures used by organisations in promoting employees to motivate them.

#### IV. HYPOTHESIS

H<sub>0</sub>: Promotion does not act as a motivational tool on employee performance.

H<sub>1</sub>: Promotion acts as a motivational tool on employee performance.

#### V. SIGNIFICANCE AND IMPORTANCE

The research paper aims at providing an understanding of promotion and how it can be used as a tool to motivate employees. Since organisations can use multiple motivational tools in order to motivate and enhance employee performance, the research paper aims at highlights the importance of promotion as one of the motivational tools and how it can impact the employee productivity. The research paper will be useful to HR managers of companies, employees, owners, entrepreneurs, students and research professional to understand the persuasive value promotion has as a motivating tool. In the competitive world, promotion highlights the works of an extra ordinary employee who aims at standing out from the rest of the crowd. The recognition, autonomy, responsibility, challenges help employees in shaping up and improving their performance.

#### VI. LIMITATIONS OF STUDY

Despite of all sincere efforts put forwards for this research in order to collect the relevant information and data there are some inherent limitations. Due to money and time constraint a more detailed approach has not been possible. The study is based only on secondary data from books, newspaper articles, websites, etc. which may work as a limitation of the study.

#### VII. REVIEW OF LITERATURE

**Boamah Richard (2014):** in the research paper conducted a primary research on how promotion works as a motivational tool for employees and enhances their overall performance. In order to reach employee satisfaction, it is important to recognise that factors that motivates and incentives them and in turn leads to productivity. The opportunity for advancement, appreciation for good work, recognition, challenges, less supervision and more autonomy are main factors that motivate employees regarding promotion.

**Dr. Mike A. Iravo et al. (2015):** in the research paper stated that there is need to promote employees on the basis of merit in order to motivate employees' performance and productivity. The study is based on primary data collected in the commercial banking sector of Kenya. The researcher highlights that most organisation choose employees for promotion subjectively and not on merit which contributes as a demotivating factor. Many employees that are on-contract basis look to become permanent at the time of

promotion however employees that are already permanent are not very interested or little interested in promotions. The study concluded by stating that promotional practices had little or no effect on employee commitment towards an organization.

**AbrehamTadesse (2017):** in the research paper mentions that for a successful organisation, employee satisfaction should be of paramount importance. Employee satisfaction is achieved when promotion expectations are in alignment with the expectation of employees. The paper consists of a primary research conducted in a bank. The study showed that the employees were not satisfied with the promotion opportunities the bank had at the moment and a need for revision was needed in the same. The study concluded that promotional factor is very important and neglecting the same would lead to demotivated employees which would result in lower productivity, lower motivation or the choice of quitting the job. The study suggests that organisations should list their promotion expectations in order to motivated employees and guide them to work towards a particular goal.

**Ashley Miller (2017):** in the article titled "How Do Employees Get Motivated by Promotions?" highlights that the psychology of motivation is complete but plays an important role in an organisation. Along with promotion there are many aspects that compliment it and motivate employees to work better and explore full potential. The author is the article mentions different components that play a key role with promotion in order to motivate employees. Along with promotion comes an increase in pay raise, added responsibility, autonomy, challenges, recognition and much more. All these aspects create a competitive nature in the employee to strive for more and showcase competence towards the tasks.

**Gabriela Roszyk-Kowalska and MaciejDuda (2017):** The authors in the research paper defines promotion as moving a person to a higher position in the organization's hierarchy. The paper highlights the importance of promotion as a motivational tool as it increases the eagerness and willingness of employees to act and gives an opportunity to perform better which encourages them to improve their competence. The research is conducted among all the employees of Antonian Forest Inspectorate and is based on primary data. The authors conclude by stating that the study highlights the importance of promotion and it has proved to be the most efficient way to motivate employees. The reason for which is the satisfaction of recognition, strengthening self-assessment of employees. However, the study states that a strict criterion should be mentioned at the very beginning with regards to the promotion process. The study also highlighted an important opinion that a good relation with the superior undoubtedly contributes to better work results.

