DEPARTMENT OF MANAGEMENT AND MARKETING

EFFECTIVE MOTIVATION PRACTICES THAT COULD ENHANCE EMPLOYEE PERFORMANCE IN THE MINING INDUSTRY IN LAO PDR
EFFECTIVE MOTIVATION PRACTICES THAT COULD ENHANCE EMPLOYEE PERFORMANCE IN THE MINING INDUSTRY IN LAO PDR

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Abstract

In the real world of business today, the most important and difficult job faced by managers is to manage people. Human resource management (HRM) plays a significant role in terms of sustaining a competitive advantage in different fields of business. One of the critical elements of human resource management is motivating employees in companies. This research focuses on HRM especially employee motivation in the mining sector in Laos. The purpose of this study is to identify factors that influence employee performance, with a specific focus on employees who work in the mining sector in Laos. The study aims to develop suitable motivation practices that can be applied to mining companies in Laos. To achieve this aim, qualitative data was collected through in depth face-to-face interviews with 15 people who hold management and non-management positions from two large mining companies in Lao PDR. The subsequent data analysis and discussion has emphasis on key factors relating to employee performance within the organisation, the value of employee motivation to the organisation, and the motivation approach which can be a solution for the management team to formulate reward systems for mining companies in Laos.

It has been found that managers and employees both agreed that motivation has a positive impact on employee performance. A number of employees are dissatisfied with not only monetary incentives but also other non-financial rewards such as safety, social, supervision and equity. The study suggests a suitable motivation model for the mining sector in Laos to apply for improving the effectiveness of employee performance. Limitations of the research and directions for future research are also provided.
Declaration

Name of candidate: Phaivone Keovilay

This Thesis entitled: “Effective motivation practices that could enhance employee performances in the mining industry in Lao PDR” is submitted in partial fulfillment for the requirements for the Unitec degree of Master of Business.

Candidate’s declaration:

I confirm that:

- This Thesis represents my own work
- The contribution of supervisors and others to this work was consistent with the Unitec Regulations and Policies
- Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has been fulfilled any requirements set for this project by Unitec Research Ethics Committee.

Research Ethics Committee Approval Number: 2014-1075

Candidate’s signature……………………………………………….Date........18/05/2015...........

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Chapter 1 Introduction

1.1 Introduction

This chapter provides some background to the study and places the total research in context by providing a framework for the research being explored. A brief description of the key focus and motivation for the understanding of this research is given. The purpose is stated and an overview of the research methodology and design is provided. The value and anticipated contributions of this research is also discussed.

This chapter is divided into eight main sections namely: introduction, the background of the study, the problem description, the main aims and objectives of the project, the main research question and some sub-questions, hypothesises data collection and administration, limitation of the study and the chapter outlines of this thesis.

1.2 Background of the study

In any company, the most expensive resource is its human capital (Tracy, 2013). Hence, Price (2011) states that human resource management (HRM) involves all management decisions and actions that affect the relationship between the company and employees. The primary goals of the company is to increase the company’s profitability, enhance the quality of the product and continue to innovate (Cathcart, 2013). At the same time, the objectives of employees are to increase wages and improve their working conditions (Tucker, 2013). This tension between employees and employers can affect the performance of individuals that ultimately can affect the growth of the company. In this regard, HRM can play a crucial role in improving the relationships between the employees and the employers. This is because HRM is concerned with organizing human resources within the company to get maximum output to the business and to develop employees in the company to the fullest satisfaction. HRM needs to have good strategies in order to increase the productivity of employees and achievement of the organization goals. One of the most important functions of HRM is the ability to motivate employees to have peak performance (Tracy, 2013). When employees are motivated, they work harder and better than those who are not motivated. This leads to the better overall performance of the company as a whole. It can be said that employee motivation is the basis of modern human resources management to assist companies to increase their competitiveness and value.
Banfield and Kay (2012) point out that employee motivation is an important factor in performance and it is extremely complex and influenced by many factors, which can both motivate and demotivate a person at work. It is an important task for leaders or managers to motivate their employees in order to create the will to work effectively. Similarly, DuBrin (2012) states that understanding motivation is important because low motivation contributes to low-quality work, high absenteeism, tardiness, superficial effort and indifference toward customers.

According to Tracy (2013), human capital consists of the mental, emotional, and physical energies of the individual. The duty of a manager is to maximize human capital and focus it on achieving the most valuable and important results possible for the company. To achieve that, it is important for a manager to make appropriate use of motivation to inspire employees to work effectively. This is because the manager is a person who secures optimum performance from each employee. The performance of employees is determined by their ability to work and the extent to which they are motivated.

Tracy (2013) explains that the key factor in motivation and in peak performance is the nexus between the manager and the staff. When this contact between management and non-management level is positive and supportive, then performance, productivity, and output of the employee will be high and reach its peak. In contrast, if this point of contact between management and non-management level is negative, performance and output will decline. This means that the relationship between managers and employees is important in terms of motivation.

Regarding motivation, different authorities in the study of management, psychology, and allied disciplines have defined the term motivation variously. In the work place, motivation refers to the process of influencing and instigating the employees to perform at their best. DuBrin (2012) defines motivation as two different but related ideas. The first idea is the individual motivation, which is an internal state that leads to pursue objectives. The author points out that this personal motivation affects the initiation, intensity, direction, and persistence of effort. The other idea of motivation is from the managers’ standpoint, it is the process of getting employees to pursue objectives.
To motivate the employees, managers should understand the needs of the employees. Stone (2013) states that nowadays it is more necessary than ever for management to understand work motivation because of the rapid change in organizations. This shows that one of the main tasks of management is to understand how to increase employee motivation at work in order to maximize the productivity of the company. To achieve that, suitable employee motivation approaches should be identified and applied in the organizations. Ahlstrom and Bruton (2010) support this by saying that having the right motivation approach is crucial for the company because it can increase individuals’ efforts to perform a task. The effort of employees has a great impact on the company’s performance. Therefore, it is imperative to study motivation approaches, because they have a positive impact on both employee and company performance.

1.3 Problem Description

Lao PDR is a member of the Association of Southeast Asian Nations (ASEAN) and the ASEAN Free Trade Area. On February 2, 2013, Lao PDR has officially become the 158th member of the World Trade Organisation (The World Bank, 2014). This was a great step towards integrating with the international economy. Laos aims to foster economic growth with equity, develop and modernize the country’s social and economic infrastructure and to enhance human resource (HR) development (Ministry of Energy and Mines, 2014). To achieve that, the Lao government has revised the investment promotion law to attract more foreign investors to do business in the country (Sriyai, 2011). The country has embarked on a path of using its abundant natural resources to achieve its goal of graduating from least developed country status by 2020. In recent years, this natural resource boom caused foreign direct investment inflow to rapidly expand and the number of businesses has soared throughout the country. As a result, the country’s young and growing population has more opportunity to grow (Ministry of Energy and Mines, 2014).

Although many businesses have been established in Laos, some firms are still constrained by availability of skills and unskilled labour (Ministry of Energy and Mines, 2014). One of those businesses is in the mining industry. For instance, the Lao government still has only rough idea about the location of mineral deposits. The government has to rely on the preliminary geological surveys conducted many years ago by France, Russia, China and Britain (Times
Reporters, 2013b). This shows that Laos still has a lack of knowledge about mining compared to other developed countries. In fact, many mining companies in Laos are required to recruit more human resources who have knowledge and skills relevant to the mining field. This is because most of Lao employees, especially the local employees who live near the area of mining have low education levels and have no experience of working for international companies.

However, mineral development in the Lao PDR is rapidly becoming an important source of economic growth and poverty reduction and supporting sustainable development. As seen in the Vientiane Times newspaper, the main income sources for Laos came from the export of natural resources including the mining industry (Times Reporters, 2013a). The mining sector in Laos became one of Lao priority sectors for the socio-economic development. The mining industry is considered as one of the biggest contributors to the Lao national economic growth. According to The World Bank (2014), the mining and hydropower sectors combined generated about one third of the country’s economic growth. Thus it can be said that mining is one of the major driving forces of the country’s economic growth. The mining sector is not only crucial for the domestic economy, but it also helps the country to step up to the international level in terms of trading. According to the Land Working Issues Group (2013), there are 67 local and foreign mining projects in Laos that conduct mining construction, exploitation and mineral processing. Most of the mining companies have completed exploration and are now conducting feasibility studies on minerals such as potash, bauxite, gold, copper, lignite, iron, tin and zinc (Department of Mineral Resources, 2014).

Apart from the concern about low skilled and unskilled workers in the country, there are many employees still inactive and who lack motivation to perform well, especially employees in the mining sector. Some Lao employees in mining companies have low motivation to follow safety standards, which is considered as the most important issue for mining companies in order to avoid any harm or accidents. Furthermore, some Lao employees focus on their services over their performances. This means that some Lao employees think that pay is for how long they have been working for the company. This opinion of employees contradictory to the company’s perspective that pay is for how good employees have been working for the company. Moreover, some employees seek to compare their own pay with their colleagues’ pays in order to determine the fairness among themselves and how they put their effort into the job they do. These issues can be the reasons that cause many Lao
employees in mining companies to have low motivation to produce outstanding performances.

In relation to this, Anderson and Anderson (2010) state that the reason that employees do not apply much effort to increase their performance is that they lose their sense of achievement and feel a low opportunity for growth. However, employees in the mining industry in Laos are still required to be more active in order to help companies to achieve their objectives and to survive in the competitive environment.

The problem is that some employees in the mining sector have low motivation levels to perform according to the company’s goals and it is unclear how to identify what it takes to influence employees in the mining industry to be more active and to use their utmost potential to accomplish the goals. It is important for management teams in the mining sector to find out solutions to improve their employee performances. To achieve that, it requires identifying the factors that affect employee performance in order to bring those factors into consideration and formulate appropriate motivation approaches for the employees. This involves knowing about the employees and what drives them. In other words, the study of motivation helps the leaders or managers understand what inspires employees to take action, what are the factors that influence their choices of action, and why they persist in taking that action overtime (Daft, 2015). Once the factors are identified, managers can develop their motivation system by improving the existing motivation approaches to fit with the needs of employees and align with the company’s objectives. This is because if suitable motivation techniques are applied, the performance of employees will be improved. In contrast, if employees are not motivated appropriately, they may be absent from work or do little work, which can affect the overall performance of the company. This illustrates that employee motivation plays a significant role in terms of enhancing business performance (Madura, 2010).

According to the Seventh National Social and Economic Development Plan (NSEDP) for 2011-2015, developing human resources is one of the important objectives of the Lao government which aims to build the ASEAN Economic Community (AEC) (Ministry of Planning and Investment, 2011). This is because Laos will become a member of ASEAN Economic Community (AEC) by 2015 (The ASEAN Secretariat, 2008). In relation to this, it
is necessary for Laos to prepare itself to be ready before economically integrating with the AEC.

The researcher’s intention is to conduct research in the human resources management field by focusing on finding solutions to the impact on work performance in the mining sector. To be more precise, the researcher aims to determine suitable employee motivation tools or methods that leaders or managers should consider applying in their companies in order to motivate their employees to work effectively.

1.4 Aims and Objectives of the project

1.4.1 Research Aims

By knowing the factors that motivate employees in mining companies, managers can take those factors into consideration and formulate motivational tools appropriately. It is important to know how to set tasks and rewards according to the objectives of the companies. Setting appropriate tasks and rewards for employees means applying appropriate motivation practices which are important for the companies in terms of influencing employees to produce an effective performance in order to achieve the goals of the companies. Therefore, the aim of this study is to investigate the factors that motivate employees to enhance their work performance and to make recommendations to the managers about how they can enhance their employees’ performance.

