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# Investigating the impact of Motivation and Employee's Commitment on Organizational Performance: case study of two manufacturing companies in Constantine

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#### Abstract.

This study intends to investigate the impact of Motivation and employees' commitment on performance in manufacturing companies in Constantine - Algeria. Data were collected through a self-administered survey questionnaire. According to the results, the employees perceive a medium level of Motivation and organizational performance. But, they perceive a high level of Commitment. The results show a positive correlation between Employees' Motivation, employees Commitment factors and Organizational performance. Moreover, Motivation and commitment have a positive impact on Organizational performance from employee's perspective. This study suggests that the most committed and motivated employees do well their jobs and show better performance in comparison to their colleagues.

**Key Words:** Motivation; Employee's commitment; Organizational performance; manufacturing companies in Constantine - Algeria.

JEL classification: J28, L29, M54

#### Résumé.

L'étude vise à examiner l'impact de la motivation au travail et l'implication des salariés sur la performance organisationnelle au sein des entreprises industrielles algériennes. Les données ont été recueillies à l'aide d'un questionnaire auto-administré. Selon les résultats obtenus, les employés perçoivent un niveau moyen de motivation au travail et de performance organisationnelle. Ils perçoivent un niveau élevé d'implication. Les résultats indiquent une corrélation positive entre les facteurs de la motivation au travail, les facteurs d'implication des salariées et la performance organisationnelle. Cette étude suggère que les salariées les plus motivées et les plus impliquais feront bien leurs tâches et seront plus performants que les autres.

*Mots clés: Motivation; implication des employés; La performance organisationnelle; entreprises industrielles à Constantine - Algérie.* 

Codes de classification JEL: J28, L29, M54

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#### 1. Introduction.

Today's organizations work in a dynamic and competitive environment. The key of success of every organization depends on employee's attitudes and behaviors. Some researchers assumed that employee behavior is one of the most important determinants of corporate performance. As well, Likert, Argyris and McGregor suggested that the way employees experience, their work would be reflected in organizational performance (Cole, L. E & Cole, M. S, 2005, p. 2). Therefore, retaining employees motivated and committed has become a priority for every organization. Employees can affect important aspects of organizational performance in several ways.

The growing interest in human resources is based on the assumption that individuals and the way they are managed are critical to the success of the business and can be a source of sustainable competitive advantage (Sabarirajan and Geethanjali, 2011, p. 38).

Organizational success depends on active use of human resources as the most valuable assets of an organization. Employees help the organization to grow more and more to achieve its goals effectively and efficiently. Therefore, Managers need to know that content and engaged employees have a higher possibility of making important contributions to the organization. It may result in good products and services or in innovative ideas. Thus, improving organizational performance by motivating employees and ensuring their loyalty has become a very important task for managers.

Organizations, regardless of size and activity try to retain the best employees, in recognition of their important role and influence on organizational success. In order to overcome all challenges, Organizations should motivate them, and establish a strong and positive relationship with its employees and guide them towards task fulfillment. Hence, the organizational performance depends on the performance of employees, which in turn depends on various factors. These factors can be linked to motivation, employees' commitment or both.

# **Research Questions:**

This study tried to answer the follow research questions: To what extent does Motivation and employees' Commitment affect the organizational performance at the two manufacturing companies in Constantine - Algeria?

In order to examine the main question, the following sub- questions need to be investigated as well:

- 1) What are the levels of motivation and employees' Commitment at the two manufacturing companies in Constantine Algeria?
- 2) Is there a relationship between overall Motivation, employees' Commitment and performance at the two manufacturing companies in Constantine Algeria?
- 3) To what extent does overall Motivation and employees' Commitment have a co-effect on performance at the two manufacturing companies in Constantine Algeria?

#### **Hypothesis:**

The main hypothesis of this study is: overall Motivation and employees Commitment had a positive co-effect on performance at the two manufacturing companies in Constantine - Algeria. As such, it has been considered as the high level of motivation and high level of Commitment can lead to a high level of organizational performance.

