ORIGINAL ARTICLE

Impact of Motivation and Job Security on Employee Performance: An Empirical Study

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Submitted: September 19, 2020
Revised: October 29, 2020
Accepted: December 17, 2020
Published online: December 30, 2020

ABSTRACT
The main objective of the study was to analyze the impact of motivation and job security on employee performance. For this purpose, the study adopted positivist philosophy and deductive approach due to the quantitative nature of the study. To analyze the impact, the study adopted a conclusive research design. Based on the design of the study, the study collected data on a self-constructed multifactor questionnaire. The sample population was 250 employees. To assess the reliability of the instrument, a reliability test was carried out on a pilot sample of 30 to check whether or not the instrument is reliable. The results of reliability statistics revealed that the instrument is valid. Afterward, data was collected from 250 employees of HBL (Ltd). Once, all the data has been collected, PA of SEM has been applied to examine the causal relationship among the motivation, JS, and EP. The outcomes of the study revealed a significant positive impact of both motivation and job security on employee performance. From the results, it has been observed that comparatively, job security affects employee performance more than motivation.

Keywords: Motivation, Job Security, Employee Performance

1 | INTRODUCTION
To win in the marketplace you must first win in the workplace” as quoted by Douglas Conant. His proclivity for enthusiasm of employees within the workplace as to create win-win situation is the initial step as winning in the workplace leads to wining in the marketplace. Undoubtedly, he knew that employee’s performance in a workplace is the first step leading towards competing rivals and gaining the edge of accomplishment in the marketplace is the next frontier of an organization.

Employee performance refers to employee’s behavior is in the work environment and how they do their assigned duties. For a sole worker, the word performance is the quality of work, efficiency, and effectiveness at different task levels. A firm must be having enough tangible resources but if it lacks the efficiency of the working hands all other resources are in vain because to achieve your target man force is the basic resources. When employees are the most significant resources of the organization then employers expect more from the employees to work better and persistently but without reciprocity it is not possible. And for the employees, job safety is one of the key factors which have the most positive impact on willingness to work efficiently for the businesses (Maslow, 1954). The workers must work with their full energy if the organization makes sure that we care about you and your job security and gives a surety of the continuation of the employee’s job.

Nowadays professionals are very much concerned about the security of the employee’s job so that better performance could be accomplished (Ahmed and Joarder, 2016). That is why the issue of providing the surety of job to the employees has become very much popular among the practitioners and the researchers nowadays.

The job security concept became too popular these days because of the economic pressure on the organizations. That is why Lucky and Adebayo (2012), argued about job security that it has become very much essential for the organizations and has gained the most priority in the organization employees’ preference list, especially because of the
economic reasons. Around the world, almost 75 percent of the workers give the priority to their jobs in an organization over other activities (Abusharbeh & Nazzal, 2018). All these discussions and findings indicate that for an employee the security of his job is as much important as his health care and his salary (KPMG, 2010). Nowadays most employees have the desire to keep their job as long as he wants it or he wishes it, which indicate that job security has gained high popularity and has become the key factor in the decision-making process for the employee whether to join a firm or not (Abusharbeh & Nazzal, 2018).

Along with the surety of jobs, the factor of employee motivation is also very important for all businesses whether that is the private sector or the public sector. Employee motivation has a significant impact on the business's success and all of them encounter it efficiently (Nurun, Monirul, TanvirMahady & Abdullah, 2017). The word employee motivation has been derived from the word “motive” which means desires, wants, and needs of a person (Dewhurst, Gurhridge & Mohr, 2010). Employee motivation is a significant factor in psychology and for those managers who want productivity and maximum outputs. They cop this issue in a better manner, also increases the relation between the managers and their employees, and motivates their responsibilities. It encourages them to work more efficiently, overlook the performance of their subordinates, motivates them to have maximum interaction with the employees and participate actively in the organization’s activities, and also gives the employees their concerning work and achieve maximum productivity (Yildiz, 2020).

