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## **Motivation And Its Role In Uk Non-Profit Organisation: A Case Study Of Two Organisations**

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**Abstract:** This paper presents the findings of a case study on the role of motivation in non-for-profit (NFP) organisations in the UK with particular reference to two organisations providing services to people with learning disabilities. Quantitative data was collected from 88 respondents, through questionnaire based-surveys. Interviews were used to triangulate the data and for validation purposes. The sample used is entirely composed of employees and includes: permanent, temporary, full time and part-time staff and no volunteers. Findings indicate that many individuals are attracted to work in NFP organisations because of their characteristics diversity factors. Other key motivational factors include training, and flexible working arrangements. Overall findings show that people are intrinsically motivated even if employees were not satisfied with the pay. The findings conform to earlier studies on employees' motivation in NFP organisations and on pay and motivations (Tippet and Kluvers 2009).

**Keywords:** *Motivation, Human Resources, Non-for-profit, Organisation, Health Care.*

### **Introduction**

Motivation represents an important aspect for the organisation (both for profit and non-profit ones) and has been linked to organisation performance, job satisfaction, productivity, staff turnover by Cooke, (2000) as well as Purcell (2003).

Motivational factors are crucial in order to ensure "working-in" and "remaining-in" NFP organisations despite facing worse working and economic conditions than in the for-profit labour market.

Most managers assume that employees' performance relates to the level of reward (Baiman, 1990), while intrinsic motivation and its relation to performances as pointed out by Guo et al. (2014) are ignored. Gupta and Mitra (1998) argue that monetary incentives are strong motivators. Tippet and Kluvers established that "financial incentives were particularly powerful with respect to performance quantity" (Tippet and Kluvers, 2009, p.7). However, the main common finding is that people work and are retained in NFP organisations not primarily because of rewards but because of intrinsic factors as the main driving force (Roomkin and Weisbrod 199 and Schepers et al., 2005 and Praston 1989). Furthermore, Tippet and Kluvers argued that the need for people to be employed in a particular organisation is largely based on

"human motivation" (Tippet & Kluvers, 2009, p8), while in a case study about non-profit organisations Cruz et al., (2009) argue that people join and work for such organisation (i.e. NFP) because they are more inclined to intrinsic rather than extrinsic motivation such as the financial rewards.

## Methodology

The present work is based on a case study approach as many recent studies in social research (Yin 2002). Our initial assumption has been that people work in the NFP organization (specifically the two in the case study), not for the prospects of financial gain as a main driver. Among the other assumptions there is Saunders' theory relative to the possibility of a "formulation regarding the cause and effect relationships between two or more variables which may not have been tested" (Saunders et al.2009, p.602). As the case study allows the use of many sources to collect the data, a questionnaire survey was formulated so as to gather as much as possible evidence in relation to the motivational aspects of the respondents. Purposive sampling has been used as it is recommended when the selected organisations are representative and can answer the research questions (Saunders et al., 2009). Interviews were used to triangulate the data and for validation purposes Bell (2005). Interview was conducted face to face, while questionnaires were sent to the respondents. The work-hypothesis related to NFP-A and NFP-B was that the “non-monetary motivational factors were key for personnel retention, engagement and performance levels despite the large gaps and shortcomings spotted in respect of Hygiene Factors” .

## Data analysis and selected sample

The sample size of 100 employees was obtained using random sampling techniques from the sample frame of 4500 NFP-A employees. A total of 100 and 50 questionnaires were sent to NFP-A and NFP-B respectively. In total 88 completed questionnaires were collected from 150 questionnaires that were distributed, which is 59% compound response rate from NFP-A and NFP-B (see Table 1). In NFP-B out of 50 employees who received the questionnaires, only 20 questionnaires were returned which is 40% and is relatively lower than in NFP-A but still meets the minimum requirement for a response rate of higher or equal to 30% recommended in social science research (Bryman 2008). Random sampling was chosen because it provides an equal chance of each employee in the sample frame of the 4550 population to be selected. For NFP-A the representative sample is N1=68, and for NFP-B N2=20, both samples are representative and this allows some generalisation of the findings (Denscombe 2003).

