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Abstract

Organizational behavior may have an exceptionally high impact on organizations success. It comprises the individual behavior, group behavior, social relations, cultures, structures, management system, politics and conflicts of the organizations.

This study will give extensive information on how leadership behavior may absolutely or adversely influence the motivation of individuals in organization. And why the study of organizational behavior is important for management of the organization.

Understanding the needs and their expectations, organizations will have the knowledge on what methodology of motivation they need to positively affect the motivation of the individual workers.

1.0 Introduction:

One of the essential component of the organization is motivation. In this paper, the researcher will focus on several organizational behavior models with motivational theories on how the leadership behavior influences positively or negatively the motivation of employees.

1.1 Company Profile

SDL Logistics Company is a tall and narrow structure type of organization with two hundred over employees in Singapore. SDL is one of the leading logistics company in the country.

The status quo of the company's facing is having a high turnover rate from entry to middle management level, workers were leaving the company every three to six months. Without stable and permanent workers, company will suffer financially for time and resources filling the position and for training new employees, etc. (Kristen May, 2015)

1.2 Aim of the research

The aim of the study is to understand and gain depth knowledge on the traditional and contemporary motivational theories that focus on leadership behavior that influences motivation of individuals (positively or negatively) in an organization.

1.3 Objective of the research

The following are the main objective of the assignment:

- To determine how the leadership behavior of an organization may positively or negatively affect the motivation of the individuals or group in an organization.
- To illustrate different motivational theories that can positively affect the motivation of the individuals.
- To determine the importance of organization behavior in an organization.

2.0 Organizational Behavior Models & Motivational Theories:

The following are the relevant models and theories that have been pick by the researcher to further discuss how leadership behavior may influence the motivation of individuals in SDL.

2.1 Compatibility of Goals within an Organization (Mullins, 2007)

In this model, it consists of two types of goals such as Informal and Formal goals. This model rationalizes that in order for SDL to achieved their desired goal, SDL and personal *(employees)* goals should be compatible.
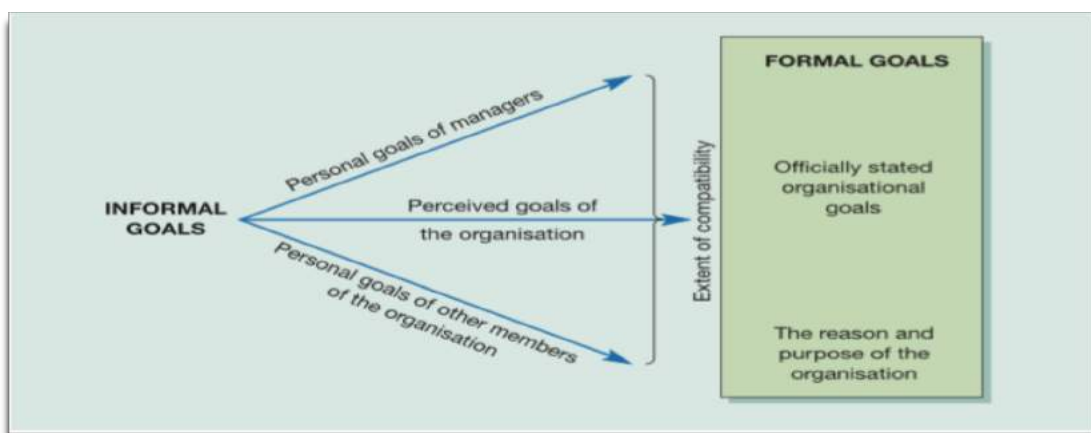

Figure 1: Compatibility of Goals within an organization (Source: Mullins, 2007)

In informal goals, it is based on the employee's personal goals and motivation, in which SDL has its restrictions on compensation and substantial benefits *(Appendix 2: Substantial Benefits)* and other elements to improve employee's perceptions towards the organization *(Appendix 1: SDL Salary; Appendix 3: Leadership, Control & Communication; Appendix 4: SDL Situation, Environment & Culture).*

SDL Formal organization goals are to have employees with integrity, ownership, creative, analytical, and a hardworking individual *(Appendix 4: SDL Situation, Environment, and Culture),* so in this aspect it can positively persuade employees to get motivated by underlying the concept of motivation and be effective, if SDL applied SMART goals (Mullins, 2007). To add on, SDL has a narrow structure type of organization which shows the leadership behavior (autocratic), controls and communications to employees *(Appendix 3: SDL Leadership, Controls & Communication*), in this area, in order to improve the organization culture, the performance of leadership approach makes good performance possible (P. Drucker, 2005).