Based on the questions about the study, the following hypotheses were tested:

**H**<sub>1</sub>: The levels of motivation and employees' Commitment at the two manufacturing companies in Constantine – Algeria are moderate.

**H**<sub>2</sub>: There are positive statistically significant relationships between overall Motivation, employees' Commitment and performance at the two manufacturing companies in Constantine - Algeria?

**H**<sub>3</sub>: Overall Motivation and employees' Commitment have a positive significant co-effect on performance at the two manufacturing companies in Constantine – Algeria.

The current study was organized as follows: The first part summarizes the literature and explains the backgrounds of the hypotheses. The second part deals with methodology. Finally, the third part presents and discusses the study results.

# Purposes of the study:

The main purpose of the study is to examine the effect of both Motivation and employees' commitment on performance at the two manufacturing companies in Constantine - Algeria.

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The sub-purposes of this study are:

- 1) Assessing the levels of Motivation and employees' Commitment at the two manufacturing companies in Constantine Algeria;
- 2) investigating if there are relationships between Motivation and employees' commitment on one side, and performance on the other side at the manufacturing companies in Constantine Algeria;
- 3) Investigating the co-effect of motivation and employees' commitment on performance in the two manufacturing companies in Constantine Algeria.
- 4) Providing suggestions that help managers to find mechanisms in order to improve motivation, commitment and organizational performance in Algerian manufacturing companies.

#### 2. Literature Review

Employees' Motivation and commitment are associated with many important behaviors and outcomes, which have an impact on organizations and personal well-being of employees. Thus, Employees' Motivation and commitment are an important part in work situation, and has been related with improved performance as well as increased commitment.

## 2.1. Organizational performance.

Organizational performance is much shared issue in empirical researches. One of the important questions in business has been why some organizations succeeded while others failed. Thus, it is very important for managers to know which factors influence an organization's performance in order to take appropriate steps.

A variety of explanations was attributed to the concept of organizational performance. For this reason, there is no agreement about the meaning of organizational performance. Different measures were used for assessing organizational performance. Most specialists seemed to use the term "performance" to describe a range of measurements including input efficiency, output efficiency and in some cases transactional efficiency (Onikoyi, Awolusi, & Ayodeji, 2015, p. 63-64). According to Javier, performance is equivalent to the famous 3Es (economy, efficiency, and competitiveness) of a certain program or activity (Abu-Jarad, Yusof, & Nikbin, 2010, p. 28) With reference to its meanings, performance inform about the

relation between minimal and effective cost i.e. economy, between effective cost and realized output i.e. efficiency and between output and achieved outcome i.e. effectiveness. Organizational performance is defined in terms of the ability of an organization to satisfy the desired expectations of three main stakeholders comprising of owners, employees and customers (Aluko, 2003, p. 172). Therefore, performance should not be absolutely associated with high profit margin, high market share, or good quality of products, although they may be the result from fully achieving the description of performance. Performance is a set of financial and non-financial indicators, which offer information on the degree of achievement of goals and results (Maduenyi et al, 2015, p. 354). While, some studies suggest that organizations in different countries tend to emphasis on different goals and outcomes.

Despite the various definitions and explanations, researchers seem to agree that organizational performance is a complex and multidimensional phenomenon. Thus, there is no universally acceptable definition of the concept.

#### 2.2. Motivation and organizational performance.

Employees' Motivation has ever become a major issue in management literature. Employees' Motivation is an essential contributor to the success of any company.

Motivation can be examined as a concept in many ways. Firstly, Bartol and Martin describe motivation as a power that strengthens behavior, gives route to behavior, and triggers the tendency to continue (Peter *et al*, 2016, p. 10), Secondly, Certo described Motivation as the act of providing people with incentives to make them act in a desired manner (Ochola, 2018, p. 1). Hence, Employees' Motivation is the extent to which employees are content or happy with their jobs and working environment in an organization. In view of Nelson, motivation is the process of arousing and sustaining goal-directed behavior (Ochola, 2018, p. 1).

Bartol and Martin consider motivation as a powerful tool that reinforces behavior and triggers the tendency to continue (Dobre, 2013, p.54). Therefore, motivation is an internal drive to satisfy an unsatisfied need and to achieve a specific goal. It is also a process that begins with a physiological or psychological need that stimulates performance set by a goal.