1.4.2 Research Objectives

In order to achieve the aim, the objectives of this project are designed as follows:

- To explore employee motivation through the perspectives of employees in the mining industry in Laos
- To explore how the existing mining businesses motivate their Lao employees in the companies
- To examine the effect of employee motivation on work performance in the mining industry in Laos
- To investigate the factors that motivate employees to work in the mining industry in Laos
- To examine the effects between fairness and work performance in the mining sector in Laos.
- To determine suitable employee motivation approaches for applying to the mining sector in Laos.

1.5 Research Question

The research seeks answers to the main research question:

“What are the motivational factors that would influence Lao employees to enhance their work performance in the mining industry in Lao PDR?”

1.5.1 Sub-questions

In order to achieve the objectives and the main research question, the sub-questions are formulated as below:

1. What are the perspectives of Lao employees toward employee motivation?
2. What are motivational approaches that the existing mining companies in Laos apply to motivate their employees?
3. How does employee motivation affect employee performance in the mining industry in Laos?
4. What are the factors that motivate employees to work in the mining industry in Laos?
5. How does fairness affect employee performance in the mining industry in Laos?
6. What are the main motivation factors that should be considered to motivate employees in the mining industry in Laos?

1.5.2 Hypothesis

Based on the research question, the study adopts four hypotheses as below:
**Ho₁:** Using extrinsic motivation such as monetary tools to motivate employees to work in the mining sector cannot lead to high job performance.

**Ha₁:** Using extrinsic motivation such as monetary tools to motivate employees to work in the mining sector can lead to high job performance.

**Ho₂:** Using intrinsic motivation to influence employees in the mining sector cannot lead to high job performance.

**Ha₂:** Using intrinsic motivation to influence employees in the mining sector could lead to high job performance.

### 1.6 Data Collection and Administration

To obtain insights into this area, this research project employed a semi-structured interview method for data collection. This method helps the researcher to have opportunities to elaborate on more information about the topic to those participants who did not understand the terms and questions. In addition, using this approach helps the researcher to collect reliable and valid information for the study. The face-to-face interviews were held with 15 representatives from two large mining companies in Vientiane, Lao PDR. Data collection for this research started from September, 2014 to October, 2014. The researcher is the only one who collected data. The researcher conducted semi-structured interviews with 2 HR managers and 13 non-management employees in both mining companies. These interviews were recorded with permission from participants. Later, these interviews were saved in the computer of the researcher and protected with a password. The information provided by the respondents during the interviews is only available to the researcher and his supervisors. To protect the confidentiality of the participants, the names of the participants were changed in this thesis and replaced with numbers.

### 1.7 Limitation of the study

Face-to-face interviews are known to be biased or inaccurate. In this research, the challenges and limitations the researcher encounters were the participants, and the differentiation of many different types of entities. The researcher put every effort into making the questions as clear as possible during the interviews. The researcher also attempted to clarify the response from the interviewees by rephrasing the important information in order to confirm with the
interviewees for accuracy. However, it is crucial to keep in mind that some participants seem to not answer the question as presented and the answers or opinions provided by interviewees are based on their own perceptions and experiences. Therefore, they are subject to bias. In addition to limitations, this study is focused on finding employee motivation factors in the mining sector and the findings are not generalisable to other sectors which are not relevant to the mining industry.

Furthermore, sample size was one of the limitations for this research. Sample size of 15 people could not be generalized over all mining employees in Laos.

Moreover, the time frame for collecting detailed data was quite short. This caused the researcher to put more effort into making the study more interesting.

The following description outlines how the arrangement of the study was conducted.

1.8 Outline of thesis

This study is organised into six chapters.

Chapter one provides the main aims and objectives of the research. It introduces the background of issues relating to the study. It also provides the problem description that illustrates the reason for conducting the research especially investigating and studying the motivation factors that would motivate employees in the mining industry in Laos. This chapter includes the aim, objectives, and research questions of this study and hypotheses are also developed. This chapter also provides the role of the research method that is used in this study and the limitations of the study.

The second chapter reviews the literature and existing theoretical frameworks. Some of the important issues that are covered in this chapter are defining related terms that are related to this project, some useful ideas regarding motivating employees in the workplace from different authors, the role of human resources management (HRM) and employee motivation toward employee performance. The chapter also reviews various motivation theories in order to guide the analysis of this research. The chapter ends by reviewing the previous relevant studies.
The third chapter discusses the research methodology used to design, collect and analyse data in this research. Some of the important issues that are covered are research methodology, research paradigms, quantitative and qualitative research method, rationale for a qualitative approach to research, sample selection, semi-structured interview sample, selection of participants, method of data collection and analysis, and ethical considerations of this research.

Chapter four presents the findings of the semi-structured interviews which were conducted with management and non-management representatives from two large mining companies in Lao PDR. This chapter aims to find the key themes that emerge from all participants.

Chapter five discusses the findings. The key research findings are interpreted by using the data from the chapter four and the findings are discussed within a framework of the relevant literature review which is mentioned in chapter two in order to answer the main research question.

Chapter six discusses the summary of the research findings. This chapter provides recommendations, limitations of this study and directions for future research.

1.9 Chapter Summary

The focus of this chapter is to provide the main aims and objectives of this study. This chapter covered eight sections. The first section presented the introduction of the chapter. The second presented the background of the study. The third section provided the problem description. The fourth section outlined the main aims and objectives of this research. The fifth section provided the main research question and some sub-questions and the sixth section developed hypotheses for this research. The seventh section gives the facts of data collection and administration and the eighth section provided the limitations of the study. The last section of this chapter outlined the structure of this study.

The following chapter will review the literature and theoretical frameworks.
Chapter 2 Literature Review

2.1 Introduction

The main aim of this chapter is to review and examine the existing literature and theoretical frameworks on employee motivation in order to answer the research question and sub-questions.

This chapter is divided into six sections. The first section of this chapter provides introduction to employee motivation. The second section defines relevant terms such as motivation, intrinsic and extrinsic motivation, and performance. The third section discusses the role of HRM and employee motivation in the companies. The fourth section reviews existing motivational theories. The fifth section examines previous studies that are relevant to employee motivation and performance. The last section of this chapter investigates different approaches to employee motivation from different authors.

2.2 Employee Motivation

Human resources are the most important resources in an organisation. It is crucial for companies to retain efficient employees in their companies because their performance affects the overall performance of the companies. To improve the performance of the company, it is necessary for managers to motivate their own employees. This is because motivated employees can push the companies to be more competitive and profitable. In other words, motivation affects expenditure of energy at work and will probably have a bearing on performance. Motivation not only enhances good work performance of employees but it also enhances creativity of employees. This can be seen in the study of Hon et al (2013 as cited in Naidu and Chand 2013), the study found that employee motivation enhances creativity in the hotel sector in China. This means that motivation is one of the most crucial factors to recognise capability and contribution of employees. Without motivation, it is difficult to get employees to perform well in any company. Therefore, motivating employees is one of the most important managerial functions (Nel et al., 2014). This can be said that motivation is one of many effective tools to encourage employees to apply their knowledge, experiences and put their effort to the businesses. Motivation is about making employees willing to
perform in order to accomplish the objectives of the companies as well as satisfy their own needs. Employees who are motivated will perform better than those who lack motivation to achieve their goals (Robbins, De Cenzo, & Coulter, 2011). With this regard, many companies attempt to find solutions to motivate their employees in order to encourage them to use their fullest potential to accomplish the company’s goals. However, there are many factors that motivate employees. Elkin, Inkson, and Jackson (2008) state that these factors can be derived from rewards or punishments. Rewards refer to interesting work, recognition by others, having the freedom to do the job as one wants, a sense of achievement or competence, variety of experience, money, fringe benefits and security. Punishments mentioned often consist of being blamed by others, stress, being let down by others, and boredom. According to Crawshaw, Budhwar, and Davis (2014), rewards from employment can be divided into two types of rewards such as intrinsic and extrinsic rewards. Zhou and Zhang (2011) state that intrinsic rewards are payments for individual achievement. While extrinsic rewards refer to indirect compensation and non-financial rewards. Both intrinsic and extrinsic rewards are important in terms of motivating employees to perform effectively.

2.3 Defining Terms

There are a number of working definitions for the key terms which will be used in this study. These key words are relevant to the research issues. Below some key words are defined accordingly.

2.3.1 Motivation

The word “motivation” is not easy to understand. Many people differ in their definitions of the word “motivation”. Motivation is from a Latin word *movere*, the meaning of which is to move (Chinunda, 2014). This means that if a person needs to be motivated, he or she should be moved to do something. In other words, people who are moved to act are those who are motivated (Wlodarczyk, 2010). There is no specific definition for motivation, but the majority of the definitions describe motivation as the interaction of motive and incentive, which activates human behaviour (Bandt, 2013). Härtel and Fujimoto (2010) define motivation as the stimulation of effort that needs to achieve and maintain the goals of the company. In the context of work, motivation can be described as an employee’s desire to
engage in work, and achieve results at the step, task, key responsibility, or job level (Sabbag, 2011). Shergill (2010), defines motivation as an internal process that influences direction, persistence, energy or enthusiasm of goal directed behaviour. This means that it is a process which stimulates energy in the individual to proceed in an activity. According to Morgan and King, 2000 as cited in Shergill, 2010, motivation refers to “the driving and pulling forces which result in persistent behaviour directed towards a particular goal”(p.254). DuBrin (2013) states that motivation can be referred to two different but related ideas. From the view point of the individual, motivation refers to an internal state that leads to chasing the objectives. From the view point of the manager, motivation refers to the process that gets employees to accomplish objectives. Similarly, Rubin and Babbie (2011) state that motivation refers to encouraging employees to be willing to work effectively toward achieving the company goal. Gagne (2014) explains that motivation can be divided into two types such as autonomous motivation and controlled motivation. Autonomous motivation can be referred to acting with a sense of willingness. Controlled motivation can be described as a sense of being forced or compelled to engage with an activity, without willingness, and in order to achieve something that is not directly related to the activity itself. According to Shergill (2010), most motivation theorists assume that motivation is associated with performance of all learned response. This means that a learned behaviour cannot occur, if it is not energized.

According to Draft (2008), people have basic needs such as food, monetary gain, achievement. These needs translate into an internal tension that motivates specific behaviours in order to fulfill the needs. In this regards, the person is rewarded in the sense that the need is satisfied. The reward to the person being acknowledged also indicates that the behaviour was appropriate and can be used again in the future. Härtel and Fujimoto (2010) state that there are two reasons why employees are motivated to work and these reasons tend to change over time depending on the changes in their personal and professional lives. This is consistent with Nel et al. (2012) who state that motivation is affected by both internal and external forces and is divided into two types. The first type is called intrinsic motivation and another other is called extrinsic motivation (Nelson & Quick, 2013).

Based on the definition of motivation above, it is described from various perspectives and most authors also give a definition in their own way. However, the meaning of motivation from the perspectives of employees can be different from what most authors described,
especially the perspective of Lao employees in mining in Laos. To understand perspectives of Lao employees toward the meaning of motivation, the sub-research question 1.4 (1) is raised to ask Lao employees in the mining sector in Laos to share their views on how they think about the meaning of motivation.