So, in practical terms, employee motivation means the inspirations which the company rewards to its employee in the shape of bonuses, packages, incentives, etc. Together with personality, attitude, learning, and perceptions, employee motivation is an important factor in knowing the behavior. As from the definition of employee motivation which says that “employee motivation is a process which starts from physiological or psychological needs or deficiencies that triggers a behavior aiming towards goals or objectives” specified that in a systematic sense, employee motivation includes these three (03) interdependent and interacting factors, these are, incentives, drives, and needs. The management researcher has a strong belief that without enduring specific commitment of the employees of a business the business goals are unattainable. Employee motivation is a characteristic of human psychology which contributes to the individual’s level of commitment. Employee motivation is a resolution of attaining goals, marked by the goal-directed attitude (Yildiz, 2020).

Previously, organizations believed that for increasing employee performance, monetary rewards are necessary due to which employees will work effectively. During, it worked but for the time being, however, as the time passed on and organizations restructured and widened this philosophy turned out to be void. In recent times, employee performance is a complex phenomenon reliant on monetary factors such as rewards, salary increments, job security, and nonmonetary factors like motivation, appraisal, etc. Research is an ongoing process and very little research has been conducted in the same field which is why there is a major gap left behind linking motivation and job security with employee performance (Okoth & Oluoich, 2019; Nurun & Dip, 2017; Fomenky, 2015; Olusadum & Anulika, 2018).

In a market where organizations strive for gaining a competitive edge in the market, most of the organizations are working on providing a friendly environment to their employees so that they could easily work on strategic goals to accomplish. During, employees also require perks and benefits which when acknowledged by the employer results in motivating the employees. Among such perks and benefits, satisfaction and job security are the significant factors as if they are not fulfilled by the employer consequently will result in dissatisfaction and job switch. To overcome such hurdles organizations are doing their best to accomplish and besides, there is extensive literature on employee motivation and job security however, most of the studies have not considered both the factors simultaneously (Olusadum & Anulika, 2018).

Additionally, in an economy like Pakistan where organizations are at a pace of gaining an edge in the competitive dynamic market, there is a lack of academic literature on whether these factors
combinedly affect the performance of employees in a workplace in Karachi? Therefore, this study has attempted to analyze the impact of motivation and job security on employee performance.

2 | LITERATURE REVIEW

Motivation

Olusadum & Anulika (2018) defined the concept of employee motivation, they stated that motivation is the combination of various goals, where human behavior could be directed towards those goals and also, involving the social factors, all of the processes due to which these goals are achieved and pursued. Another researcher Okoth & Oluoch (2019) defined employee motivation as a combination of drives, incentives, and needs. Alongside, there are numerous theories regarding employee motivation as explained categorically. Motivations are not a simple and easy concept, rather it pertains to different needs, wants, desire, drives, etc. managers motivate their employees by providing them with a feasible environment that induces a sense of high contribution in them. The need and want chain of satisfaction is somehow distorted. Maslow’s theory describes that human needs are hierarchically ranging from lowest-need i.e. psychological-needs to the needs of highest-order which are self-actualization needs. The two-factor theory of Herzberg demonstrates that the motivating factors are comprised of two sets in which the one set there lies the dissatisfiers who are associated with the job content.

Theoretical Underpinnings of Motivation

Within a workplace motivation of employees depends on different factors such as economic rewards, intrinsic satisfaction, performance-appraisal, and social relationships. Economic rewards consist of security, material goods, pension rights, fringe benefits, and salary. Intrinsic satisfaction is somehow a kind of personal orientation to work. It is derived from an interest in work, personal development, and growth. Performance appraisal is another factor of motivation of an employee working within an organization. It examines the skills, accomplishment, and growth or lack of an employee. The organization uses this technique so to give bigger picture feedback on their employee’s work and different decisions are based on this technique such as an increase in pay or termination of an employee. The social relationship includes dependency, status, affiliation desires, a group working ad friendship. This is concerned with relational work and may be concerned about other individuals. By the comparative strength of these needs and expectations, an individuals’ work performance, job satisfaction, and motivation will be determined and the degree to which they are fulfilled. For instance, there exist such people who want to forget the social relationship and intrinsic satisfaction in early stages and short terms) for the sake of large economic rewards. While on the other hand, many people prefer low economic rewards and happily accept intrinsic satisfaction (Nurun & Dip, 2019; Fomenky, 2015).