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As Kalimullah suggested, a motivated employee has his/her goals aligned with those of the organization and directs his/her efforts in that direction. In addition, these organizations are more successful, as their employees continuously look for ways to improve their work (Dobre, 2013, p.54). Ensuring that employees reach their full potential at work while working in stressful conditions is a difficult challenge, but it can be done by motivating them.

The current study focused on three factors that affect Employees' Motivation: Working Conditions, Relationship with Coworkers (colleagues, superiors), Pay and Fringe Benefits, Promotion Opportunities, Autonomy in workplace.

Employees' Motivation is very important not only for employees but also for the success of the organization. An employee who is motivated to his or her job is more loyal to the organization, which may lead to more stability in the organization.

Several studies have revealed a strong relationship between Employees' Motivation and organizational performance. At the same time, a motivated employee has his/her goals aligned with the organization's goals and he leads his/her efforts in that direction. Among the most valuable results of Employees' Motivation we can point to a low turnover, growth of productivity and organizational effectiveness (Orute *et al*, 2012, p. 878).

The above ideas revealed that the Employees' Motivation is one of the key variables that affect organizational success, and it is necessary to give it more attention to it in order to avoid negative impacts on organizational performance.

# 2.3. Employees Commitment and organizational performance.

Employees' commitment has received more attention among researchers. It has become one of the most popular research topics. It related to different aspects of employee behavior such as: job performance, productivity, absenteeism and turnover.

Many facts indicate that organizations are looking for high performance and better HR strategies in order to increase their employees' commitment, as this can provide higher economic incomes for them (Kashefi *et al*, 2013, p. 503).

Organizational commitment was defined differently by researchers depending on their backgrounds. Thus, the term "commitment" can be referred to the willingness of social actors (employees) to give their energy and loyalty to a social system or an effective attachment to an organization apart from the purely instrumental worth of the relationship (Abdul Rashid et al, 2003, p. 713). According to Porter et al. Commitment is the strength of an individual's identification with and involvement in a particular organization (Ekmekci, 2011, p. 68). It refers to an employee's emotional or psychological attachment, his identification with the organization and his willingness to make additional efforts for achieve their common goals. It is characterized by three components: a strong belief in and acceptance of the organization's goals and values, a willingness to exert considerable effort on behalf of the organization and a strong desire to maintain their membership in the organization .According to Meyer and Allen a committed employee is the one who stays with the organization through thick and thin, attends work regularly, puts in a full day (and maybe more), and protects company's assets, shares company goals and others.

The specialists proposed three components of commitment: continuance, normative and affective. Continuance commitment involves an awareness of the costs incurred when leaving an organization and those who have this main link remain because they have to do so. Normative commitment implies a sense of obligation to stay with the organization, which gives everyone the impression of having to stay. Affective commitment refers to the employee's emotional attachment to, identification with and involvement in the organization (Rawat, 2011, p. 144). It refers to the extent to which employees want to stay in their organization. When an employee becomes emotionally involved with their organization, it means they want to stay in their organization.

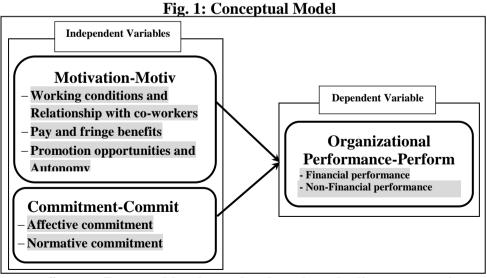
Employees Commitment can be an important mechanism for improving organizational performance. As part of organization, committed employees believe they are making an important contribution to the organizational success. According to Allen, Organizational commitment has serious and potential impacts on organization's performance and can be an important predictor of organizational effectiveness; therefore, ignoring it is damaging to organization and may impose extra costs (Kashefi et al, 2013, p.