2.2 Influence on the Contingency Approach (Mullins, 2007)

In this model, it illustrates several influential factors such as the environment, size, technology, organizational culture and top management preferences, etc. *(Appendix 3: Leadership, Controls, & Communication; Appendix 4: SDL Situation, Environment, & Culture).*
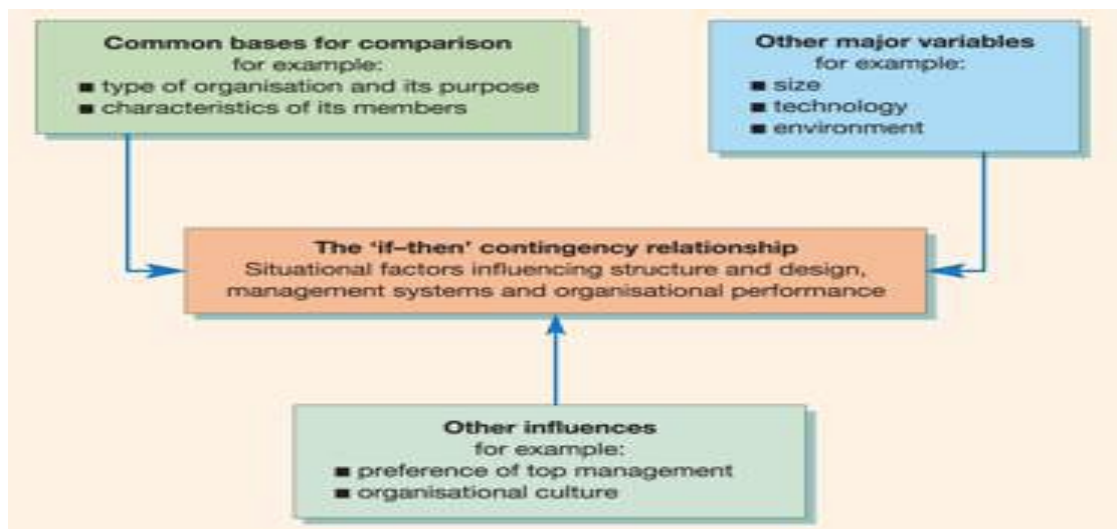
Figure 2: Influence on the Contingency Approach (Source: Mullins, 2007)

SDL leadership style is autocratic which leads to having a gap between the employees and the top management level. So to be suitable, SDL culture could positively influence employees, if the culture is strategically relevant and strong enough to care for the employees (Chatman, J. & Cha, S., 2003).

Most of SDL employees are newly hired and has a high turnover rate *(Appendix 5: Employees Satisfaction Survey & Employees Turn-over rate).* There are limitations and inadequate listing on compensation, benefits, salary wages and the social connections of employees to the entire organization *(Appendix 1: SDL Salary; Appendix 2: SDL*

Substantial Benefits). In this case, apart from the limitations, if leaders are not present, staff motivation impact also get low, implying that simply having a leader can increase motivation to the employees.

2.3   **Maslow's Hierarchy of Needs** (Maslow A., 1943)

This motivational theory highlighted that in order to get motivated, SDL should seek to satisfy first the lowest level of needs *(Physiological)* arranged in hierarchy.
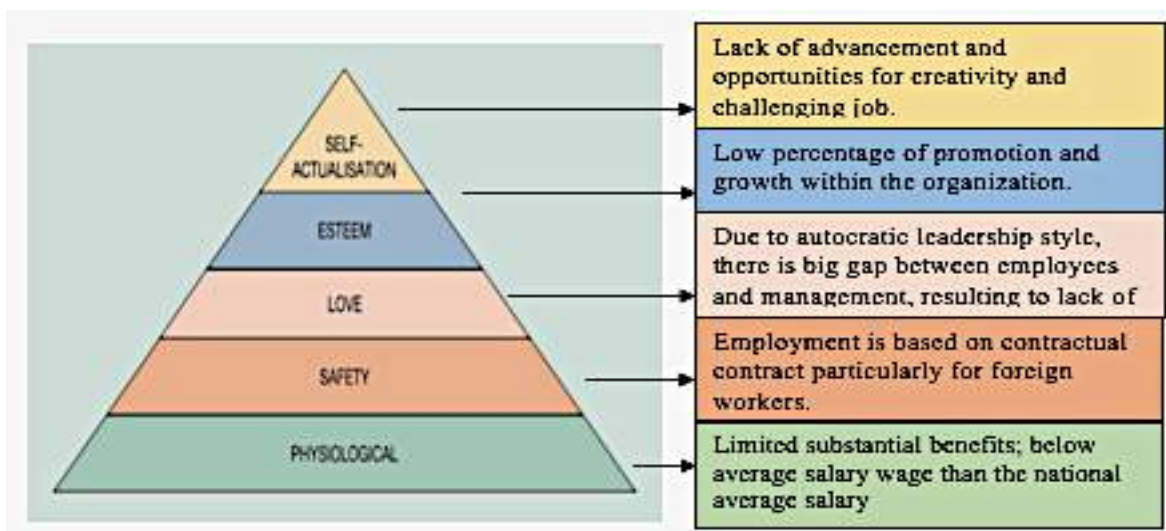
Figure 3: Maslow's Hierarchy of Needs (Source: Mullins, 2007, SDL Internal & Author's work)