Table 1 - Respondents for Questionnaire survey in Companies A and B

Organisation	Sample size	Respondents	Response Rate (%)
NFP-A	100	68	68%
NFP-B	50	20	40 %
Total	N=150	N=88	59%

To complement the quantitative data collected from questionnaires, a series of interviews were conducted with support workers, senior support workers and line managers. The interviews

involved people from both NFP-A and NFP-B. A total of 23 people were interviewed with the majority of the respondents from NFP-A. The interview helped in triangulation and validation of the information obtained in the questionnaire-based survey. Aspects related to ethical considerations were taken into account. Consent forms were signed and respondents in the questionnaire survey and interviews were free to decline or participate in the research. While the directors of the companies allowed the collection of data, consent for the use of the real names was denied.

The questionnaire was formulated including 31 questions. The questions were coded and gathered data was processed using SPSS. The analysis used frequency tables, correlations and cross-tabulations. Out of the total 88 respondents (N=88), the majority were from NFP-A (77%). This implies that care should be taken in comparing the two organisations, therefore, an indexing, or proportional approach, has been considered as meaningful rather than a direct figure comparison which would not account for the above mentioned disparity.

### Gender distribution analysis

In this study, while some respondents declined to mention their gender, the overall gender profile of respondents in both organisations show that Males are 34% while Females are 63%. Findings from NFP-A show that the company has a rich diversity of employees in different positions ranging from support workers to managerial levels (Table 2).

Table 2 - NFP-A diversity table: gender, ethnicity and disability\*

Job title	Headcount	Gender (%)		Ethnic Origin (%)							Disability (%)		
		M	F	White	Mixed	Asian	Black	Chinese	Not Known	Other	Yes	No	Refuse to say / not known
Support Worker	2660	27.9%	72.1%	62.6%	1.3%	2.0%	17.4%	0.1%	15.7%	80.0%	1.6%	60.1%	1020
Senior Support Worker	285	27.4%	72.6%	70.5%	1.8%	1.4%	17.9%	0.0%	7.4%	1.1%	0.7%	42.8%	161
Deputy Team Manager	79	17.7%	82.3%	64.6%	0.0%	2.5%	5.1%	1.3%	25.3%	1.3%	0.0%	46.8%	42
Team Leader/Manager / Home Manager	286	19.2%	80.8%	76.9%	0.7%	1.0%	4.9%	0.0%	16.1%	0.3%	1.0%	38.5%	173
Area Manager	52	25.0%	75.0%	84.6%	0.0%	1.9%	1.9%	1.9%	9.6%	0.0%	0.0%	21.2%	41
Regional Director & above	21	38.1%	61.9%	81.0%	0.0%	0.0%	0.0%	0.0%	19.0%	0.0%	0.0%	33.3%	14
Admin staff not NDGL	44	9.1%	90.9%	84.1%	2.3%	2.3%	2.3%	0.0%	9.1%	0.0%	4.5%	63.6%	14
Other	65	33.8%	66.2%	89.2%	1.5%	0.0%	1.5%	0.0%	7.7%	0.0%	10.8%	47.7%	27
NDGL Staff	166	30.7%	69.3%	81.3%	6.0%	6.0%	3.0%	0.0%	6.6%	2.4%	2.4%	43.4%	90
<b>Total Staff</b>	<b>3658</b>	<b>27.0%</b>	<b>73.0%</b>	<b>66.4%</b>	<b>1.2%</b>	<b>2.1%</b>	<b>14.8%</b>	<b>0.1%</b>	<b>14.6%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>55.1%</b>	<b>1582</b>
Highest earning 5%	183	35.0%	65.0%	73.8%	0.5%	3.8%	4.9%	0.5%	15.3%	0.5%	0.5%	42.1%	105

\*Source: HR Dept. NFP-A as per 31st Dec 2010

The majority of support workers (62.6% support workers and 70% of senior support workers) are from white ethnic background, followed by black (17.4% support workers and 17.9% senior support workers). These first two groups make 80% of the Support worker group and 88% of the Senior support workers group respectively. The third group was labelled as “not known” and it includes those who refused to answer. Further analysing the data it is noticeable that group represented by employees of white ethnic background have a proportional representation in the various roles including managerial ones, the black ethnic group has a greater presence in the support worker and senior support workers segment. One of the reasons might be due to the fact that a higher percentage of the black ethnic group has a higher turnover due to various external circumstances in NFP-A. This could be objective of further analysis and investigation. Employees of Asian and Chinese ethnic background are by far less than other overall therefore their distribution between the various managerial and non-managerial roles is statistically less

relevant as it could be greatly influenced by one individual's career, yet they have a normally distributed proportion between managerial and non-managerial positions, team leaders, deputy managers, area managers, regional directors and etc.).