2.3.2 Intrinsic Motivation.

Intrinsic motivation refers to soft motivation such as challenging tasks and a genuine desire to help others, a friendly and enjoyable work environment (Härtel & Fujimoto, 2010). In other words, intrinsic motivation refers to engaging with a task because it is interesting and enjoyable. This state of engagement was called by Albert Einstein as “the enjoyment of seeing and searching” (Gagne, 2014). Very simply, intrinsic motivation refers to motivation derived from internal rewards (Byrne, 2015). These internal rewards refer to the satisfaction a person receives in the process of performing a particular action (Draft, 2008). Intrinsic motivations come to employees directly from the job they do, especially the work that makes them satisfied (Thomas, 2010).

In the new workplace, intrinsic motivation plays a crucial role, but extrinsic motivation is also important. Some research shows that these two types of motivation often support each other (Thomas, 2010). For instance, extrinsic is important for the first time when making the decision to join the company such as salary, and benefits are important for employees. After that, people are faced each day with the reality of their work. They will need intrinsic motivation to keep going and to perform at their best. This shows that both intrinsic and extrinsic motivation is important and they should be recognized by managers in order to motivate employees to work effectively in the company.

2.3.3 Extrinsic Motivation

The other type of motivation is extrinsic motivation. Extrinsic motivation refers to doing something because it leads to an outcome that an individual values (Nelson & Quick, 2013). This extrinsic motivation is used by a third party, for example managers or supervisors to motivate their employees by using both tangible rewards such as promotion, payment, punishment and intangible rewards such as public commendation, praise (Härtel & Fujimoto,
Similarly, Anderson and Anderson (2010) state that extrinsic rewards are distributed by supervisors in order to ensure that the work is done properly and rules are followed. The author also explains that these extrinsic rewards include bonuses, salaries, benefits, perks, commissions and cash awards. Vengel (2010) explains that extrinsic motivation such as pay or promotion, is not enough to use to engage and motivate employees. Although extrinsic motivation is important, good managers should strive to help employees to achieve their intrinsic motivation as well. Tracy (2013) emphasizes that managers cannot motivate any body from the outside. They can only create the environment to stimulate their employees to be motivated internally in order to do better work (Chinunda, 2014). This means that managers should motivate their employees to have a sense of willingness to do the job rather than working because they have to work.

In providing an over view of the definition of intrinsic and extrinsic motivation above, it is unclear to identify which factor is more important to employees. With this regard, the importance between intrinsic and extrinsic motivation is discussed with employees and the questions are designed to ask Lao employees to share their opinion on which one is the more important motivator for them. The question refers to sub-research question 1.4 (4).

2.3.4 Performance

Performance refers to “how well employees perform their essential, prescribed duties of their jobs” (Schneider & Barbera, 2014, p. 48). In this study employee performance refers to products or services that are produced by employees in order to be consistent with the overall strategic goals of the company (Van Veldhoven & Peccei, 2015). Employee performance is what employees do on their job in order to complete tasks that contribute to achieving organizational goals (Byrne, 2015). Another view of job performance is that it can refer to a process or actions, whereby process refers to behaviours or actions that are to accomplish work tasks and outcome refers to the results of the actions (Roe, 1999 as cited in Byrne, 2015). Similarly, performance represents a demonstrative act that is gained from skills knowledge, competencies and behaviours in order to achieve the outputs of work (Forrester, 2011).
According to DuBrin (2012), performance comes from motivation and ability. It can be expressed by the equation as below:

\[ P = M \times A \]

\( P \) = Performance; \( M \) = Motivation; \( A \) = Ability

Source: (DuBrin, 2012)

According to Härtel and Fujimoto (2010), performance means using one's affective, behavioural and cognitive qualities to accomplish, execute or carry out an ordered task or assignment. Performance can be defined as two-dimensional concepts such as task performance and contextual performance. Task performance refers to the goods and services produced by the cognitive, affective and behavioural qualities. These goods and services are core to a specific job. Contextual performance refers to behaviours such as willingly performing extra role activity, persistent to complete assignments, helping coworkers, defending the organisation to others, and following the policies of the organisations even it is inconvenient to do (Kozlowski, 2012). Performance is important for the company and the purpose of this study is to improve employee performance. Hence, the term can be seen throughout this study, especially when this issue is discussed in chapter 5 and 6 in terms of improvement.

2.4 HRM and Employee Motivation

Business today is not only relying on information technology to sustain a competitive advantage but also on an effective HRM process. HRM is one of the most important elements in companies because it involves using people productively in achieving the objectives of the company and the satisfaction of individual employee needs (Williams, 2012). Besides, HRM also plays as important role in terms of improving work performance (McGuire & Jorgensen, 2011). This is because the primary role of the HR department is to support people in a
company to thrive so that the company also grows. In relation to this, Härtel and Fujimoto (2010) state that HRM is responsible for all aspects of the management of people in the company. To be more precise, HRM is responsible for developing the people or talent required by the functional departments, and operational departments in order to organise the structures and scheduling of who does what and the reporting mechanism. In other words, HRM facilitates the departmental achievements by recruiting appropriately skilled employees to get maximum output to the company and providing appropriate tools to develop the talent of employees within the company to the fullest satisfaction (Price, 2011).

It is believed that employees who are highly satisfied with their job are highly motivated. With regard to this, Lussier (2011) suggests that we need to satisfy employees in order to make them more productive. To satisfy the employee, employee motivation tools should be identified and applied in the company in order to ensure that employees are satisfied with the company’s conditions. With this regards, Wlodarczyk (2010) asserts that when motivational strategies are implemented, the employee performance increases considerably. This is because motivated employees perform better than those who are not (Lussier, 2011). Hence, the companies that aim for the goals and more effective results have to motivate their own employees (Vengel, 2010). However, many businesses still face a number of issues when attempting to influence employees to produce better work performance. This is because motivating employees is challenging and complex for many business owners and managers (Daft, 2013). Therefore, managers are required to know factors that drive individuals to accomplish both personal and the company’s goals. In other words, managers should know what motivates employees to perform effectively.

Motivating employees is a crucial task as it is related to overall work performance of the company. Härtel and Fujimoto (2010) define work motivation as the encouragement effort that is required to achieve the objectives of the companies. In relation to this, motivating employees is defined by Nel et al. (2012) as one of the most important managerial functions in companies because motivation is primarily derived from one’s work. This means that it is the departmental manager who provides motivation not the HR departments as supported by Snell and Bohlander (2012) Managers play a key role in motivating employees in the companies. Nel et al. (2011) point out that managers cannot motivate their subordinates, because motivation is gained from within the individual. This means that employees always motivate themselves to become who they wish to be. Therefore, HR managers should
Managers are important in terms of leading the teams to achieve the objectives of the companies and they have to learn to motivate employees in order to accomplish the goals of the companies (Chinunda, 2014). According to DuBrin (2012), motivation can be defined as the expenditure of effort to accomplish results. The effort results from a force that stems from within the person. The leaders, managers can be helpful in igniting the force. Regarding this, Du Plessis, Sumphonphakdy, Oldfield, and Botha (2013) emphasise that the HR manager should focus on building skills, commitment and motivation of employees to meet the need of the companies. Similarly, Draft (2008) states that the job of managers is to channel motivation toward the accomplishment of the company goals. To achieve that, managers should be able to exert their authority. In other words, managers should know how to influence their employees to follow their directives solely on the basis of their respect for that individual’s personal integrity and professional attainment rather than the formal title offered by the companies. The best managers should know what makes their employees tick and then create incentives to motivate their employees to be as productive as possible (Sobel, 2010). Doing this, it requires managers to “wear different hats with different employees at different points in time”(Sobel, 2010). In other words, managers have to know how to apply motivation approaches to individuals because each employee has his or her own needs which are different from others as Regina (2009) state that employees are motivated for their own reasons and they typically do what they want to do.

With those reasons, understanding the perspectives of employees is important in terms of improving motivation systems in the company. This is because different employees have different opinions. Some employees may want to have only money to support themselves and their families, while other employees seek to learn and grow with the company they work for. In other views, some employees might not focus only one particular motivation factor but they might be motivated by getting other benefits from the company. With this regard, many factors that related to employee motivation should be identified. This is because if the company can clarify what factors that motivate employees in the company, the company can have better opportunities to grow and succeed in the future.
This section outlined the importance of HRM and employee motivation and it then indicated the relationship between HRM and employee motivation. The importance of employee motivation is related to the understanding the perspective of employees in sub-research question 1.4 (1) and also the role of employee motivation which indicated in sub-question 1.4 (3).

2.5 Motivation Approaches Through Theories of Motivation

Every company can have different motivation approaches to motivate employees in the organization depending on the size or style of the company. However, in order to formulate the right motivation approaches for the organization, it is important to review some basic motivation theories. This is because learning through these important motivation theories can help management to categorize and identify the motivational factors in the company before finding solutions to the issues within the company.

Theories of motivation began to appear in the 1950’s after the Second World War. Before that people understood only two basic ideas of what motivated people. These two basic understandings consisted of two approaches - the whip and the carrot approach. This refers to punishment for underperformance and basic material rewarding for goals that were achieved. According to Marciano (2010), in an organization, “carrot” refers to rewards or incentives that motivate employees to strive toward some goals. These incentives can be referred to as a cup of coffee to financial bonuses. “Whip” can be referred to punishment that includes penalties, ignoring, fines, and taking away privileges. In the work place, when managers suspend an employee without pay this can be one example of punishment that aims to change employees behaviors.

There is no shortage of motivation theories that attempt to motivate employees. However, there are numbers of scientific studies and many different theories of motivation to help us to understand more about motivation of individuals. All of these theories also teach lessons about motivation in a workplace. Motivation theories can be categorized into content theories and process theories.
Content theories of motivation.

The content theories of motivation attempt to explain the factors that direct and energize behavior. In other words, they explain the things that motivate people. According to Härtel and Fujimoto (2010) the content theories include four important content theorists such as Maslow (Hierarchy of needs theory), Alderfer (ERG theory), McClelland (Achievement motivation theory) and Herzberg (Two-factor theory).

The content theories provide managers with an understanding of the particular work-related factors that start the motivational process. However, these theories promote little understanding of why people choose a particular behavior to achieve task-related goals.

Process theories of motivation

Process theories attempt to describe and analyse how the personal factors (content theories) influence each other to produce certain kinds of behavior. In other words, process theories focus on the thought patterns that emphasize on making decision of whether or not to involve in certain behaviours (Härtel & Fujimoto, 2010). Similarly, Tosi and Pilati (2011) describes that process theories highlight on how behaviour change occurs and how a person comes to act in a different way. The prevalent process theories include important process theorists such as Vroom (Expectancy theory), Adam (Equity theory), Locke (Goal setting theory), and B.F.Skinner (Reinforcement theory).

The following motivational theories that are relevant to this study will be reviewed, specially Maslow’s hierarchy of need, Alderfer’s ERG theory, McClelland’s achievement motivation theory and Herzberg’s two-factor theory in the content theories. In the process theories some motivation theories will also be reviewed such as Vroom’s expectancy theory, Adams’ equity theory and Locke’s goal setting theory.

2.5.1 Maslow’s Hierarchy of Need

One theory of motivation is that humans do the things they do because of their needs. In other words, humans direct their own actions to satisfy their own needs. This means that all of humans’ actions are gained from human’s needs and the strongest need is the need that lead to have actions at that time (Fournies, 2000). These needs motivate humans’ actions when
they are not satisfied, once a need is satisfied it no longer motivates. According to Abraham Maslow, these needs can be categorized and compared in their relative importance as they influence human actions. These needs are arranged in the following hierarchy.