Following this motivational model theory, SDL employees are demotivated since the motivational factors are limited and inadequate in relations to the basic needs, safety, social relationships, esteem and self-actualization. One example of this are the wages of SDL employees are below average from the national average wages *(Appendix 1: SDL Salary)*. Substantial benefits covered few perks, benefits, and insurances *(Appendix 2: Substantial Benefits)*. Company work environment and culture differentiation also affects *(Appendix 4: SDL Situation, Environment & Culture)*.

So, satisfying each level of needs in this model will influence employees positively and retention of employees will have an improvement. But the motivating factors may not be similar for every employee's, like for an instance, for high level employees they could positively be motivated through power and not through physiological needs.

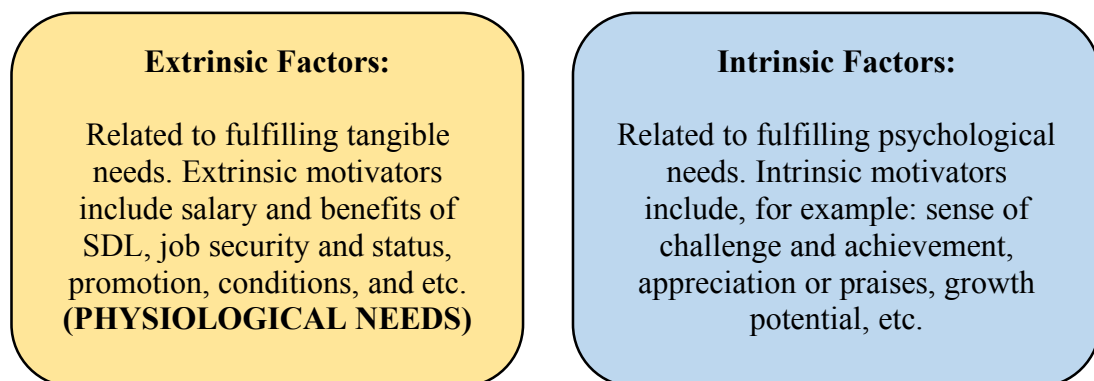In several cases, the effect of leadership on motivation inclines to be concluded by results, particularly concentrating on group or actions *(Porter, Bigley & Steers, 2003).*

2.4   **Herzberg's Two Factor Theory** (Herzberg, 1959)

In this motivational theory, it has two factors which is extrinsic and intrinsic factors in which SDL has some boundaries for both factors.

Extrinsic Factors: Related to fulfilling tangible needs. Extrinsic motivators include salary and benefits of SDL, job security and status, promotion, conditions, and etc. **(PHYSIOLOGICAL NEEDS)**	**Intrinsic Factors:** Related to fulfilling psychological needs. Intrinsic motivators include, for example: sense of challenge and achievement, appreciation or praises, growth potential, etc.

Figure 4: Herzberg's Two Factor Theory (Source: Herzberg, 1959 & Author's work, 201)

This model can be aligned to influence staff motivation from negative to positive resulting to employee's turnover rate will be completely declining this will be in relation the Maslow's Hierarchy of Needs Motivational Theory.

SDL faces various organizational challenges for maintaining these attributes (Extrinsic & Intrinsic) and ended up with poor employee satisfaction rate *(Appendix 5: Employee*

Satisfaction Survey, 2016 & turn-over rate) in terms of salary, benefits, job security, and other intrinsic factors like simple recognition and appreciation are missing in the organization behavior towards employees of SDL.