### **Education/qualification and experience at entry distribution analysis**

In the study, respondents were also asked about their qualification levels at entry in the both organisations. Results indicate that 27% of respondents joined the companies with “O” level/GCSE qualifications, and only 16% had “A” levels. Those with NVQ or vocational skill were 29%, a slightly higher than those employees with GCSE qualifications; while a 28% of the employees are without any education qualifications. In relation to the motivation for joining a company, the results confirm that for a good part of the sample, one of the reasons to work in either company was their relative ease of entry. This implies that even people without formal qualifications could still join the organisations (as indicated by a 29% proportion of employees having no formal education and or vocational qualifications). This principle is also part of the human resource policy of both NFP-A and NFP-B and proved to be a significant motivation for people in joining the company. The results show that “word of mouth” also helps to project the company image towards the outer world and therefore many of the people who become inwardly motivated attracted through extrinsic factors others to enter and work both in NFP-A and NFP-B.

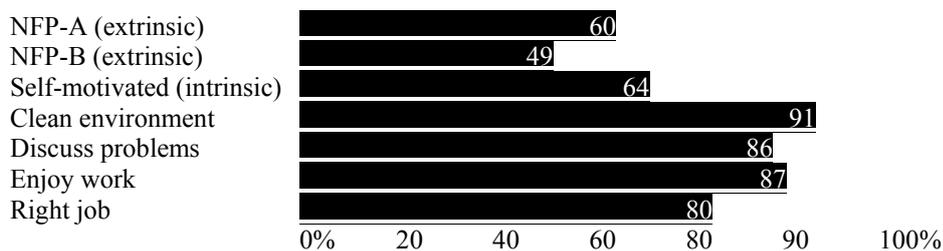
In this study it has been possible to compare and examine responses of people with no work experience and people with a work experience from 1-5 years, 6-7, 8-10, 10+ years. The results show that 34% of respondents indicated to have no work experience, followed by those with 1-5 years of experience (26%) and over 10 years of experience (26%). A small proportion (14%) of respondents had experience of 6-10 years. These results prove the fact that entry criteria are non-discriminatory in both NFP-A and NFP-B, and this is to be considered crucial because talented (potential employees) are not left out due to lack in qualifications. This translates in the fact that their aptitude to work is regarded as a very important motivation factor (which is intrinsic in nature) and can be effective in determining work performance. Moreover both companies use the same approach to recruit even those people not only without experience (34%) but also without vocational or formal education (29%). It is apparent that the two organisations under exam attract prospective employees also because they make them feel not-discriminated in any respect. The employees are encouraged towards self-development and this provides room also for those without any qualification.

The respondents were also asked how many years they have worked in NFP-A and NFP-B. Respective results show that 15% had a work experience of 2 years. Those with 1-2 years of work experience were 23% while those with 1-5 years were 48% and those above 5 years of experience were 52%. A 60% of the respondents had previously worked in 1 to 4 different organisations. A 40% of employees in NFP-A and NFP-B worked in more than 4 different work places. Combining this information it can be argued that most of the people who joined the two companies had previous experience of moving from one company to another either for dissatisfaction or lack in motivation.

## Employees' attitude

A 70% of employees are full time and 30% part time. As far as the relevance of training is concerned, the study show that 67% of employees feel that the training they received on the job was significant. The attitude of staff towards training and career opportunity was stressed by 47% of respondents who strongly agreed. Those having a positive attitude towards equal opportunity in training offered by the NFP-A accounted for a 74%, while 20% had a negative attitude. Employees' perception of belonging to the organisation was indicated only by a relatively small proportion, i.e. 29%, while 71% felt that they were not part of the organisations. According to the insight from qualitative data, this could be due to lack of recognition or status, within their jobs. Furthermore, employees may have routine jobs and therefore not involved in decision making (or feeling so). Despite this, most respondents have positive attitude towards their job context, and work environment as per data in Figure 2. A clean environment scored 91% (showing the relevance of Herzberg's Hygiene factor). Likewise, a majority of 80% respondents reported feeling to be in right job. Additionally, the results on self-motivation (intrinsic motivation) suggest supporting a correlation between feeling to be in the right job and being motivated as 86% of respondents were of the opinion that they are intrinsically motivated, with NFP-B performing better than NFP-A, in respect of providing motivation to their employees.

