

## **An investigative study to identify what Volkswagen Group United Kingdom Limited should do to sustain high levels of employee motivation towards better performance**

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**Introduction:** In the modern global companies, especially those with a high proportion of Knowledge workers, the role of the employee has increased dramatically. Their commitment to their jobs and emotional loyalty to their organisation directly influence the organization's performance. Past research suggests that while there is no direct correlation between employee satisfaction and organisational performance, employee motivation is crucially important in achieving company's goals.

“One of the most pressing problems facing organizations today is how to motivate employees to work more productively and to increase their feelings of satisfaction, involvement, and commitment.” (Psychology and Work Today ....., Duane Shultz, Sidney Ellen Shultz, seven edition)

The financial rewards are no longer the only instrument which should be used by the management for the employees to perform at their best. There are many different factors influencing motivation – cultural web, environment, the challenge of the job itself, individual development, recognition to name some.

**The research project:** This research is conducted in Volkswagen Group UK Ltd. (henceforth referred to as VW-UK), which is placed at number 13 in the list of the 100 best companies to work for in the UK (Sunday Times, 2003). Managerial excellence or technical excellence alone does not achieve such a ranking. Highly motivated employees must have contributed to it as well. In discussions with the Head of HR, VW-UK, it was agreed that this researcher would address the question:

*What should VW-UK, a company that has already achieved high levels of employee motivation, do to further increase and sustain high levels of employee motivation towards better performance?*

**Research Objectives:** This research will seek to:

- I. Explore what is perceived by different people to be the main factors for increasing the level of employee performance;
- II. Identify the key conditions that employees regard as critically essential in influencing their motivation and performance;
- III. Outline the role of the management in inspiring employees towards better performance and emotional loyalty including non-financial aspects such as respect, fairness in rewards and recognition (how the company meets the lower and higher levels according to Maslow's Hierarchy of Needs);
- IV. Compare the findings from Objectives 1, 2 and 3 with an observation of the current situation at Volkswagen Group UK Ltd. against best practices of leading corporations;
- V. Give some suggestions and recommendations based on the above findings.

**Methodology:** The methodology used for this research will consist of both secondary and primary research methods

### **Secondary research**

- ✓ Study and review of the existing literature on the subject – relevant journals, books and various publications on the Internet
- ✓ Volkswagen Group UK Ltd. web site and Volkswagen AG web site
- ✓ Surveys conducted by the company on the subject

### **Primary research**

The primary research will include individual interviews, focus groups, questionnaires, analysis of the data, and discussion of findings with VW.

#### **1. Individual interviews : 21.07 – 08.08.2003**

Individual interviews need to be conducted to better familiarise herself with the organisation, its employees and current levels of motivation. After a few preliminary exploratory interviews, the researcher will develop an interview guideline for the rest of the interviews. It would be necessary to interview people from different levels in diverse departments to get a good feel for the organisation. This phase will also provide the basis for development of a facilitation guideline for the focus groups to follow

#### **2. Focus groups: 18.08 – 01.09.2003**

Focus group discussions with homogeneous groups of employees will give the researcher a forum to explore different ideas and suggestions. These groups will

consist of about seven VW-UK employees each. Every focus group will have people from about the same level and age group as possible to ensure that the issues raised and discussed are of equal interest and concern to all participants.

**3. Questionnaires Development and pilot testing: 02.09 – 17.09.2003**

Two questionnaires will be developed based on steps 1 and 2. The **first** will seek to

- identify the conditions under which VW-UK employees perform at their best and how often such conditions are perceived by them to be satisfied,
- identify the conditions under which they do not perform well as well as frequency of occurrence of such conditions,
- establish correlation between critical conditions/ factors and performance, both positive and negative.

The **second** questionnaire will seek to

- identify managerial views on how best to motivate employees, and what is seen to work in VW-UK
- identify managerial views on what appears to block or hinder sustained high performance

These questionnaires will be pilot tested amongst both employees and management and cleared by Head of HR before proceeding to the next step.

**4. Questionnaire survey: Field test: 18.09 – 30.09,2003**

The questionnaires will be distributed to a large number of employees and managers to ensure that the sample size of response is statistically valid. The exact mode of distribution and collection will be decided closer to this phase and based on discussions with the Head of HR.

**5. Data Analysis: 30.09 – 20.10.2003**

The questionnaires will be analysed and studied to identify patterns, correlation, etc.

**6. Discussion of the findings with Head of HR: 20.10 – 24.10.2003**

The tentative findings based on step 5 will be discussed with the Head of HR and supervisor and an agreement reached on the validity and limitations of findings. It is hoped to discuss some recommendations and implications as well at this stage.

**7. Final writing up of the dissertation: 25.10 – 16.11.2003**

8. Draft dissertation submission for discussion: 17.11. 2003

**9. Final dissertation submission to the University: 28.11.2003**

## **Confidentiality**

This research is carried out as part requirement of the MSc in Service Management programme. All the information obtained and dealt with in the course of the research, including its findings will be treated in a strictly confidential manner.

No third party except those agreed upon by the Volkswagen Group UK Ltd. will have access to this research and to the relevant data.

The final report has to be submitted to the University for assessment purposes and in three copies. One of those copies will be kept in the University library, for internal use only, if approved by VW-UK. One copy will be submitted to VW.

## **Expenses**

All direct expenses incurred will be charged to the company. They include traveling costs between Buckingham and Milton Keynes and stationery expenditure.

There will be no charge for the time and effort spent by the researcher and her supervisor.

• Traveling costs	£350
• Paper and printing	£ 20
• Colour printing	£ 5
• Binding	£ 50
• Tapes	£ 6
Total:	£431

These cost estimates are approximations; should there be any significant change of more than 10%, prior approval of VW-UK will be obtained.

**Confirmation of proposal:** VW-UK is requested to confirm that this proposal is accepted and that the student will be provided all support needed to successfully complete the project on time and to the standards expected. To ensure that this tight time-plan is achieved, an approval for this proposal may please be provided as soon as possible.

**Petya Pisarska**

**V.S.Mahesh**

**16 July 2003**