Job Security

Practitioners and researchers have defined job security in various ways. The term is very simple and understandable that the individual has the surety of his job, he will not be dismissed firmly the job and he will work until he wishes. Imran, Majeed & Ayub (2015), argued against job security that the freedom from the fear of losing the job. Karatepe & Olugbade (2016), also defined job security as the confidence and assurance of the employees about his job that his job will be kept secure. Businessdictionary.com has defined job security in this way that it is the assurance that a worker has about the continuity of his gainful job for the rest of his work-life.

According to Ralph Heibutzki (2003), job security significance depends upon the following factors

- Consideration
- Looks better on my resume
- Improved motivation
- Career stability

A European Union study has revealed that the security of jobs has a significant impact on productivity and job satisfaction for both genders while considering all seven European countries in the study (Hur & Perry, 2020). Imran, Majeed & Ayub (2015) argued that job security is the feeling of having satisfactory employment, its assurance of
future continuance, and the absence of fearing or threatening elements.

According to DeWitte (2005), many factors plays a significant role the determining of needs for a person’s career and influence their job security, these factors includes: labor legislation, joint bargaining agreement, employment contract, and some personal factors like location of the work place, industry in which they work, job functional zone, work experience, and education, etc. usually industry jobs and some other specific type of jobs has been considered to be more secure. For example, the jobs in the government sector, law-enforcement jobs, health-care jobs, educational jobs are considered, to be highly secure compared to the jobs of the private sector. The private sector has been perceived for offering lower security of the jobs which may be also according to occupation, location, industry, and many other factors (Adebayo & Lucky, 2012).

**Employee Performance**

Employee performance is a key metric that affects the overall performance of the organization. Performance of employees is in turn affected by several variables like employee satisfaction, working environment, compensation and benefits, career progression, etc. Gupta & Sharma (2016), found the following principal indicators of employee performance:

- Productivity
- Retention
- Customer Services
- Improving Performance
- Large Businesses

According to Businesdictionary.com employee performance is, “the job-related activities expected of a worker and how well those activities were executed.” Job insecurity also affects job employee performance. The literature demonstrates the relationship between self-related performance and job insecurity (Rosenblatt, et al., 1999). Sverke, et al, (2001) have also found that those people in the organization who have the fear of job do well to make themselves highlight and make sure their job confirmation in an organization. Another study has found that there is an indirect association between employee well-being, administration trust, employee attitude, and job participation with job insecurity (Sverke, et al., 2002).

**Job Security and Employee Performance**

The supervisors and the subordinates get surety that they can perform tasks without worrying that they can be fired. Career safety can result in the worker’s obsession and doing their tasks perfectly and enhance workers' skills. The production of the industry can be better due to the guarantee that the workers have a safe career in the institution.in addition, the worker's career safety can ensure the working environment peace and a good outcome (Imran et al., 2015).

Some years of research have been carried out to identify the good outcome on worker career safety and performance correlation. Workers can work hard to make sure that they achieve the goals set up by the institution when they get the guarantee that they have a safe career there (Shazali, 2011). Moreover, the career safety of the worker and their performance have a direct relationship. in addition when the employee has entrusted the continuity of the job it makes them enthusiastic and as a result, they perform in a better way (Bhuian, 1996).

**Motivation, Job Security and Employee Performance**

Employee Performance (EP) is the extent to which a worker fulfills the requirements required in the job description. The most significant factor among the job-performance is the accomplishment of goals. Efficacious workers are the ones who perform work within due time, build customer interaction positively, and increase sales of an organization. In an organization where employees are less motivated towards their job, customers usually avoid making themselves attached to any part of that organization and they consequently feel apathetic. Therefore, a corporation needs to compete in the market (Imran et al., 2015).

According to Zameer (2014), motivated employees are the one who is satisfied and brings maximum output for an organization. Such employees do not leave the organization. This process reverses when employees are not motivated and are not satisfied. The author pointed out some of those factors
leading to dissatisfaction such as hazards in the workplace, violence in the workplace, nightshift effect, unreasonable workload, underpayment, appreciation lack (Uzonna, 2013).