Figure 2 - Motivation distribution % of respondents



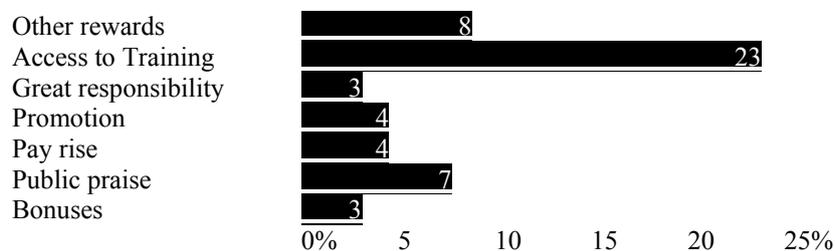
## Employees' rewards

In the interview with the management emerged that NFP-A could not pay enough money simply because “the company does not make money” (verbatim form the interviews), yet it was noted that though the NFP-A did not pay enough money, employees still want to work in it. The results have indicated that 50% of NFP-A and NFP-B employees were of the opinion that the wages were fair. However, a 40% thought the wages were unfair but there were overriding factors which could retain them within the organisation. One of the dominant factors that emerged was training. Another major factor was job retention/security as while many employees entered without qualifications, they would have limited prospects for relocation elsewhere. Employees in both companies indicated that they wanted more training hours (65%) even if over 50% of employees need to attend non-mandatory health and social care training.

The data from Figure 3 illustrate that employees perceive as a motivation factor the access to training (actually it is perceived at the main reward). Other motivation factors ranked second with 8%. The recognition in the form of public praise ranked third with 7%. Promotion and

pay rise had same proportion of responses 4% and bonuses and great responsibility are least viewed as motivation factors with only 3% each. The findings appear in line with both Maslow's and Herzberg's theories on motivation.

Figure 3 - Motivation factors in NFP-A and NFP-B (% responses)



Source: author 2011 (multiple response)

This study points out that the self-motivated employees represent 64% which implies that the examined organisations benefit from employees internal motivations and are rewarded by having placed a great emphasis on responsibility of the employees. Motivation should be incentivised by means of some form of reward which could be financial and/or non-financial. The same could be said for non-reward based incentives which could still be financial and/or non-financial. The study has pointed out that:

1. Both companies provide some direct or indirect financial benefit.
2. Both companies have a substantial program of training.
3. Both companies give public recognition to employees' achievements.
4. Both companies have a relatively lower pay than equivalent for profit organisation. However, NFP-A receives funds from local authorities only while NFP-B receives funds from local and central authorities. Thus, NFP-A funds are smaller and less certain than those of NFP-B.
5. NFP-B employees salary is about 15 % higher than NFP-A, moreover, NFP-B employees get more holiday pay than NFP-A.
6. NFP-B employees enjoy their work more and they feel more part of the "team" than those of NFP-A
7. Senior support workers/managers in NFP-A may be required to work overtime but will only be paid as much as a simple support worker for the extra hours worked.
8. NFP-A is a big company delivering its services in various locations and the employees have to work in different places and alone increasing the negative impact on employees' motivation. On the contrary in NFP-B there is more social life as there is just one site where NFP-B delivers its services.

In conclusion, NFP-B has an overall better performance in motivating its staff than NFP-A. Most profit making organisations have very stringent entry criteria for employment, while many NFP have relatively flexible criteria which permit much diversity of background factors such as education and qualifications, skills, experience, age and gender. These factors appear to not only attract but also they have a decisive role in employees' retention.

### **Analysis of Motivation in NFP-A and NFP-B**

Motivation is an increasingly important factor in the performance of both for-profit and non-profit organisations and many enterprises recognise this by adopting specific measures, yet in any organisation, there can be significant variation in contributions made by individuals, as shown by Bratton et al. (2010, p.191).

Maslow (1943), Herzberg (1968), and Hackman and Oldham (1976) all argue that the job context, or what Torrington et al., (2008) calls it the “work itself” , is an important factor. A number of studies have discussed job satisfaction with work performance (Purcell 2003) and all arrive at a consensus that job satisfaction impacts on performance. In the case of the present study, findings indicate that this applies in the 80% of the cases.

Maslow (1943) Mayo (1953) and McClelland (1971) stress the importance of affiliation as one of the motivation drivers. The results of the present study show that a small proportion of employees feel that they were part of the organization thus showing that there is a clear problem with the extent of employees' involvement. The study also found that both companies needed to implement a policy which encourage and enhances team work and also involves employees in decision making.

Many argue that money is not a motivation factor; however, findings of this study show that a 44% of employees replied that the pay was not fair (both in NFP-A and NFP-B).