Figure 2.1 Maslow’s hierarchy of needs theory

![Maslow’s hierarchy of needs](image)

Source: Maslow’s hierarchy of needs models (Nelson & Quick, 2013, p. 166)

Abraham Maslow's motivation theory suggests that people are motivated to fulfill basic needs before moving to more advanced needs (Boone & Kurtz, 2011). The basis of Maslow’s theory of human motivation is a hierarchy of five need categories namely, physiological, safety, social, self-esteem and self-actualization (Nelson & Quick, 2013). The hierarchy of five needs is often displayed as a pyramid. As indicated in the hierarchy, the lowest level of the pyramid is the basic need that is called “Physiological needs”. These physiological needs refer to those required to survive physically, such as food, clothes, and water, sleep and other bodily needs. In the workplace this refers to a raise in salary, bonus, better working conditions, periodic medical examinations and recreation (Sobel, 2010) as well as financial compensation, heat, air-conditioning and the cafeteria (Härtel & Fujimoto, 2010).
Once these physiological needs become satisfied, people strive to achieve the second level of needs that is called “Safety and security”. This need level refers to security and protection from emotional and physical harm. In the workplace, it refers to safe working conditions, job security and pension plan. This safety needs also refers to stock options, insurance, tenure, verbal and written acknowledgment and promotions (Sobel, 2010). Belongingness or social needs form the third layer of the pyramid. This belonging need is considered as the first sociological need because it is the need to share a physical propinquity with others. In the workplace context, it refers to customer relations, professional friendship and development of work groups. In other words, it refers to invitations to special events, task force opportunities, committee opportunities, membership in organizational “clubs” and transfers (Sobel, 2010).

The fourth level of needs is self-esteem needs, which refers to self and other-respect. In the workplace, it refers to awards, letters of commendation, titles, publicity exposure and serving on management council (Sobel, 2010).

In another way, it refers to achievement, competence, confidence, status, recognition and appreciation (Härtel & Fujimoto, 2010). Once the individual has obtained those four needs, people reach a desired “self-actualization. This highest level of needs becomes more dominant as the motivator. Self-actualization refers to challenging work, responsibility and innovation. This level of needs also refers to sabbatical leaves, leading task forces, educational opportunities, teaching assignments and coaching assignments (Sobel, 2010). Härtel and Fujimoto (2010) describe self-actualization as purpose, personal growth and attainment of one’s full potential. Elkin et al. (2008) go on to address that this need for self-actualisation leads some people to abandon the corporate world and become self-employed. Maslow’s theory is useful because it emphasizes on needs that are important for managers to recognize the needs of their employees. For instance, if managers try to motivate employees by meeting their esteem needs such as assigning grand titles or giving them more prestigious office location, this would only work for employees who look at this esteem needs as important. This plan may not work for employees who prefer basic need such as a pay increase rather than grand titles or a larger office.

Maslow’s theory has had a great influence on many organisations, but it was also highly criticized because the model is inflexible. The failing of this model is that it does not allow
for the person who gains the satisfaction of one or more levels outside the organisation and so
does not respond to the internal factors.

According to Sobel (2010), there are two basic limitations of the model. The first is that when
a lower need is met, a higher need is amplified. While this may technically be true, it suggests
that the satisfaction of needs is sequential. However, in fact, it is concurrent. It means that
people can experience higher-level motivation any time and anywhere (Fowler, 2014). For
instance, the self-esteem need may have been satisfied although the safety need has not yet
been satisfied. The second, it assumes that the pecking order of this sequence is universally
applicable. Sobel (2010) argues with this by providing an example of an American of
European descent that is likely to more readily satisfied with the survival need before the
self-actualization need. In contrast, an Indian might realize full potential although he or she is
starving.

For managers, it is important to identify each subordinate’s level of attainment within the
context of a hierarchy of needs. This is because when managers know what their employees
need is they will know how to motivate their employees toward greater productivity on an
individualized basis (Sobel, 2010). However, it is also significant for managers to recognize
the cultural differences. It means that managers should know the levels of difference in
motivation. For instance, in Maslow’s need hierarchy, self-actualization may be the most
important need for Americans, while security may be the pinnacle need for Japan and Greece
who have a high risk of uncertainty. In this regard, people in Laos may have a different level
of needs, especially employees in mining sector in Laos. To find out the needs of Lao
employees in mining sector, this issue is related to the sub-research question 1.4 (4).

2.5.2 Alderfer’s Existence, Relatedness, Growth (ERG) Theory

The ERG theory is another theory of motivation developed by Yale psychologist Clayton
Alderfer (Griffin & Moorhead, 2013). Alderfer’s theory extends and refines Maslow’s
hierarchy of needs theory by breaking the hierarchy into three basic elements such as
existence, relatedness, and growth (Härtel & Fujimoto, 2010). According to Nelson and
Quick (2013), Alderfer classified Maslow’s physiological and physical safety needs into an
existence need category; Maslow’s interpersonal safety, love, and interpersonal esteem needs
in a relatedness need category; and Maslow’s self-actualization and self-esteem needs in a growth need category. The main difference between Maslow’s hierarchy of needs and Alderfer’s ERG is that Maslow’s theory states that the lower level need must be met before a higher level need can be evoked whereas Alderfer’s ERG allows for multiple needs to exist at any one time (Härtel & Fujimoto, 2010). To be more precise, the major part of this theory is the frustration principle that leads to greater emphasis on lower needs if higher ones cannot be attained. Griffin and Moorhead (2013) explains that a more important difference from Maslow’s hierarchy is that the ERG theory includes a satisfaction-progression component and a frustration-regression component. The satisfaction-progression suggests that after being satisfied with one category of needs, a person progresses to the next level. In another way, Maslow’s hierarchy assumes that the individual remains at the next level until the needs at that level are satisfied. In contrast, frustration regression principle states that a need already satisfied in a lower level need can become activated when a higher level need cannot be satisfied (French, 2011). Elkin et al. (2008) support this by saying that needs can be activated in any order and at any time. For example, if a person is continually frustrated in his or her need to satisfy growth, relatedness needs can resurface as key motivators.

This study includes sub-research question 1.4 (4) and the issue is also discussed in chapter five.

2.5.3 McClelland’s Theory of Socially Acquired Needs

David McClelland, suggested that employees are motivated by three motives such as the need for achievement, power, and affiliation (Härtel & Fujimoto, 2010). According to Cooper (2011), need for achievement is defined as the need for success as perceived and measured by the individual; the needs for affiliation is defined as the need for friendly and warm relationship; the needs for power is defined as the need to control and influence others. The theory proposes that each of us will be influenced by the need for achievement, need for power and need for affiliation, at different times, and the strength of that need will vary with the situation. In other words, different needs are dominant in different people (Nelson & Quick, 2013). For instance, employees who desire power will prefer work with high levels of control and with opportunities for attention and recognitions. On the other hand, employees who seek for achievement will prefer work characterised by challenging goals, responsibility
and feedback on performance. Employees who strive for affiliation with other people will prefer work that provides opportunities for social approval and companionship.

McClelland found that people who have high needs for achievement perform better than those who have moderate or low needs for achievement (Nelson & Quick, 2013). These people have three unique characteristics. First, they set goals that are difficult but achievable. Second, they like receiving feedback from others on their progress toward their goals. Third, they do not like other people interfering with their progress toward their goals or having external events that are not supportive of their goals.

The need for power is associated with the desire to make an impact on others, change people or events, influence others, and make a difference in life (Nelson & Quick, 2013). Employees who have a high need for power will like to control people and events. One crucial point of this theory which is stated in Nelson and Quick (2013) is that, McClelland makes a distinction between socialized power and personalized power. He stated that socialized power is used for the benefit of many and it is a constructive force. In contrast, personalized power is used for individual gain. This personalized power may be a very disruptive, destructive force.

The need for affiliation is associated with building and maintaining warm relationship with others. This need for affiliation is very much like Maslow’s belonging need. Employees who have high a need for affiliation will be motivated to express their emotions or feelings to others in order to expect them to be treated in the same way in return. These people will have a strong desire for affection, social support, emotional support, belonging to groups, attention and praise (Tosi & Pilati, 2011).

This theory provides some views related to employee motivation such as the need for achievement, power, and affiliation which are important to understand in individuals in order to know how to apply the right motivation approaches to each person. This issue is associated with the sub-question 1.4 (4) and 1.4 (6).
2.5.4 Herzberg’s Two-Factor Theory

Herzberg’s theory was developed in 1959 and it was based on the studies of job satisfaction and dissatisfaction (Elkin et al., 2008). Herzberg conducted a study of approximately 200 accountants and engineers who described job-related events in which they had felt good about their jobs and other events that had made them feel bad about their jobs. Herzberg found that the responses describing events that related to job satisfaction differed from those relating to dissatisfaction. Herzberg’s theory seeks to encourage management to consider two factors in order to motivate and effectively satisfy employees. These two factors are called motivator factors and hygiene factors. Herzberg’s theory states that motivation factors relate to job satisfaction, and hygiene factors relate to job dissatisfaction, as shown in Table 2.1.

Table 2.1 Herzberg’s Motivation – Hygiene Theory

<table>
<thead>
<tr>
<th>Hygiene Factor: Job Dissatisfaction</th>
<th>Motivation Factors: Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>o Company policy and administration</td>
<td>o Achievement</td>
</tr>
<tr>
<td>o Interpersonal relations</td>
<td>o Recognition of achievement</td>
</tr>
<tr>
<td>o Supervision</td>
<td>o Work itself</td>
</tr>
<tr>
<td>o Working conditions</td>
<td>o Responsibility</td>
</tr>
<tr>
<td>o Salary</td>
<td>o Advancement</td>
</tr>
<tr>
<td>o Status</td>
<td>o Salary</td>
</tr>
<tr>
<td>o Security</td>
<td>o Growth</td>
</tr>
</tbody>
</table>

Source: Herzberg’s Motivation –Hygiene Theory (Nelson & Quick, 2013, p. 171)

To be more precise, motivator factors refer to “a work condition related to satisfaction of the need for psychological growth” (Nelson & Quick, 2013, p. 171). This means that they help to motivate and increase job satisfaction. Motivator factors are more important than hygiene factors because they affect a person’s motivational drive to produce a good performance (Nelson & Quick, 2013). In other words, they lead to a positive effect on the company. This means that satisfied employees are linked to motivator factors, which include; achievement,
recognition of achievement, work itself, responsibility, advancement, salary and growth. These factors are based on job content or the intrinsic aspects of the job (Elkin et al., 2008).

Hygiene factors are equivalent to Maslow’s lower-level needs such as, the physiological, safety and love needs (Luthans, 2011). Hygiene factors are not directly associated with the job but they are linked to the surrounding environment of the job, or the extrinsic aspects of the job (Elkin et al., 2008). These factors include; company policy and administration, interpersonal relations, working conditions, supervision, salary, status and security. Hygiene factors help to decrease dissatisfaction, or if not acceptable then to prevent motivation. In other words, hygiene factors are not motivators but they are necessary for preventing dissatisfaction. According to Herzberg’s theory, managers need to develop hygiene factors to attempt to eliminate dissatisfaction especially pay, status, working conditions and other contextual factors (Härtel & Fujimoto, 2010).

According to Nelson and Quick (2013), Herzberg’s two factor theory has been tested in New Zealand, the results showed that supervision and interpersonal relationships were significant motivators in New Zealand. This may be that New Zealand is a developed country where people seek to have a higher level of needs. In this regard, it is interesting to investigate the perspectives of people in a developing country, especially Laos, through this theory because Lao has different cultures from other countries in different parts of the world. The results can be different from other cultures. Therefore, this study includes the main research question and the sub-research question 1.4 (4) in order to find out which factor is more important to employees.