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503). It was supposed that the higher commitment level would lead to higher organizational performance. Jackofsky found out that low commitment is leading to high rate of turnover, whereas higher the level of Employees' satisfaction through job security entails high level of organizational commitment which further leads to improved employees job performance (Khan, 2010, p. 164). In view of Ivancevich, the performance of an organization is directly related to commitment level of employees. Whitener explained that High level commitment is indispensable for increasing output and obtaining sustainable competitive advantages (Gul, 2015, p. 117). The empirical results of Irefin & Mechanic indicate that there is a fairly high relationship between employee commitment and organizational performance in Coca Cola Company -Plc implying that employee commitment improves the company's performance (Irefin & Mechanic, 2014, p. 40).

#### **Conceptual Model:**

According to motivations, purposes and reviewed literature on above, the study used Motivation and employee's commitment as independent variables, organizational performance as dependent variable (See Figure 1).



Source: Proposed by the author based on the literature review

Thus, it was assumed that Perceived Employees' Motivation and employees Commitment positively affect Organizational performance.

#### 3. Methodology

The methodology of the study is based on both primary and secondary data. In this study, a survey questionnaire was designed to gather accurate and less bias data. The target population for this study included the employees (320) of the two manufacturing companies in Constantine City. For reasons of confidentiality and anonymity, the names of the companies were not mentioned. This study used random sampling technique.

A total of 230 questionnaires were distributed to employees. As such, all the employees were given enough time to complete the questionnaires. A total of 147 valid questionnaires were returned, giving a response rate of 64%.

The elaborated questionnaire covered three (3) parts. The first part consisted of Items relating to Employees' Motivation. It was divided into three dimensions namely working conditions and Relationship with co-workers, Pay and fringe benefits, Promotion opportunities and Autonomy. The second part consisted of Items relating to employees commitment. This variable was divided into two dimensions, which are affective commitment and normative The last part consisted of Items relating commitment. organizational performance from the point of view of the employees. The organizational performance items were divided into two dimensions, which are financial performance (profit margins, return on assets (ROA), return on equity (ROE), growth, costs, return on investment (ROI) and sales growth, productivity, profitability, added value) and non-financial performance (product quality, customer motivation, On-time delivery, efficiency, market share, strategic goal achievement, competitive gap).

A five-point Likert scale anchored by 1 (strongly disagree.) and 5 (strongly agree.) was used in Parts B, C and D respectively. Items included in the survey were selected and designed on the basis of previous studies. A twenty-three (23) items questionnaire (close-ended questions), extracted from relative literature was used to describe three variables in this study.

The collected data was cleaned before being processed and analysed by SPSS (version 20.0) package. At first stage, Principal

Component Analysis (PCA) with normalized varimax rotation was performed to extract factors from different items of both questionnaires on each construct included in this study. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy test, and Bartlett's test of sphericity were run for testing the adequacy of current data. Cronbach's alpha reliability was computed to check internal consistency of measures/constructs. At the second stage, correlation analysis was conducted to examine the relationship between Employees' Motivation, employee's commitment and organizational performance. At the third stage, stepwise multiple regression analyses were conducted in order to determine the impact of Employees' Motivation and commitment on organizational performance from employee's perspective.

#### 4. Results and Discussion:

#### 1.4 Principal Component Analysis

One of the important steps in data analysis is to understand the underlying dimensions or the sub-scores of variables. Principal components analyses (PCA) with varimax rotation using SPSS, version 20 was conducted on the Independent Variables (Employees' Motivation, employee's commitment) sets of items to reduce the scales to the most suitable set of items to measure each variable. The results of the PCA for each behavior dimension and the organizational performance items are summarized in Table 2.

Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of Sphericity play an important role for accepting the sample adequacy (the appropriateness of the sample). While the KMO ranges from zero to one, the frequently accepted index is over 0,6. In addition, the Bartlett's test of Sphericity relates to the importance of the study and thereby demonstrates the validity and suitability of the responses collected to the problem being addressed through the study. For Factor Analysis to be recommended suitable, the Bartlett's Test of Sphericity must be less than 0,05.