3.0   Motivation Analysis

Considering the motivational models such as *(Maslow Hierarchy of Needs, 1943), (Herzberg, 1959), and (McGregor, 1960)* has been utilized to evaluate the effect of the organization culture, leadership approach, and other attributes to employees.

In Maslow's hierarchy of needs theory (Maslow, 1943), SDL employees are unsatisfied due to the limitation and inadequate factors of needs, safety, social relationship, esteem, and self-actualization *(Appendix 1: SDL Salary, Appendix 2: SDL Substantial Benefits, Appendix 3: SDL Leadership, Control, and Communication, Appendix 4: SDL Situation, Environment, and Culture).*

In **McGregor theory** *(Appendix 6: McGregor's X and Y Theory, 1960),* X model theory implied demotivated employees compared to Y Theory in which employees are motivated and like to take leadership and responsibility towards work. So SDL, belongs to Theory X categorization since the employee's satisfaction rate shows a low percentage *(Appendix 5: Satisfaction Survey & Turnover rate).*

With regards to the two factor theory *(Herzberg, 1959),* the motivational drive factors in SDL are relatively low in terms of extrinsic and intrinsic attributes *(Appendix 1: SDL Salary, Appendix 2: SDL Substantial benefits, Appendix 3: SDL Leadership, Control,*

and Communication, Appendix 4: SDL Situation, Environment, and Culture). Thus,
influencing employee's motivation are low as well.

4.0   Conclusion:

This study concludes that in order the employees to become productive, innovative,
hardworking, creative, and have them retained to the organization, the employees must
be motivated and influenced by the management of the organizations positively. Thus,
new cultural approach and structural development are the core motivational factor.
However, there are few analysts considered based on their research that not all
employees are motivated absolutely by the wages, this is because once they've received
the money, its power to motivate ends rapidly. Employees wants their contributions to
the organization or their handwork to be recognized such as monetary recognition.
Social relationship and interaction are also part of their satisfaction.

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*SDL Salary under **Appendix 1***
*SDL Substantial Benefits under **Appendix 2***
*SDL Leadership, Control & Communication under **Appendix 3***
*SDL Situation, Environment & Culture under **Appendix 4***
*Employees Satisfaction Survey & Turn over rate under **Appendix 5***

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Appendix 1:   SDL Logistics Substantial & Tangible Benefits:

SDL Logistics Company provides limited range of benefits and insurance to their employees. (SDL Internal source, 2016)

Dental coverage: This covers dental treatments worth only S$120.00 per annum. (SDL Internal source, 2016)

Medical Coverage: This has an annual limit worth of S$350.00 per annum, specialist not covered. (SDL Internal source, 2016)

Accidental Death & Dismemberment Insurance: Limited coverage, up to 5 times of individual salary. (SDL Internal source, 2016)

Disability Insurance: Able to have a maximum of 90 days of absences due to disability plus a maximum of 30% of annual salary. (SDL Internal source, 2016)

401K Plan insurance: All employees are eligible to contribute to a 401K account through convenient payroll deductions. (SDL Internal source, 2016)

Maternity & Paternity Leave: A maximum of 3 days' annual paternity leaves and 3 months' maximum maternity leave. (SDL Internal source, 2016)

Vacation and Time Off: This includes 14 days paid holidays annually and 14 days' sick leave annually. (SDL Internal source, 2016)

Financial Perks and Rewards: As an employee at SDL, employees are entitled of corporate discount in some tele-communications company in Singapore. (SDL Internal source, 2016)

Appendix 2:   SDL Salary 2015

SDL average salary for Logistics Coordinator ranges from S$21,600 to S$26,400 per annum in year 2015. This data was collected from the company internal source.

In Singapore the average salary for logistics coordinator ranges from S$30,000 to S$33,600 annually, this salary analysis was conducted and updated by PayScale Human Capital in year 2015. (PayScale, 2015)

Therefore, the salary analysis finding for SDL Logistics Company is veritably lower by 38% than the national average salary.

For managerial & analyst position, SDL salary ranges S$ 35,000 to S$80,000 per annum in year 2015, again this data was collected from the company internal source. Singapore average salary for managerial position in a logistics company ranges from S$ 58,000 to S$310,000 annually, this salary analysis was conducted and updated by another company holding salary reports database etc., called (Glassdoor, 2015). This values illustrate that SDL pay their employees veritably lower and below average than the national average salary, as per the two salary database holder (PayScale & Glassdoor, 2015).