2.5.5 Vroom’s (1964) Expectancy theory

Expectancy theory was developed by Vroom and extended by Porter and Lawler. Vroom stated that motivation is influenced by an individual’s perceptions - better performance means greater rewards (Brody & Nair, 2014). According to Härtel and Fujimoto (2010), expectancy theories suggests that employees will be motivated to put in effort when they believe that it will result in a desired level of performance (expectancy) which is linked to rewards (instrumentality). The effort is dependent on the employee valuing the expected rewards (valence).
This can be formulated as below:

\[
\text{Motivation} = \text{Expectancy} \times \text{Instrumentality} \times \text{Valence}
\]

Source: A formula of motivation (Härtel & Fujimoto, 2010, p. 42)

The implications of this for managers who want to ensure that their employees are motivated to perform are that managers need to ensure that employees:

- see themselves as possessing the necessary skills and abilities to do their job (expectancy)
- Believe that if they perform their jobs well they will be rewarded (instumentality)
- Find the rewards offered for successful performance attractive (valence)

In other words, HR managers can increase the effectiveness of employees performance by selecting employees who are competent and able to perform the tasks assigned to them (Härtel & Fujimoto, 2010). With this regard, to ensure that expected rewards follow achieved performance levels, performance goals need to be clearly set and the psychological contract require to be clearly defined. Expectancy theory suggests that HR managers should be able to identify the needs of individuals in order to determine rewards that are of value to the employee. The motivation levels of employees will be high, if the rewards are set as desirable. Expectancy theories state that the more an employee perceives his or her personal effort in a small proportion of the variable output, the less effective an output is likely to be in motivating such effort (Bamberger, Biron, & Meshoulam, 2014). This means that if the value of reward is not desirable, an employee will put less effort into performing his or her work. As discussed above, the theory stimulates leaders or mangers to realise the importance of the expectation of employees, especially rewards. This issue refers to sub-research question 1.4 (5).

### 2.5.6 Adams’ Equity Theory

Equity theory focuses on the motivational aspects of fairness (Champoux, 2010). The theory states that employees compare their own input (contributions to the company) and output (rewards they receive from the company) with their colleagues inside and outside the
company in order to motivate them to perform more or less work (Santiarworn, 2008). In relation to this, Luthans (2011) explains that input refers to education, age, sex, social status, organisational position, qualifications, and how hard the person works and outcomes refer to rewards such as pay, promotion, status, and intrinsic interest in the job. In the workplaces, employees want equity between what they put into their work and what they get from it, and what they see others putting in and getting out (Bryson & Ryan, 2012) and they will be motivated when they perceive that they are being treated fairly (Williams, 2012).

In other words, employees are more motivated when they are fairly treated and less motivated when there is no equity between employees. In relation to this, DuBrin (2012) points out that employees often compare salary, job responsibilities, working hours and privileges to their coworkers; they will become demotivated if coworkers are receiving better treatment than them. The example of this can be seen in the study of Stringer, Didham, and Theivananthampillai (2011) which indicates that employees who perceived pay was not fair generally made comparison with coworkers and they felt that pay did not reflect their efforts. This illustrated that employees are motivated if the pay reflects the rated of work they do.

Based on the discussion above, equity in the company is important in terms of motivation. Hence, to understand employees’ perspective toward fairness and to find solution to the issue, the sub-research questions 1.4 (5) is created to gather information from employees.

2.5.7 Locke’s (1968) goal setting theory

Goal setting theory contradicts Vroom’s expectancy theory. Edwin Locke argued that it is the goals itself that motivates employees not the rewards or outcome of performance. This is because setting goals will help employees to be clear about expectations, give them a focus on the particular task and drive them to achieve results (Smith, Farmer, & Yellowley, 2012). Goal setting theory states that, goals need to be specific in order to motivate employees because if the goals are clear and specific they are clear when the goal is achieved. In addition to this, (Mullins & Christy, 2013) point out that people with specific goals will be more productive than people who have unclear goals because people with unclear goals do not know what they are working towards. Furthermore, the theory states that goals need to be difficult but possible. This is because people will not be stimulated to put in effort for tasks if
the goals are exceptionally easy or impossible to accomplish (Daft, 2015). Similarly, Tracy (2014) points out that if people keep setting higher goals, they will stay motivated. In other words, when the goals are set higher, motivation will be higher (DuBrin, 2012). The goal setting theory suggests that managers should ensure that employees have specific, hard goals and feedback on what they have been doing in achieving their goals (Robbins, Bergman, Stagg & Coulter, 2012).

Goal setting theory provides a useful concept for any individuals or group of people to apply to work in order to improve performance and achieve the objectives. Goal setting is important for leaders who plan and set goals for their subordinates. Therefore, this idea of setting goals is considered to be included in this study, especially in sub-research question 1.4 (2) and 1.4 (6).

2.6 Factors influencing employee motivation

Employee motivation is considered as a challenging task for human resource management because every person has his or her unique set such as values, beliefs, attitudes, expectations, experiences, and personality and intellectual qualities (Härtel & Fujimoto, 2010). Hence, it is difficult to understand why some people have a strong desire to work and want to increase responsibility, while others are inactive and lack aspiration. According to a Gallup study as cited in DuBrin (2012), there are about 70 percent of employees who are disengaged with their jobs. This shows that people who are engaged are less than those who are not. Moreover, the study also found that the employees who stay longer with the companies became more disengaged. In order to motivate employees to improve their performance in the companies, it is necessary to recognize that all management activities such as company structure, management style, benefit programs, job design, training, and pay all affect employee motivation (Santiarworn, 2008).

Regarding motivation factors, the pay and benefits are likely to play as one of the important factors for motivating employees (Noe, Hollenbeck, Gerhart, & Wright, 2014). According to White and Druker (2009), pay is a central organizational concern because questions of financial control and cost management are themselves fundamental to the organization and
to management decisions. The authors further emphasise that reward management is one of the key levers to be deployed in pursuit of effective HRM. However, there is numerous research that studies the issues that are related to employee motivation and employee performance in the organization. The following, different perspectives from different studies are reviewed.

Recently, Anitha (2014) conducted a study on the topic of “the determinants of employee engagement and their impact on employee performance”. In the study, the researcher attempted to identify the key determinants of employee engagement and also study the impact of employee engagement on employee performance. In this research, participants from middle and lower managerial levels from small-scale organizations were selected to fill the survey questionnaire. With this regard, 383 valid responses were collected. The finding revealed that the major impact on employee engagement was the working environment and team and co-worker relationships. The study also proved that employee engagement had significant impact on employee performance.

Sriyai (2011) conducted a research with 147 employees in Kasikorn bank in Chiang Rai Province, Thailand by using questionnaires for collecting data. The aim of the research was to find the factors that influence employee motivation to improve employee performance. The result of the study revealed that income was the most important factor for influencing employee motivation to improve their performance. The second factor was the working environment and the third factor that influences employee performance was the job description. Furthermore, the study found that the factor that affects the problem and provided obstacles that affected employee motivation was the work burden of the employees, and the employees had a lot of key performance indicators (KPI) set such as insurance, funds, credit, and targets to meet.

This causes many employees to get stuck and they could not get the work done on time. The KPIs might be set too high when compared to the level of skills and abilities of employees. This led the employees to become stressed rather than happy to work. However, this study suggests that the company should delegate or assign work equally among employees. This is to reduce the slow progress of working of individuals. The study further suggests that the company should recruit more employees in order to be able to distribute the work to many
employees so that employees can feel more relaxed and get the work done on time and this can also reduce the stress for employees.

Santiarworn (2008) studied motivation factors affecting performance of operational level employees in a bakery company by applying Herzberg’s two Factors Theory: Hygiene factors and motivation factors. The study concluded that hygiene factors were found at a high level of needs such as: personal life, job security, interpersonal relation with peers, work status, and interpersonal relations with supervisors respectively. The motivation factors were found at moderate levels or needs. Regarding this, achievement and work itself were found at a high level. For working problems, the first three factors that affected performance of employees were working conditions, possibility of growth, and the company policy and administration.

Vengel (2010) when conducting his research, asked managers what they think motivates their employees. There are 88 percent of respondents who say that money motivates their employees and 67 percent say that the factor that motivates their employees is promotion. Both of these factors are categorized in extrinsic motivation. When employees are asked what motivates them. Responses indicated 76 percent said that they are motivated to work because it is interesting and meaningful work. While 72 percent of respondents said that it is new learning and professional growth. These two factors can be categorized in intrinsic motivators. From these two perspectives, we can notice that there seems to be a gap between what managers believe and what their employees want in order to be motivated and engaged.

According to recent research, it is found that pay for individual performance (PFIP) is associated with higher level of perceived competence and intrinsic interest (Fang & Gerhart, 2012). This corresponds to Maslow’s hierarchy, which categorized financial compensation in the level of basic needs. The theory also states that the incentives offered to the employees at each level have to be different (Härtel & Fujimoto, 2010). This leads to many businesses employing extrinsic motivation to influence their employees, both new and existing employees to work hard in order to achieve the goals of the businesses (Tremblay, Blanchard, Taylor, Pelletier, & Villeneuve, 2009). However, equity theory suggests that the manager should recognize an employee’s multiple simultaneous needs. In other words, focusing on one need at a time will not motivate employees (Griffin & Moorhead, 2013).
In contradiction to Fang and Gerhart (2012), DuBrin (2012) discovered that using non-monetary incentives can be effective for improving performance and employee satisfaction. To support this, Javed and Javed (2013) conducted a research with five-star hotel employees. The study revealed that intrinsic motivation is more important than extrinsic motivation. Similarly, it can be seen in the study of Santora and Esposito (2010), when employees feel they work in a competitive environment, there is a positive correlation between their performance and job satisfaction. In contrast, when they feel their working environment is non-competitive, there is no relationship between performance and job satisfaction. This is likely to show that intrinsic motivation is one of the important factors that motivate employees in the companies.

Some researchers also argue that pay for individual performance (PFIP) plans do not improve performance because when employees are stressed about what they can earn for a good job, they will have less interest in the work. Similarly, Pink (2010) agrees that pay-for-performance and short-term incentive plans do not work. Moreover, the same author also asserts that pay-for-performance and short-term incentive plans do harm because they can destroy intrinsic motivation and decrease work performance.

There are multiple factors that affect motivation of employees (Tavana, 2014). According to the recent research conducted in Laos by Du Plessis et al. (2013), the main factors for employee retention in Laos are better working conditions and effective bonus schemes. Also, Thomas (2010) states that most employees are not satisfied only with monetary but also with moral motivators. This can be said that not all employees are motivated by extrinsic rewards, especially money, but also intrinsic factors in terms of increasing the effectiveness of performance. This supported by Gagne (2014) who states that both intrinsic or extrinsic is associated with high level of performance. Therefore, some researchers suggest that both monetary and non-monetary incentives are important for motivating employees, especially in the present economically unstable environment (Tremblay et al., 2009).