#### **Motivation in NFP-A**

It grants at least 20 days annual leave per year even if more can be provided depending on the employee' s performance and permanence in the company (up to a maximum number of total paid holidays of 32 days thanks to the possible addition of one extra day for each year an employee has been in the company for at least 12 years).

One of the extrinsic motivating factors is that flexible hours enable women to achieve greater balance between duties at work and at home. This aspect was reinforced by the fact that NFP-A has adopted a scheme for discounted store cards from large retailers' organisations such as Cosco and Makro.

NFP-A employees benefit from a relatively good pension scheme and have access to on-line training facilities and this is perceived as motivational. Additionally, NFP-A has established a forum where employees discuss issues pertaining to the work. The forum is called “Evolution” and is perceived as an incentive. Every three month the forum holds an event in which goals are set, it is possible to learn from each others' experience, and to nominate the best staff who will be awarded a small trophy. The employees rated the discussion at Evolution meetings long with the work place as highly motivational. However, NFP-A lacks motivation bonuses, and managers somehow do not recognise employees (except for what is achieved via the “evolution” approach).

## **Motivation in NFP-B**

NFP-B employees' incentives include job security, good pay and contract as well as normal working hours Monday to Friday. Employees are provided with trainings on a monthly basis. The quality, and quantity, of training will depend on their development's needs (with some even regarded as mandatory). Additionally, employees are also entitled to holiday and sick pay (which is not always the case in this kind of working environment). The work environment is good and team-work is the norm. This was reflected in 60% of employees feeling motivated. The rewards in NFP-B include a good pension (every employee can get private pension contributions scheme). Pay is relatively higher than in NFP-A (if calculated on an hourly basis), however, employees in NFP-A have more opportunities to receive additional pay for each extra hour worked.

## **Conclusion**

The purpose of the present study was to explore the role of motivations in non-for-profit organisations. Specifically it reports the findings of two case studies conducted in the health and social care service provision for supporting people with learning disabilities and autism in the UK. Earlier studies on motivations in NFP organisations have established that, pay in these organisations is relatively lower compared to people working in the for-profit sector. In this respect, the present study conforms to other researches on what they concluded that despite lower pay people work in non-profit organisations because of the importance they attribute to these jobs. The study has confirmed that the main driver for people to enter and work in non-profit organisations is their individual intrinsic motivation. Furthermore, it pointed out that: the role of motivation is inversely proportional to the size of the company, in other words as the company's human resource increases in size the motivation becomes weaker (at least in the addressed context). Hence it can be inferred that small organisations are more likely to motivate employees than large organisations. What just stated is substantiated by the following findings: while NFP-B has an estimated 60% of employees of NFP-A, in NFP-A only 29% of employees are motivated, whereas in NFP-B this percentage rises to a 60%. Therefore the rates of employees' motivation in NFP-A and NFP-B can be deduced to be 1:2. Many factors can account for this scenario, they include employees' team work and the feeling experienced in small organisations, where employees tend to be more close to each other than in large organisations. However, given the nature of the analysis of the present study, there are limitations to the possibility for a generalisation of the findings related to the underlying causes of the relationship between motivation and company size. Hence this is an area for further research.

This study has confirmed that non-monetary incentives are perceived higher as motivation factors by employees, and the conclusion is that intrinsic motivations are overriding objectives for people working in non-profit organisations (Cruz et al., 2009). Likewise, it has proven that where managers have embraced Theory Y as leadership style, they have increased motivation and performance as well as overall company competitive advantage (Cottrell, 2003, Purcell 2003).

While organisations have an important role to play, intrinsic motivation drives employees to seek motivation beyond their organisations. The conclusion that can be derived is that organisation must also understand what motivational factors are offered by competitors. Intrinsic and extrinsic motivation appeared to contribute to people working in the NFP organisation with intrinsic factors dominating the motivation factors, while extrinsic ones are largely seen as external factors and relatively lower compared to all intrinsic variables of motivations. In NFP-A and NFP-B there is a differential on how employees perceived their

organisations as motivating factors, empirical evidence have shown that 30% employees perceive that they are motivated by NFP-A while 60% by NFP-B.

According to Armstrong (2006), Torrington et al. (2008) HRM policies have addressed the issue of motivation, however, the study proved that 64% of respondents are intrinsically motivated while company motivation was found to be low, employees were not satisfied with the pay, and yet over 85% enjoy this kind of work and feel listened

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