Table 1: Kaiser-Meyer-Olkin and Bartlett's Test

Constructs	No. of	KMO	Bartlett's Test	Bartlett's	
	Items	Measure of	of Sphericity	test of	
	Items	Sampling	(Chi-square	Sphericity	

		Adequacy	χ <sup>2</sup> )	(Sig.)
Employees' Motivation	11	,805	544,698	,000
Employees Commitment	8	,779	463,027	,000
Organizational performance	9	,796	551,146	,000

**Source: Based on Data Analysis** 

According to the table values of KMO in case of all the variables are greater than 0,70 (> 0,50). This satisfies the criteria suggested by researchers. Last two columns of table 1 present the results of Bartlett's test of data sphericity. According to these results significance level of the Chi-square test, statistic is less than 0,001 in case of all the variables. Therefore, this study rejects the null hypothesis of no correlation among items of each construct.

The results of the Principal Component Analysis, percentage of variance explained by each factor, cumulative percentage of variance and the eigenvalue criterion were assessed.

**Table 2**: Summary of Principal Component Analysis

Dimer	nsions of	Motivatio	<b>Dimensions of Commitment</b>			
Componen t	Satisf -F1	Satisf -F2	Satisf -F3	Componen t	Commit -F1	Commi t-F2
	Fac	ctor Loadi	ngs		Factor I	Loadings
Item 1		,742		Item 1	,628	
Item 2		,806		Item 2	,759	
Item 3		,846		Item 3	,792	
Item 4			,614	Item 4	,851	
Item 5			,852	Item 5	,712	
Item 6			,819	Item 6	,833	
Item 7	,769			Item 7		,790
Item 8	,710			Item 8		,816
Item 9	,606				•	
Item 10	,757					
Item 11	,546					

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Eigenvalu	3,934	1,929	1,059	Eigenvalu	3,641	1,417
es				es		
% of	22,57	21,54	18,79	% of	44,15	19,07
Variance				Variance		
Cumulativ	22,57	44,12	62,92	Cumulativ	44,15	63,22
e %				e %		

Rotation Method: Varimax with Kaiser Normalization.

#### **Source: Based on Data Analysis**

The total variance explained by the extracted factors of employees Commitment was 62,92%. Affective commitment (Commit-F1) with six items ( $\alpha$ =0,863). It accounted for 44,15% of the variance; Normative commitment Commit-F2 with two items ( $\alpha$ =0,536). It accounted for 19,07% of the variance; The items on each scale were summed and then divided by the number of items on each of the scales. The factor loading in the two factors ranges from 0,628 to 0,851.

Principal components analysis was also conducted on ten Organizational performance items. As a result of the varimax rotation of the data related to the Organizational performance variable, one item have been removed from the analysis due to the factor loadings under 0,50 and two factor solutions have been obtained. The first factor was measured with five items, and the second factor was measured with four items. Factor loadings of the items ranged from 0,588 to 0,865. The total variance explained by the extracted factors of employees Commitment was 62,16%. Thus, all the dimensions have been carefully selected.

## 2.4 Reliability Analysis

Reliability is the extent to which a variable or set of variables is consistent in what it is anticipated to measure. The higher the Cronbach's Alpha coefficient, the greater is the internal consistency of the items, making up a composite measure.

Table 3: Table-3- Reliability and Validity Statistics

Scale	N of item	Cronb ach's Alpha	Val idit y	Factors	N of items	Cron bach 's
		_				Alph

						a
				F1	3	,829
Employees' Motivation	11	,826	,909	F2	3	,764
1/10/1/ 44/10/1				F3	5	,734
Employees	8	,871	,933	Affective commitment Commit-F1	6	,863
Employees commitment	0	,871	,933	Normative commitment Commit-F2	2	,536
Organization	9	,833	,913	Perform-F1	5	,791
al performance		,		Perform-F2	4	,835
Overall Questionnair e	28	,891	,943	/		

#### **Source: Based on Data Analysis**

Cronbach's alpha values for the sub-scales ranged between 0,536 and 0,863 indicating adequate reliability of the sub-scales. Additionally, the Cronbach's alpha coefficient for the entire scale ranged between 0,826 and 0,871. Therefore, these results confirm the competence of the scale in capturing the factors examined in the study. Employees' Motivation, employee's commitment and organizational performance were found as internally consistent as the value of Cronbach alpha was greater than 0,6. The Reliability and the Validity Statistics of the scales are reported in Table 1.