Many researchers have conducted their research on motivation and job performance. Karatepe & Olugbade (2016) examined the relationship between the level of job security and job performance among the employees of banks. They have conducted their study using the cross-sectional design in which primary data and secondary data were the sources. Both the qualitative and quantitative techniques were used for the gathering of primary data and from the annual reports of the banks the secondary data were extracted. Their total sample was of 210 those individuals who were working with the bank questionnaire were distributed among them while 15 bank workers were chosen for the in-depth interview and these 15 workers were working with the bank for almost last 3 years. Both the contract and permanent workers were indulged in the study. They have analyzed their quantitative data through statistics, inferential and descriptive both, while the qualitative data was analyzed on content analysis. They have concluded their results on that 58.7% of workers have considered their level of job security to be very low while the rest of 41.3% workers were considering their job security level to be high all across the chosen banks. Although evaluation of banks by banks of the low-security level of jobs did not demonstrate any big difference as Frist Bank reported 51.4%, Wema Bank reported 70% and Stanbic-IBTC Bank showed 51.4%. They have found that those employees who do not have any perception or feelings regarding the loss of their job showed an increasing growth in performance. Therefore, between the job security and job performance there is no significant relationship “χ² = 0.75; p> 0.05”, (Okoth & Oluoch, 2019). Their study showed that a declining level of job security is unavoidable in the banking sector, due to various reforms in the banking sector of Nigeria. However, still, it did not lower the performance of the employees, otherwise, it was enhanced. Ajani (2013) suggested that Nigerian banks that they need to employ a greater number of employees they are capable of providing for and put enabling circumstances for the employees to perform.

3 | RESEARCH METHODOLOGY

The study utilized a conclusive design due to investigating the relationship between variables of motivations, performance, and job security. The target population from whom the data was collected are all the employees of Habib Bank (Ltd.) Peshawar, Pakistan. To conduct the survey, the study had only surveyed those employees who are willing to respond or in other words, a convenient non-probability sampling technique has been employed. So, a total of 350 employees has been surveyed.

Due to the nature of our study which is descriptive, we used structural equation model (SEM) exploratory factor analysis. Because this study aims
to investigate the structural association among the factors. This model is the mix of regression and factor analysis, it is widely used to examine the structural association among the measured factors and latent constructs.

This technique is the combination of factor analysis and multiple regression analysis, it is majorly used to analyze the structural relationships between measured variables and latent constructs. AMOS software and STATA software are the most beneficial ones for the findings of this study and the running of the SEM model.

Employee performance depends on employee’s motivation and job security. Employee performance is shown by Y while employee’s motivation and job security are shown by X1 and X2 respectively in the following equation.

\[ Y = \beta_0 + \beta_1 (X1) + \beta_2 (X2) + U_i \]

Where Y shows the employee’s performance
X1 is the employee’s motivation
X2 is the Job Security of Employees

4 | RESULTS & DISCUSSION

The exhibition of the data is in the form of percentages and frequencies to explain the demographic information of the participants. Additionally, afterward, the path diagram has been illustrated for the study revealing the relationship among motivation, job security, and job performance. Finally, with the help of hypothesis testing, all the hypothesis has been tested to conclude regarding the final findings of the study.

The frequency and percentage information have been used to evaluate the demographic attributes of the participants as shown below:

Table 1 exhibits the demographic profile of the respondents. From the table, it has been observed that more than 52.3% of the employees in Habib Banks who were surveyed were females comprising a total proportion of 51.2% followed by the male of 47.7%. Most of the respondents were in the age limit of 36 – 40 years followed by the participants in the age limit of 41 and above. It shows that major study participants were senior citizens. It has been observed that the majority of the participants who participated in the study were married comprised of a total percentage of 36% followed by a single of 32%. In addition, it has been observed that the majority of the participants were postgraduate comprised of a total percentage of 50.9% followed by postgraduate of 28%.

### Table 1. Demographic Profile of the Respondents

<table>
<thead>
<tr>
<th>Factors</th>
<th>Particulars</th>
<th>N</th>
<th>%</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>167</td>
<td>47.7</td>
<td>47.7</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>183</td>
<td>52.3</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td>18 -25</td>
<td>85</td>
<td>24.3</td>
<td>24.3</td>
</tr>
<tr>
<td></td>
<td>26 – 35</td>
<td>72</td>
<td>20.6</td>
<td>44.9</td>
</tr>
<tr>
<td></td>
<td>36 – 40</td>
<td>116</td>
<td>33.1</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>41 and above</td>
<td>77</td>
<td>22</td>
<td>100</td>
</tr>
<tr>
<td>Marital</td>
<td>Single</td>
<td>112</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>129</td>
<td>36.9</td>
<td>68.9</td>
</tr>
<tr>
<td></td>
<td>Married with Children</td>
<td>109</td>
<td>31.1</td>
<td>100</td>
</tr>
<tr>
<td>Highest Education</td>
<td>Matriculation</td>
<td>9</td>
<td>2.60</td>
<td>2.57</td>
</tr>
<tr>
<td></td>
<td>Undergraduate</td>
<td>65</td>
<td>18.60</td>
<td>21.14</td>
</tr>
<tr>
<td></td>
<td>Postgraduate</td>
<td>178</td>
<td>50.90</td>
<td>72.00</td>
</tr>
<tr>
<td></td>
<td>Post Doctorate</td>
<td>98</td>
<td>28.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