Appendix 3:   SDL Leadership, Controls & Communication

SDL Leadership Model:

The leadership is a central feature of the organizations performance. The management utilize autocratic leadership style wherein the organization has an overlapping areas of authority and too wide of span of control that leads employees to become demotivated due to autocratic leadership style that made them feel demotivated to perform well in the task given to them.

In this study, it shows that the more engaged and motivated the employees are the more they become cooperative, productive, innovative, and profitable organization.

However, there is a controversy over leadership impact on hierarchical performance (De Vries, 1996) argues for connections between leaders and high performing organization, although little robust empirical work is cited. Some suggest that these outcomes are partly due to transformational forms of leadership.

SDL Control Structure:

The company control activities or structure describes its policy and procedures of the organization. Since, control is also a function of internal influence. The leader of the management and its policies and procedures should be disseminated and understood by the entire organizations, groups and individuals. (Mullins, 2007)

In this study, the author will show sample of existing process of SDL with regards to controls of the company and its outcome.

| Regular absences at work caused by health and safety standards of the company.etc. | Unclear/organic policies and procedures are dissimenated by the management. | Absences at work remains high |
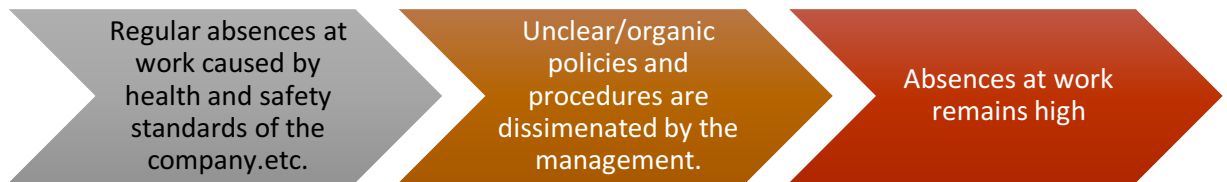
Figure 5: SDL control process towards company outcomes
(Source: Internal & Author's work, 2016)

SDL Communication:

This area covers communication within the organization. Another approach to management development is the use of activity-based exercises undertaken as part of "away days". Its main objective is to build team spirit and working relationships involving formal team dynamics and assessment, although this may also have linked with a social purpose, for example to develop the interactions with colleagues, improve motivation or to thank and reward staff.

Appendix 4:   SDL Situation, Environment & Culture

SDL Logistics Company Situation:

The status quo of the company's facing is having a high turnover rate from entry to middle management level, workers were leaving the company every three to six months.

SDL Culture:

The company has different kind of employees from different cultures and personality. Misunderstanding arise from cultural difference of the employees within the organization. According to Dana, its essential to understand cultural differences.

"Each country has its unique institutional and cultural characteristics, which can provide sources of competitive advantage at one point, only to become liabilities when the environment changes. Managers therefore need to evaluate the extent to which national culture can interfere with their company's efforts to respond to strategic requirements, now and in the future."

(Source: Noted by Schneider and Barsoux in Mullins, 2007)

Factors affecting national cultures
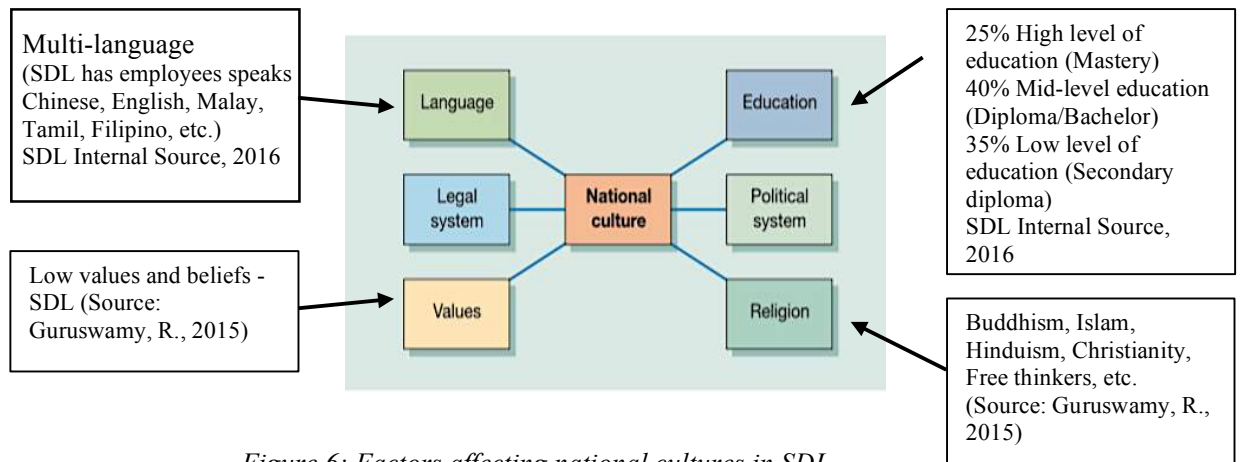(Source: Mullins, 2007)