Based on the findings in the literature discussed above, it was observed that the factors that motivate employees are different depending on the area and the kind of organizations. In other words, employees can be motivated by many different factors depending on their level of needs in that period of time. This refers to sub-research question 1.4 (4) and supports the main research question.
2.7 Different approaches of employee motivation

According to Nelson and Quick (2013), managers should recognize that all motivation theories are not equally good or useful. The older theories of motivation such as the Maslow’s hierarchy and two-factor theory provide the basis for the later theories such as equity and expectancy. Managers cannot assume they know the needs of their employees. They should be eager to identify the needs of their employees. To identify those needs, managers should also consider ethnic, national, gender, and age differences (Nelson & Quick, 2013). In addition to this, managers should ensure that employees value the rewards offered and the rewards should be contingent on good performance. Managers should understand the needs of their employees in order to select the right rewards for them. Nelson and Quick (2013) also point out those morally matured employees are more likely to be sensitive to inequities at work. It means that morally matured employees will perform ethically for the common good of all employees and the organization and these employees are more likely to be concerned about equity issues for all employees.

There are many authors who come up with new ideas for motivating people to perform in a positive way. This can help managers to learn and apply the techniques to their daily jobs. One of these techniques can be seen in the book on “Motivation” by Tracy (2013) who suggests that, in order to have effectiveness in management and motivation, managers should strive to apply seven types of motivators as follow:

- **Challenge**: this challenge refers to giving employee jobs that make them stretch. In other words, giving challenging jobs to employees can help them to experience more challenging work. Doing this will help them to be more engaged and feel positive about themselves.

- **Freedom**: this means giving employees to work on their own without close supervision. If they have freedom to get the job done, they will feel better about themselves.
**Control:** it means that regularly setting time for review, feedback and discussion of the work. Regular feedback on employee performance can help them feel better about themselves and they will consider their work to be more valuable.

**Respect:** employee will feel more valuable and important when their manager asks for their opinions and listen to them closely. When managers listen to them attentively and carefully, they will feel happy. Doing this, it demonstrates that managers respect the uniqueness of each employee.

**Warmth:** This idea refers to managers who like and care about an employee as individual, the employee will perform better. For instance, treating employees as though they are friends and natural extensions of corporate family can make them feel more secure, safer and more important.

**Success Experiences:** Giving employees jobs that they can do successfully according to their levels of skill and experience. When they get the job done, they should be recognized and acknowledged for that achievement, both privately and publicly, so that they will feel like “winners”.

**Positive expectations:** this idea is to boost self esteem of employees and improve their performance by making them sense that their boss believes that they are valuable, important, competent, good, and intelligent and that they have the ability to do the job well. This idea is perhaps the most powerful motivator of all.

Regarding motivation, Ashdown (2014) presents the AMO model of performance which is linked to an employee’s ability, motivation and opportunity (AMO) to organizational performance. The idea of using the model is to motivate employee to perform effectively. The AMO model of performance states that employees are more likely to use their discretion in carrying out their roles and perform well when they have:

- **A** - Ability to perform because they have skills and knowledge that are appropriate to their roles.
- **M** - the motivation to perform because they want to do so
- **O** - the opportunities to perform because their role is designed and supported in such a way as to empower them to do so.

These three components are important for motivating them to deliver effective performance. The author further states that coercion cannot build sustainable performance. We cannot force employees to be motivated to perform well but we can create working environments in which
they are more likely to be motivated to perform. This shows that the working environment is also one of the main factors that can motivate employees. This refers to sub-research question 1.4 (3) and 1.4 (6) to share different views of leading.

Cramer (2014) states that even though planning, organizing, setting a direction, developing strategies, and executing are necessary for managers, but inspiring followers to action is also important. To inspire employees, managers should be self-confident and optimistic in all they see, say and do. The author further explains that when a manager leads positive such as think, speak, and act out of the positive side of the issue, employees will feel more hopeful and confident. This concept of being positive is included to support sub-research question 1.4 (6).

To motivate employees, there are many approaches that could work depending on the people involved and the situations. One of the widely recognized approaches for leading people is the situational approach, which was developed by Hersey and Blanchard, 1969 as cited in Northouse (2013). The main idea of the theory is that, to be an effective leader, it requires him or her to adapt his or her style to the demands of different situations. This is because “different followers and situations demand different amount of tasks and relationship leadership” (DuBrin, 2012, p.76). The theory states that leaders should change their leadership styles based on maturity of the people they are leading and the details of the task. In other words, leaders should be able to place more or less emphasis on the tasks or relationships with the people they are leading, depending on what is needed to get the work done successfully. This approach provides a model that suggests leaders to know how they should perform based on the demands of a particular situation. The model is called the Situational Leadership II (SLII) and it is illustrated below in the figure2. 2.
Based on Northouse (2013), Situational leadership classifies leadership into four styles: the first style (S1) is high directive-low supportive style. This style is also called a directing style. This approach works best for followers who have low levels of readiness to do their own work. Using this approach, leaders have to tell followers exactly what to do, direct them how to do it and also specify timelines for them.

The second style (S2) is called coaching approach. It is a high directive-high supportive style. This style is effective for followers with moderate readiness to take responsibility for their own task behavior. In other words, it works well when applied to followers who lack some skills or experience for their work but they demonstrate confidence, ability and willingness to learn. Using this approach requires leaders to give some directions, make final decisions and also clarify tasks for followers.
The third style (S3) is a supporting approach. This approach requires leaders to take a high supportive-low directive style. This approach works well when followers have education, experience, and skills but might be insecure in their abilities and need some encouragement from the leader. In this approach, leaders use supportive behaviours such as listening, asking for input, praising, and giving feedback. In other words, leaders give followers control of day-to-day decisions but leaders can act as a resource for advice and assistance.

The last style is called the low supportive - low directive style, or delegating style. This approach can be effectively used when subordinates have very high levels of experience, ability, confidence, and readiness to take responsibility for their own task behaviours. With a delegating style, leaders let subordinates take responsibility for getting the job done the way they see fit. In other words, leaders provide a general goal and sufficient authority to followers to do the tasks as they see fit.

This situational leadership theory is important for managers to understand how to approach their own employees and it supports the discussion under sub-research question 1.4 (6) in chapter five.

According to the literature and various theories provide a basis for comparing motivation patterns in the workplace. However, the circumstances suggest that it is not mentioned which motivational factors have a positive effect on employee performance in the mining sector. Therefore, this study will attempt to identify motivational factors and develop motivation approaches in order to stimulate employees in the mining sector to achieve better performance.

2.8 Chapter Summary

This chapter has proposed an extensive review of the literature and various theories related to employee motivation. This chapter is divided into six sections. The first section of this chapter provides the introduction of the chapter. The second provides the concept of employee motivation. The third section defines relevant terms such as motivation, performance, intrinsic and extrinsic motivation. The fourth section of this chapter discusses
the role of HRM and employee motivation in the companies. The fifth section reviews existing motivational theories. The motivation theories provide various perspectives on employee motivation which enables managers to look at different angles and views on how to motivate their employees. The sixth section of this chapter examines previous studies that are relevant to employee motivation. The conclusion section investigates different ideas and techniques of employee motivation from different authors. These ideas of motivating employees can develop knowledge and skills of managers in terms of dealing with employee motivation in different situations in their daily jobs.

The next chapter will discuss the research methodology that was adopted for this research.
Chapter 3 Research Methodology

3.1 Introduction

The previous chapter proposed an extensive revision of the existing literature and various theories related to employee motivation in order to answer the research question and sub-questions. The chapter covers six sections such as introduction to employee motivation, defining relevant terms, perspective towards HRM and employee motivation, reviewing existing motivational theories, relevant studies and investigating different approaches of employee motivation.

This chapter will provide the research methodology used to design, collect and analyse data in this study. This chapter is divided into 6 major sections. The first section presents the introduction of research methodology. This section examines the research paradigms, quantitative, qualitative approaches and the rationale for a qualitative approach to research. The second section looks at the sample selection and includes a semi-structured interview sample and the selection of participants. The third section looks at the research methods. This section consists of primary research, secondary research and pilot study. The fourth section looks at data analysis techniques and discusses transcribing the data, reading and generating categories, themes and patterns; interpreting the finding; and writing the report. The fifth section discusses the validity of the results. The final section discusses the ethical considerations.

3.2 Research methodology

Research methodology is a process of gathering, analysing and interpreting data for researchers to develop the insight of the phenomenon about the concerned topic or what researchers are interested in (Leedy & Ormrod, 2012). Briggs, Coleman, and Morrison (2012) define research methodology as a researchers’s plan or process that is employed to link methods to outcomes when they are studying theoretical aspects of research studies. Collis and Hussey (2013) state that research methodology is important for researchers as it determines the strategies, methods and approaches that can be employed in the research.
Roberts-Holmes (2011) points out that methodology is about principles and values concerning your topic and it informs the entire research process. It means that methodology will inform the questions that researchers ask, the literature that researchers read, the method that researchers use and how researchers analyse the data. According to Denscombe (2010), research methodology can be described as a tool that helps the researcher to gain a clear picture and an accurate measurement of things, and facts and evidence about the subject matter. Methodology is both a science and philosophy as it helps researchers to understand in different ways of inwhich knowledge can be created, what knowledge actually is, and how they know what they know (Adams, Khan, & Raeside, 2014).

3.3 Research Paradigms

A research paradigm provides the researcher a framework to follow for conducting the research. A research paradigm can be defined as a group of assumptions and beliefs of how the world phenomena are perceived and then it acts as a thinking pathway which leads the behaviour of researchers (Jonker & Pennink, 2010). Similar to this, Boateng and Foundation (2014) assert that a paradigm is a set of belief, values, and techniques which acts as a guide or map for scientists to address the problems and the types of explanations that are acceptable to them. It also defines what valid research is and the suitable methods for applying to that research. Research paradigms are toolboxes that contain theories, practices, and ways of thinking that are useful such as solving problems, demonstrating issues, providing artistic pleasure or proving someone else wrong (Tracy, 2013).

Different disciplines used different terms and categorization schemes for paradigms. According to Boateng and Foundation (2014), the most common paradigms that reflect the major theoretical direction are positivism, interpretivism, realism, relativism and critical realism. These paradigms have their own set of ontological, epistemological and methodological assumption that explain and differentiate them from each other. Epistemology is a center of research endeavour and it focuses on the study of knowledge and how it is acquired. Ontology in management research refers to personal reality. In other words, it refers to how the researcher perceives the nature of social reality (Boateng & Foundation, 2014). Methodology refers to research frameworks within the context of a particular paradigm. The research methodology of this study is a qualitative approach. This study was
based on interpretivism as a research paradigm. This is because interpretivism believes that it is likely that people experience social and physical reality in different ways. Interpretivist research focuses on understanding the lived experience of human beings such as providing a complex description of how people think, react and feel under certain contextually specific situations. This enables others to understand the topics being investigated. In this regard, the researcher found that finding motivation factors that influence employees to work effectively in the companies are complicated to examine and identify.

3.4 Quantitative Approach

Quantitative approach can be defined as empirical assessments that enable the researchers to address business objectives by applying numerical measurement and analysis approaches (Zikmund, Babin, Carr, & Griffin, 2013). According to Venkatesh, Brown, and Bala (2013), quantitative approach enables researchers to study in width and data can be gathered from many participants who have various aspects of a phenomenon. Bryman (2012) explained that quantitative research is a research which emphasized data collecting and data analysing. If a research objective involves a managerial action, the quantitative research is suitable to be applied (Zikmund et al., 2013). The quantitative approach can help to answer the research question well because it can collect information from a large sample size of questionnaires which are more effective than interviews and the software of quantitative analysis can also verify and generate the hypothesis and the result of the research (Mukherji & Albon, 2009). In addition, Hesse-Biber (2011) mentions that quantitative data can be collected through the Internet such as email, blogs, Skype, instant messengers, and social networking sites.