### Table 1. Structural Output

<table>
<thead>
<tr>
<th>Direct Effect</th>
<th>Path Coefficient</th>
<th>t-Value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Job Security Job Performance</td>
<td>0.436</td>
<td>9.329</td>
<td>Significant</td>
</tr>
<tr>
<td>H2: Motivation Job Performance</td>
<td>0.551</td>
<td>12.151</td>
<td>Significant</td>
</tr>
<tr>
<td>H3: Work Env Job Performance</td>
<td>0.172</td>
<td>6.389</td>
<td>Significant</td>
</tr>
<tr>
<td>H3a: Work Env Motivation</td>
<td>0.783</td>
<td>14.830</td>
<td>Significant</td>
</tr>
<tr>
<td>H3b: Work Env Job Security</td>
<td>0.802</td>
<td>26.310</td>
<td>Significant</td>
</tr>
<tr>
<td>H4: Income Job Performance</td>
<td>0.007</td>
<td>0.434</td>
<td>Not</td>
</tr>
<tr>
<td>H4a: Income Motivation</td>
<td>0.001</td>
<td>0.028</td>
<td>Not</td>
</tr>
</tbody>
</table>

### Table 3. The goodness of Fit Estimate (CMIN)
Hypotheses Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is a significant impact of job security on job performance</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2: There is a significant impact of motivation on job performance</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3: There is a significant impact of work environment on job performance</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3a: There is a significant impact of work environment on motivation</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3b: There is a significant impact of work environment on job security</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4: There is a significant impact of income on job performance</td>
<td>Rejected</td>
</tr>
<tr>
<td>H4a: There is a significant impact of income on motivation</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

The goodness of Fit Estimates

From the goodness of fit estimates, it can be observed that the overall model is a good fit based on CMIN and RMSEA index. As shown in Table 3 below:

5 | CONCLUSION

The main objective of the study was to find the impact of job security and motivation on job performance. For this purpose, the study collected primary data from the respondents via a self-constructed questionnaire. Data has been collected from different respondents of Habib Banks Pakistan. Once all the data has been collected, was analyzed via IBM SPSS and IBM AMOS V21 to find the descriptive statistics and relationship among job security, motivation, and job performance. From the descriptive statistics, it has been observed that the majority of the study respondents were Female and were senior citizens in the age limit between 36 and 40 years with the highest education of postgraduation. Additionally, from the findings of SEM path analysis, it has been observed that both job security and motivation have a significant positive impact on the job performance of employees. Furthermore, the findings revealed that comparatively, job security has more influence on job performance. Hence, promoting job security among the employees would greatly encourage employee high extent of motivation that in turn improve the performance of employees. Providence of job security adds the feeling of security to employees which in turn results in improved performance without the fear of loss of a job. Additionally, the work environment always plays a vital role in motivating the employees consequently enhancing job performance.

6 | RECOMMENDATIONS

As job security has a significant positive impact on employee performance, thus, managers are required to ensure the security of employees by drafting employee contracts. Such contracts help in better performance of employees. Corporations via their system of management must improve the capacity building of their staff by continuous training sessions and refresher courses with a motive to improve the skill set enhancement and employability. Additionally, corporations need to engage their employees in decisions related to organizations as it provides confidence to employees thus increasing both the level of motivation and job security to perform effectively and efficiently. Lastly, the corporation’s management needs to develop policies that mitigate the probability of termination in the contract of their employee earlier to the expiry of termination. Like a clause to be formulated that particularly declines the chance of ultimate termination of the contract of an employee and hence improves the job security of employees.

6 | REFERENCES