#### 3.4 Correlation Analyses

The correlation coefficient is a coefficient that determines the degree to which two variables' changes are associated. The correlation coefficient is a very useful technique to summarize the relationship between two variables with a single number that falls between [-1, +1]. In order to investigate the relationship between Employees' Motivation (Satisf) and its factors with Organizational performance (Perform) and, to achieve more exact results about the relationship between employees Commitment (Commit) and its factors with Organizational performance (Perform), Spearman test was performed. The results are summarized in Table 5.

The Table 4 indicates that there is no strong linear relationship among Employees' Motivation factors and Employee's

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Commitment factors; because the correlation coefficients have value ranging from 0,190 to 0,502 for Employees' Motivation factors and, 0,165 for Employee's Commitment factors. So, there is a weak to moderate relationship among Employees' Motivation factors and Employee's Commitment factors. Moreover, it indicated that the problem of multicollinearity did not exist because neither of the explanatory variables is highly related with others separately.

Table 5: Correlation between Employees' Motivation, Employee's Commitment and overall Organizational performance (Pearson Correlation)

Var	Perfor m	Satis F1	Satis F2	Satis F3	Sati sf	Commit F1	Commit F2
Perform	1						
SatisF1	,332**	1					
SatisF2	,295**	,413*	1				
SatisF3	,355**	,190*	,502*	1			
Satisf	,430**	,769*	,818*	,684*	1		
Commit F1	,324**	,389*	,169*	,306*	,390	1	
Commit F2	,386**	,647*	,437*	,276*	,625	,165*	1
Commit	,418**	,564*	,298*	,365*	,558	,943**	,485**

<sup>\*</sup> Correlation is significant at the 0.05 level (2-tailed). \*\* Correlation is significant at the 0.01 level (2-tailed).

#### Source: Based on Data Analysis

As well as Table 5 shows that all the factors of Employees' Motivation and Employee's Commitment are significantly correlated with overall Organizational performance at just 1% level of significance as the P-value for each of the cases is less than 0,01. At the same time, all coefficients indicate positive relationship between Employees' Motivation, Employee's Commitment and Organizational performance. The lowest coefficient value is 0,295 and the highest coefficient value is 0,430. So, it can be accepted that an increase in all the factors of Employees' Motivation and Employee's Commitment can lead to an increase in overall Organizational performance.

#### 4.4 Regression Analyses

By referring to the framework of the study and formulated hypotheses, Stepwise regression analysis was performed to test the proposed hypotheses. It was performed to identify the variables (Employees' Motivation, employees Commitment) that predicted the best explanation for the portion of the total variance in the scores of the dependent variable (Organizational performance). Stepwise Regression analysis has been chosen as it is a combined Method using both forward and backward elimination procedures.

Table 6: Results of the impact of Employees' Motivation and employees Commitment on Organizational performance

Model ec Coefficie Coeffi		Unstandardiz ed Coefficients		t	Sig	Condit ion Index	Collinearity Statistics	
itts	В	Std. Error	Beta				Toler ence	VIF
Constant	1,3 90	,269		5,17 2	,000	1,000		
Motiv	,29 3	,089	,286	3,28 6	,001	10,46 1	,689	1,45 2
Commit	,23 9	,080,	,259	2,96 8	,004	11,82 8	,689	1,45 2
Model Summar	R	R Squa re	Adjus ted R Squar e	Std. Error of the Estimate		F 8,809	Sig	D- W
y	,48 1	,231	,221	,64	,647		,000	1,91 8

**Source: Based on Data Analysis** 

According to the Table 6, the model includes two variables Employees' Motivation (Satisf), employees Commitment (Commit). Therefore, the estimated model as following:

# **Perform = 1,390+0,293***Motiv* +0,239*Commit*

The Model shows that Motivation and employees Commitment are significantly associated to Organizational performance. The coefficients of  $X_n$  are (0,293; 0,239) represents the partial impact of Employees' Motivation and employees Commitment on Organizational performance. The estimated positive signs imply that such impacts are positive and Organizational performance score would increase by (0,293; 0,239) for every unit increase in Employees' Motivation and employees Commitment. Also, those coefficient values are significant at 1% level (0,001<1%; 0,004<1%).