However, the quantitative approach has some negative points. Bryman (2012) state that the quantitative approach has less precision and accuracy of measurements because it relies very much on procedures and instruments. Rubin and Babbie (2011) suggest that the researcher should consider carefully before employing quantitative research method. This is because the information and data received from the research are superficial. Furthermore, quantitative is more structured than the qualitative approach and it also is based on the self-response questionnaires which consist of the structured format of responding (Zikmund et al., 2013). Therefore, the researcher considered using the qualitative method as below.
3.5 Qualitative Approach

The qualitative approach refers to the research that addresses business objectives by applying methods that enable the researcher to provide elaborate interpretations of market phenomena without relying on numerical measurement (Zikmund et al., 2013). In other words, qualitative research is research that usually focuses on words rather than quantification in collecting and analysing the data (Bryman, 2012). This means that the researcher must select the results from responses which are unstructured. This unstructured response can be in text from a recorded interview or a meaning which is representing some experiences. Rakotsoane (2012) believes that qualitative researchers gather information from four methods such as participation in the setting, direct observation, in-depth interviews and analysis of documents and materials. In this regard, the researcher interprets and converts the data into information (Zikmund et al., 2013). In other words, Bryman (2012) state that qualitative research study is related to interpretive philosophy. Using qualitative approach aims to explore social relations and explains reality as experienced by participants (Adams et al., 2014). Qualitative has its own disadvantages, Higgs, Titchen, Horsfall, and Bridges (2012) point out that qualitative research is complex, messy, ill defined, difficult to circumscribe and time-consuming. Furthermore, it is considered as an approach that is too difficult to generalize as it is ambiguous especially in its transparency (Bryman, 2012).

However, qualitative research also has many advantages. The qualitative approach is useful for the study that is related to that of understanding of human behaviour and the reasons that control human behaviour (Rakotsoane, 2012). This means that qualitative research helps researchers understand people and the social and cultural contexts. In other words, it helps researchers to understand the nature better of an issue and the results of the findings from the analysis that could formulate a theory. Qualitative is less structured than most quantitative approaches (Bansal & Corley, 2012). It is useful for further understanding and developing insight of phenomena in much greater depth and detail. Zikmund et al. (2013) also state that using the qualitative approach can crystallize a research problem. Therefore, the qualitative approach was considered to be employed for this research.
3.6 Rationale for a qualitative approach to research

As mentioned above, the researcher chose to use a qualitative approach in this study, especially using the semi-structured interview as a tool for collecting primary data for the research. This is because qualitative methods look at the details, the specific trends and themes within a particular sample (Hale & Napier, 2013). Using the qualitative method is suitable for studying factors of employee motivation that is also relevant to characteristics and trends of people. Zikmund et al. (2013) also support this by saying that qualitative research is very appropriate when focusing on a deeper understanding of motivation concepts. Malina, Norreklit, and Selto (2011) point out that the qualitative method helps the researcher answer the questions "Why" and "How" and is an appropriate method for the researcher who is interested in words and looking for causal links rather than numerical confidence. In this research, the researcher intended to focus on human resource issues especially, employee motivation factors.

This required the researcher to understand the ways of thinking of respondents in order to collect and analyse data accurately. Using the qualitative approach allowed the researcher to understand the situation and characteristics of employees in more detail and in much greater depth especially when the semi-structured interview was applied. This is because when the researcher had interaction with participants, the researcher could understand the emotion of the respondents. Moreover, using semi-structured interviews could make participants feel comfortable to provide more detail because the flow of conversation could influence them to be open up and willing to talk based on their own experiences. Similar to this, Myers (2013) states that the semi-structured interview allows the interviewees to talk freely and tell you everything that he or she considers to be important. Therefore, the qualitative approach has been employed in this research.

3.7 Sample Selection

Sampling methods can be defined as the process of collecting data and information from population for inclusion in the research (Andrew, Pedersen, & McEvoy, 2011). This study is about employee motivation, which is definitely related to people. Therefore, sampling methods and population recruitment are necessary for this qualitative research. It is
significant to note that having an appropriate sampling selection method is not only crucial for the qualitative method but also essential for the other spectrums of the research paradigm.

The aim of this study is to examine in depth employee motivation. Therefore, purposive and non-probability sampling are suitable sampling methods for this study. Saunders, Lewis, and Thornhill (2012) state that by emphasizing on a small case for non-probability sampling, a particular purpose can seek the answer for the questions and objectives of the researcher. Therefore, this study focuses on the content or the topic of the research rather than the sizes of the representative sample for studying the sampled cases. This can provide the rich collected data for analysis and help the researcher to gain theoretical insights. To be more precise, according to Saunders et al. (2012), purposive sampling refers to an approach that enables researchers to use their judgments to choose suitable cases for them in order to meet their objectives and answer their research questions. The authors further assert that the number of qualitative researchers is likely to be increasing in terms of using non-probability samples. This is because they seldom determine the sample size in advance.

The mining sector is one of the biggest contributors to the Lao economy. Therefore, the scope of this study focuses on employee motivation in the mining industry in Laos. The interviews were conducted on a sample frame population of the leading mining companies in Laos.

The researcher had contacted two large mining companies in Laos. One is a foreign direct investment mining company and the second is a locally owned mining company.

There are two main reasons for choosing these two mining companies. First, these two companies are big companies in Laos that have international working standards. In other words, they have an organized way of handling employee issues as compared to other mining companies. Second, employees in these two companies are good representatives for the study as they are from different educational backgrounds so the differences of perceptions towards motivational factors are more obvious.

After receiving permission to conduct the in-depth interviews, the researcher contacted the HR managers of those two companies in order to arrange schedules and other details of data collection. The target population of this study, managers and non-managers were selected to collect their opinions to support this research. There were 15 in-depth interviews in total.
this study, management and non-management employees from different departments and different positions were selected to participate. Managers were selected to participate in the interviews because the researcher wanted to know their perspectives toward motivation issues and these people also have considerable experiences from their day-to-day jobs.

3.7.1 Semi-structured interview sample

The purpose of this study is to explore the factors that influence employee performance and attempts to understand employee attitudes and perceptions towards employee motivation in order to develop an employee motivation approach that could be used as a guideline for the management team in the mining sector in Laos to adapt and apply to their day-to-day operations. It also answers the main question and sub-questions of the study. Therefore, the target population to be studied was participants who are from management and non-management levels.

These participants could be those who worked at head offices or mine sites. To be more precise, there were 2 HR managers and 13 non-managers that participated in this study. These participants met the criteria of this study because they hold management and non-management positions in mining companies. Therefore, 15 participants are sufficient for this research study as supported by Saunders et al. (2012) who state that the important things depend on the purpose, objectives, research questions and focus of the study. Therefore, there are no fixed rules for sample size of non-probability sampling.

3.7.2 Selection of participants

Before conducting the interviews, the researcher organized the process with HR managers of these two mining companies by contacting with them by email and telephone. The letters and information sheets were sent to the potential mining companies to seek their approval. After receiving organisational consent letters, interview arrangements were made through HR managers. In this regard, HR managers of two companies, on behalf of the researcher, communicated with potential participants in order to inform them that the research is completely voluntary and there are no adverse consequences for individuals who want or do not want to participate in this research. HR managers then sent the information sheet about the project and consent form to all potential participants. At this stage, people who wanted to
participate in this project were requested to sign the consent forms and also provide contact information before returning them to a sealed box that was kept with the receptionist of the company. The researcher later collected consent forms and contact information. After knowing how many people agreed to participate in the study, the researcher was in contact with HR managers in both companies in order to confirm and make appropriate schedules for the interviews. Due to both companies being large, most of the participants had tight schedules. Therefore, the researcher allowed them to choose appropriate times for the interviews. Finally, the interview schedules were made according to availability of each individual.

3.8 Research Method

The research method is the way of conducting a study that a researcher applies in the research (Saunders et al., 2012). In other words, research methods are tools, instruments, procedures, approaches or techniques that are used by researchers to collect data for explaining, predicting and interpreting in their research (Cohen, Manion, & Morrison, 2011). With this regard, two major research methods were used in this research; namely, primary research methods and secondary research methods. Primary data were collected by using semi-structured interviews. Secondary data was collected from books, journal articles and government reports.

3.8.1 Primary research: Semi-structured interview

This research sought to explore the factors that influence employee performance and also attempted to understand employee attitudes and perceptions towards employee motivation in order to develop an employee motivation approach that would be implemented in the mining sector in Laos and to answer some sub-questions that were raised to support this study. To achieve that, the qualitative approach, especially the semi-structured interview was employed to collect primary data for the research study. To be more precise, the data from the respondents was collected by using a semi-structured interview. The interviews were conducted at the head offices of two large mining companies which were located in Vientiane, Laos. The interviews were conducted with 15 employees who were working at both mine sites and head offices. In relation to this, one person who was selected to attend the
interview could not attend the interviews due to the busy schedule during those days. Regarding the interviews, specific, open-ended and follow-up questions which are related to employee motivation were formulated to interview both management and non-management employees during the interview to answer research question and sub-research questions.

The interviews were carried out in the Lao language and also were recorded to ensure that the important information was not missed out. In relation to this, Denscombe (2010) emphasises that with semi-structured interviews the researcher has to have a clear list of issues, or questions that need to be addressed and answered in order to be able to develop ideas and speak more broadly on the issues. With regard to this, some questions were raised and addressed before conducting the actual interviews and all supporting materials such as notebook, pen, and audio recorder were prepared. The reason why these materials were prepared was because it could help the researcher to focus on elaborating points made by interviewees.

3.8.2 Secondary data:

According to Sahu (2013), secondary data refers to the data that has already been collected by someone else and available in a publication from a library or on the internet. In order to understand and extend the depth of this research, the researcher attempted to collect secondary information from different sources such as; annual reports from government especially collecting data about mining in Laos from the Ministry of Energy and mines. The researcher also collected some information from Lao statistics bureau. To understand more about the previous research that was relevant to the issues, the researcher also collect secondary data from the library, text books, internet, newspapers, magazines and scholarly journanals. Journal articles were one main source of collecting secondary data. Different data bases were used for searching journal artcleless for literature reviews such as Emerald, Ebsco, The World Bank database. The journals articles that were selected to review were based on the advice from the researcher’s supervisors such as the articles should be related to this study, the journals or research should be most recent studies. The researcher attempted to select the newest version of studies and publishing to support in this study.
3.8.3  Pilot Study

To ensure that all the questions for the interviews are clear to understand for all respondents, the researcher conducted the pilot study before conducting the real interviews. This concept of pilot study is supported by Wilson (2014) who states that a pilot study refers to a small-scale study that researchers conduct before the main survey. The pilot study was conducted with four respondents. There were 2 respondents outside the two mining companies chosen by the researcher and two respondents who were working with two mining companies in Laos. The researcher aimed to receive constructive feedback from these representatives because they were working in different companies and some people were working with the same companies with other participants. This enables the researcher to understand their perspectives toward the interview questions in order to identify issues relating to the interview questions. This aligned with Hall, Lentz, and Knab (2009) who point out that, conducting pilot study can detect some of the weaknesses in design and instrumentation. The researcher received very useful feedback from respondents. For instance, there were some points in the interview questions that respondents did not understand clearly and some questions were unnecessary. With this regard, the researcher had removed some complicated words and reduced some questions down in order to make them more productive and easier to understand.