Multi-language
(SDL has employees speaks Chinese, English, Malay, Tamil, Filipino, etc.)
SDL Internal Source, 2016

Low values and beliefs - SDL (Source: Guruswamy, R., 2015)

25% High level of education (Mastery)
40% Mid-level education (Diploma/Bachelor)
35% Low level of education (Secondary diploma)
SDL Internal Source, 2016

Buddhism, Islam, Hinduism, Christianity, Free thinkers, etc. (Source: Guruswamy, R., 2015)

Figure 6: Factors affecting national cultures in SDL
(Source: SDL Internal & Author's work, 2016)

SDL Work Environment:

Since SDL is a tall and narrow structure type of company, employees doesn't have access or direct interaction from lower level to the top management level. One of the major drawbacks of the company, it doesn't have social relationship within the organization, and autonomy. (SDL Internal Source, 2016)

Technological:

The way of innovation and the way in which work is done importantly affect cohesiveness and relate nearly to the way of the errand, physical setting and correspondences. However, with machine-paced mechanical production system work it is harder to create cohesiveness. Innovation likewise has more extensive ramifications for the operation and conduct of gatherings and subsequently is considered in a different segment later in this part.

Appendix 5:   **Employee Satisfaction Survey 2015 & Employee Turn Over Rate 2014, 2015, 2016**

Employee Satisfaction Survey, 2015

	Yes	**No**
High Rewards	23%	77%
Good Leadership	16%	84%
Autonomy	35%	65%
Excellent Treatment / Communication	41%	59%
Great Vision	68%	32%

Figure 7: Employee Satisfaction Survey, 2015 (Source: Glassdoor, 2015 & Author's Work, 2016)

Based on the above statistics analysis, 77% of the employees are not getting sufficient rewards to get them satisfied and motivated to be productive. In fact, 84% of the employees believe that the leadership style of the management is very autocratic resulting to the employees to face fear and lack of communication arise as well because of this.

Employee Turnover Rate 2014, 2015, 2016

	2014	2015	2016
Lower level (Front liner)	11%	14%	15%
Middle Management	6%	8%	9%

$$\text{First year turnover rate} = \frac{\text{Number of employees who leave after less than 1 year of employment}}{\text{Number of separations during the same period}} \times 100$$

Figure 8: Employee Turnover Rate (Source: SDL Internal Source, 2014, 2015, 2016)

Above statistical analysis shows that the company has a consistent increased of employee's turnover rate from year 2014 to year 2016 for both lower and middle management level.

Appendix 6:   McGregor's X and Y Theory (McGregor, 1960)

Motivation	In Theory X, employees are not interested towards work and get rid from responsibilities. In Theory Y, employees are self-motivated and eager to willingly take the responsibilities
Management and Control Style	In Theory X, organization are centralized and authoritarian. Contrasting to Theory Y, the organization management style is decentralized. Participation of employees are more participative as well.
Work Organization	In Theory X, employees have specialized jobs. While in Theory Y, tasks requires more skills and knowledge.
Rewards and Appreciation	In Theory X, rewards will be in controlled by the organization. While in Theory Y, appraisal is an on-going process and will be monitored regularly by the organization.
Theory X	Individualities: dislikes, little ambition, doesn't want responsibility
Theory Y	Individualities: enjoying at work, self-directed, eagerness to take responsibility

Figure 9: McGregor's Theory X and Y (Source: McGregor, 1960)

As SDL, is in X model organization, the employees are demotivated based from the motivational factors shown in *(Appendix 1: SDL Salary, Appendix 2: Substantial Benefits and Appendix 5: Employees Satisfaction Survey & Turnover rate)*, because of below national average salary and limited substantial benefits. Since SDL management utilizes autocratic leadership style *(Appendix 3: SDL Leadership, Control & Communication)* employees feel fear and become demotivated, because autocratic approach will be beneficial to certain employees only likely high level employees, so different approach should be applied in different divisions.