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Table 6 shows that the R value of +0,481 indicates that the relationship between Employees' Motivation, employees Commitment and Organizational performance is moderate and positive. Therefore, the Adjusted R Square is 0,231. Employees' Motivation and employees Commitment can explain 23,1% of the total variation in Organizational performance and the result is significant as indicated by (F=8,809) at the level of 1% (0,000<1%). Moreover, the adopted model has a good fit.

According to the weights of Standardized Coefficients(Beta) shown in Table 6, The Employees' Motivation with Coefficient value of 0,286 have maximum impact on Organizational performance, and then there is employees Commitment with Coefficient value of 0,259 have minimum impact on Organizational performance. This result indicates the fact that the two predictors significantly influence Organizational performance in a positive way and Organizational performance is partially dependent on these three variables jointly.

Collinearity diagnostics measure how much regressors or predictors are related to other regressors and how this affects the stability and variance of the regression estimates. For identifying Collinearity the Condition Index, the tolerance and Variance Inflation Factor (VIF) was examined. A tolerance value of less than 0,10 and/or a VIF of 10 and above indicates a multicollinearity problem. According to Table 6, Tolerance and VIF values are: Tol=0,917>0,20; VIF=1,171<5. As a result, there is no problem of multicollinearity in the second model.

#### 5. Conclusion

In a new era, where human resources are most valuable assets, it is really important to reinforce Employees' Motivation and commitment of employees in order to achieve organizational goals. importance organizational performance Given the of organizations, this study examines the impact of Employees' Motivation and commitment on performance in two manufacturing companies in Constantine - Algeria. Consistent with the research hypotheses, Employees' Motivation and commitment has a direct impact on organizational performance from employee's perspective. According to the result of this study, the majority of the answers agree with the items of questionnaire (Employees' Motivation,

employees Commitment, Organizational performance). The employees in the two manufacturing companies in Constantine - Algeria perceive a moderate level of Employees' Motivation and Organizational performance, but they perceive a high level of Commitment.

The correlation analysis revealed that all the factors of Employees' Motivation and employee's Commitment are significantly correlated with overall Organizational performance at just 1% level of significance. At the same time, all coefficients indicate positive Employees' employee's relationship between Motivation. commitment and organizational performance. Detailed analysis showed that the association between factors of employee's commitment and organizational performance was stronger than the between factors of Employees' Motivation organizational performance. It could be stated that employee's commitment more strongly determines organizational performance than Employees' Motivation determines organizational performance. The results of this study confirmed the conclusions of other studies dealing with this topic about the existence of relationship between Employees' Motivation, employee's commitment and organizational performance.

Stepwise regression analysis revealed that normative commitment, affective commitment, promotion opportunities and autonomy are the best predictors of organizational performance. Therefore, it influences significantly organizational performance in a positive way. So, that24,1% of the changing in variance of Organizational performance can be explained by these factors. These results are consistent with Schauboeck and Aryee, Kontoghiorghes and Bryant, Huang and Chi, and Lam, Irefin and Mechanic, Katzenbach findings. Using the findings of this study, managers may be able to improve organizational performance by optimizing Employees' Motivation and employees commitment along the factors proposed in this study. The managers must satisfy the needs of their employees by providing good working conditions.

This study has some limitations. Firstly, the respondents in this study were all employees of two manufacturing companies in Constantine - Algeria from two Companies, so selection bias could not be avoided and the sample may not be representative of all employees of manufacturing companies in Constantine - Algeria. Secondly, the

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results cannot be generalized to all employees of manufacturing companies in Constantine - Algeria, since respondents were from two Companies only. So, every Company has its own specific characteristics. Thirdly, this study was limited to the public sector; consequently, all of these can be potential sources of error in the data collection.

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