**Nichole Gunn (2018):** in the article titled “Encouraging Employee Motivation Through Internal Promotion” explains the relationship between responsibility and motivation. The author states that giving employees extra responsibility can motivate them which is done through promotion. Job security and stability can improve employee’s response towards the organisation. When employees are promoted the “potato chip effect” can kick in which is – once you’ve tasted one, you cannot stop. Along with benefits for employees, promotion is helpful for companies as it improves the company’s culture and working environment. It also reduces time and expenses incurred training new onboard employees. When an employee feels stuck and senses no feeling of advancement, they tend to grow a feeling of resentment towards the job and hence promotion helps organisations to avoid such a feeling in the minds of the employees.

### VIII. RESEARCH GAP

A significant research gap identified is the lack of promotional counselling methods, guidance and follow-up regarding promotional opportunities. Many studies failed to explore the changes in the minds of the rejected employees and how they can improve their performance by acquiring the required skill set. Another variable that has been underexplored is the impact of training and whether it enhances the productivity of employees enough to promote them.

### IX. FINDINGS

The research revealed very interesting findings which helped the researcher in drawing sharp conclusion. The research suggested that the level of motivation an employee feels in highly influenced by their psychological state of mind, their liking or perception towards the job, the mental stability they possess and the kind of environment they work in. Among the many motivational tools, the research paper focuses on promotion as a motivational tool to improve employee performance.

- Promotion is more than just a monetary benefit that the employee enjoys. Research has shown that along with promotion there are many factors that complement the same and are equally important. They act as a complimentary aspect to motivation. Along with a pay raise, the advancement of activities, new challenges, autonomy and less supervision, responsibilities, and recognition lead to a bigger picture and hence motivates employees to perform better. An employee that is promoted is usually in power of his own actions which makes him independent, leads to less supervision and more authority. All these perks make promotion a motivational tool for employees.
- Many studies also revealed that many employees are not satisfied with the promotional opportunities that

their organisations follow which can demotivate the employees. This is because at the time of promotions, superior may tend to favour their favourite and this could have a negative impact on the other employees. This leads to demotivation and can hamper the working environment of the organisation. It is imperative for organisations to lay down the promotional criteria and promote employees on a just and nonbiased manner. This will push the other employees and motivate them to achieve higher goals.

- It is of paramount importance for organisations to lay down a fixed promotional criterion, requirement and what is the expectation that needs to be matched so that the employees are given guidance and can work towards the right patch. Many a times, employees are not aware of what is expected from them and hence should be made aware of the same at the very beginning so that they achieve the goals which will motivate them further on. The heart of motivating employee depends on promoting them in order to reward them for their work. However, the entire process is of no use if employees are not made aware of what is expected from them hence making them aware is very important. Promotion in itself adds a positive aspect in the working environment which helps employees to enhance their productivity.

### X. SUGGESTIONS

Along with using promotion as a motivational tool, organisations should also focus of self-development programmes and health benefit programmes. These programmes help in maintaining the mental as well as physical well-being of the employees both of which are essential to ensure employees performance and productivity. Appreciation plays an important role in any organisation as it installs in the employee the feeling of being recognised for the hard work. Providing for career development programmes also play a crucial role in exploiting the potential of the employees and provides various opportunities for development. Along with a skill set developed in the work front, these programmes also shape good corporate behaviour and soft skills that are required at many levels which helps in management, maintaining good relationships with superiors as well as colleagues and handling difficult situations. All of these factors help in maintaining a healthy environment in the organisation.

### XI. CONCLUSION

Based on the findings it can be concluded that promotion acts as a motivational tool on employee performance. The research paper highlights how promotion can influence employees and motivate them to enhance their performance. The paper also mentions different aspects that play a key role in motivating employees as a part of

promotion and pushes them further to provide better results. Furthermore, the research paper states that factors like recognition, autonomy, appreciation all part of promotion have a positive impact on the employee and hence increase their productivity to achieve their goals. The study indicates that promotion does not only mean a monetary raise but the perks along with it that motivate employees. Hence it can be concluded that promotion as a motivational tool in an organisation enhances employee performance.

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