3.9  Data Analysis

Data analysis is to determine the credibility of the qualitative research finding and it involves a process of transformation of raw data into final description, narrative or identification of themes and categories (Moule & Goodman, 2013). Qualitative research is related to various strategies for analysing the data. Four analytical steps are applied in this research such as “transcribing the data; reading and generating categories, themes and patterns; interpreting the finding; and writing the report” (Wilson, 2010, p. 255).
3.9.1 Transcribing the data

All interviews were audio-recorded. After finishing the interviews, the information obtained was transcribed into written content - transcriptions are constructions from an oral conversation to a written text (Braun & Clarke, 2013). Transcribing can help the researcher to be familiar with the data from the interviews which is important for the researcher to analyse the data (Wilson, 2014). Due to the situation that the interviews were conducted in the Lao language, the transcripts were translated from Lao into English by the researcher.

3.9.2 Reading and generating categories, themes and patterns

After translating all information gained from the interviews, the researcher first reviewed the transcripts and some interview notes to find out which words, phrase, sentences or even the whole paragraphs were relevant to questions that this project is trying to address. In other words, the researcher read and re-read each data item in order to become familiar with the dataset’s content and to notice things that might be relevant to the research question as suggested by Braun and Clarke (2013). Zikmund et al. (2013) state that the code could be a keyword, theme, or category. Therefore, the researcher separated those that are relevant to each other into themes. In other words, the researcher explored similar information and identified common concepts or similar insights in order to categorise those pieces of information by bringing several codes together or grouping them together. This is to classify clusters of responses from respondents.

Bryman (2012) suggests that qualitative analysis should have a series of codes in order to help researchers to sort the information into a variety of categories. In this regard, all participants are coded by letters and numbers such as P1 represents first participant and P2 represents second participants. This means that all 15 participants are coded as P1, P2, P3, P4, P5, P6, P7, P8, P9, P10, P11, P12, P13, P14 and P15 respectively. The names of the companies are anonymous in this study. This is to avoid identification and ensure that there is no harm to the companies and participants.

This study separated participants into two groups based on their positions such as management level and non-management level. The letter “M” is used to represent participants who are holding management positions such as human resource managers. Letter
“N” is used to represent participants who work in non-management level. In other words, “N” refers to general employees who are working in the chosen companies. Then the researcher applied these codes to the data from the individual interviews. Doing this can help the researcher to easily view and analyse the data. In this stage, the presented data are illustrated and provided verbal description.

3.9.3 Interpreting the finding

After coding the data and developing the categories in the transcripts mentioned above, the researcher aims to find the links among categories which are identified within each transcript. This made the researcher revise the categories and keep rearranging the data in order to find the meaning in the datasets (Saunders et al., 2012). Some items of data are organised in the form of tables, especially the factors of motivation which are grouped and arranged depending on the responses from participants. Selected verbatim quotations are taken from the interviews to support the findings. The key themes emerging from the data are discussed, analysed, and interpreted within the framework of the literature reviews.

3.9.4 Writing the report

In this stage of writing, the researcher developed, tested hypothesis and then made conclusions which are drawn from existing literature (Saunders et al 2012). The researcher tested the connections between categories, especially the motivation factors and employee performance in order to find out whether they are related to each other. Testing hypotheses against researcher’s data allowed the researcher to find alternative explanations which can enable the researcher to create valid conclusions and an explanatory theory. Finally, the researcher wrote up the report for this research project (Wilson, 2010).

Therefore, the researcher used the inductive approach rather than a deductive approach for analysing the data. In this regard, the researcher used the data analysis process adopted from Wilson (2010) to guide in analysing the data and writing the report. Thematic coding was applied to analyse and identify the theme of the data. Regarding coding, the researcher used P1-P15 as letter and number coding of the participants. N and M represents the participants who are management and non-management employees. Hypotheses testing also discussed in this study.
Regarding data storage, the researcher copied the transcripts of the interview and kept them for future references. The important data was recorded and stored in multiple places such as personal external hard drive, USB drive, and personal computer. This is to help the researcher find the data easily even in the case of one of the storages being lost/damaged.

3.10 Validity of result

It is important for the researcher to consider reliability, validity and generalizability of the result of this research. The interviews were arranged appropriately in order to overcome the issues mentioned above. In this regard, the researcher motivated participants to provide more accurate details related to discussion topics. To be more precise, the researcher explained to each participant to understand clearly about the purpose of the semi-structured interviews. This could help participants to know how to provide accurate information to the researcher.

To ensure that participants feel confident to attend the interviews, the researcher sent an information sheet, consent form and the interview questions to participants before conducting the interviews with them. Doing this could help participants have time to read and consider the questions carefully. It means that participants are likely to provide accurate information based on their own experiences.

To ensure that the interviews remain confidential, the interviews were conducted in an appropriate room provided by each chosen company. Having an appropriate place for the interviews could help participants to feel comfortable to share their own opinions and real experiences which is very crucial for the interviews to avoid any bias that would affect the reliability of the data.

To ensure that the interviews were conducted smoothly, the interviews were conducted in a relaxed and respectful manner. The researcher showed his respect to participants by wearing acceptable clothing to every interview and using appropriate words in conversation. From the researcher’s observation, the participants in this study felt relaxed and confident. They were willing to elaborate more on details of their experiences in their companies. They appeared
open to giving their responses. This can act as evidence in creating and assessing the quality of this study.

3.11 Ethical Considerations

Dahlberg and McCaig (2010) state that every research project has to take ethical considerations into account and ethical issues in research can arise in many forms and at any time. To avoid any unexpected ethical issues, the researcher conducted the research carefully by considering all relevant ethical issues in order to minimise harm that would occur during the study. As this research involved conducting interviews which is concerned with human resources, the researcher completed the human ethics form. In other words, the researcher signed the human ethics form and submitted it to the Unitec Research Ethics Committee (UREC) before conducting the primary fieldwork. The researcher had to ensure that the written approval issued by UREC has been received before conducting any activities relevant to the research, especially collecting data (the UREC approval number 2014-1075). All processes for gathering data were conducted based on the Unitec Research Ethics Committee guidelines (Unitec Research Ethics Committee, 2010).

This research definitely maintains confidentiality and is conducted professionally in terms of protecting participants’ rights and privacy. Doing this enabled the researcher to ensure that all participants are protected and all relevant issues that may reflect their personal and professional matters can be avoided. In this regard, the researcher had asked for permission from both companies. The information sheet and consent forms were sent to chosen companies in order to ask for permission from participants in those companies. All participants had the chance to read the information sheet and sign consent forms.

Regarding communication, the researcher contacted with representatives from chosen companies by email and the telephone in the beginning. The researcher had discussed with HR managers about the process of interviews before actual interviews. Moreover, all employees who participated in the interview were asked for their voluntary approval and all interviews were conducted without gifts, obligation or any inducement. Participants were informed that they have the right to withdraw from the interview at any stage if they feel
uncomfortable. They have the right to view the transcripts and see the final report of the research on request. Participants were also informed to have the right to ask for their responses to be removed from the research. Moreover, all data is kept in a secure place by the researcher and his supervisor in order to ensure that privacy of participants remains confidential.

To minimize harm, the researcher attempted to avoid asking questions that could relate to sensitive information and confidential information of the companies. In this regard, the companies’ names and participant’s names could not be identified. The research did not apply any deceptive practices and it was unlikely to elicit any social or cultural sensitivity. There were no identified issues related to cultural and social sensitivity. In contrast, this research was disclosed to all participants at the initial contacts.

The researcher respected the intellectual and cultural property of the companies. Therefore, the interviews were recorded upon the permissions of the participants. Participants’ names were recorded for researcher and supervisor’s usage only. Their identities were presented anonymously in this research. All data and consent forms collected from participants were retained in a place safe from unauthorized access for a period of 5 years and will be physically disposed thereafter. There was no conflict of interest, as the researcher was not working with any companies during the time of the research.

Kendall (2014) states that ethical issues cannot be ignored by researchers as they are related to principles and disciplines of research. To avoid any improper ethical issues, this research did not focus on any specific nationality or ethnic group. However, the researcher ensured that the Lao cultures were respected and appropriate communication techniques were used by the researcher during the interviews. All data relating to their identities and companies were kept confidential. The researcher attempted to focus on the arena of human resources management, especially the area of employee motivation factors and work performances as the main purpose of the interviews.

In essence, the researcher addressed all ethical issues by following the UREC guidelines. The intellectual and property of the companies was protected appropriately in order to avoid any harm that might occur during the research.
3.12 Chapter Summary

In this chapter, the researcher discusses the research methodology used to design, collect and analyse data in this study. In this regard, the researcher looked at 7 major issues. The first section presented the introduction of research methodology. This section examined the research paradigms, quantitative and qualitative approaches and the rationale for a qualitative approach to research. The second section looked at the sample selection and discussed the semi-structured interview sample and selection of participants. The third section looked at the research methods. This section provided discussion of primary research, secondary research and pilot study. The fourth section looked at data analysis techniques that used to analyse data in this study. The main issues in this section consists of transcribing the data, reading and generating categories, themes and patterns, interpreting the finding, and writing the report. The fifth section discussed the validity of results and the sixth section discussed the ethical considerations. The final section highlighted the limitation of the research.

The next chapter discusses the findings which are the results of the semi-structured interviews from 15 participants. These findings will reveal the perspectives and understandings of participants toward the factors that influence them to work effectively in the mining companies.
Chapter 4 Findings

4.1 Chapter outline

The previous chapter discussed the research methodology that was applied to this research study. The seven major issues were discussed such as the introduction of research methodology, the sample selection, the research methods, data analysis techniques that used to analyse that data in this study, the validity of results, the ethical considerations and the limitation of the research.

The qualitative data acquired through face-to-face interviews revealed a great number of interesting insights into how people think about the important factors that motivate them to work more effective in the company. Using the semi-structured interview allowed the researcher to investigate several ideas and themes relating to employee motivation from participants in two companies. This chapter describes the findings that were discovered in the research.

This chapter starts with general factual information which is related to the participants from two big mining companies. The chapter is divided into two main parts; the first part presents the research result and findings of the project based on two in-depth interviews with the HR managers from two mining companies. These two in-depth interviews with the HR managers can help the researcher to get more information in order to determine the factors that related to employee motivation in the company. This not only helped the researcher to get the answers for the main research questions but also the sub-questions of the study and to understand their attitudes and perspective toward managing employees in the company.

The following part presents the research result and findings of the project based on 13 in-depth interviews with the employees from two mining companies. The in-depth interviews with employees can help the researcher understand the attitudes and perspectives of employees toward management of the company and find out the factors that most influence them to work more effectively.
Regarding this, the chapter illustrates the results and findings according to the sub-questions including different perspectives of the term employee motivation, the issues regarding the employee motivation, including application of motivation approaches, factors that motivate employees in companies, and the intrinsic and extrinsic motivation factors.

The remaining part of the chapter focuses on the suitable motivation approaches that could improve employee motivation in the mining companies in Laos.

### 4.2 Factual Information (Demographic)

The study sample consists of two large companies in mining sector in Laos. According to the researcher’s plan, 16 people were expected to participate in the interviews, but there was one selected participant that did not attend the interviews due to their busy schedule during the time that the researcher conducted the interview. Hence, the total of participants in this study is 15 people. These participants included two human resources managers, and 13 non-management employees from two mining companies in Laos. The composition of the respondents was unequal, 2 respondents being female. Four out of 15 which covers 26.6% were single. Age ranged from 20 to 40 years. In terms of educational background, 9 of the respondents which cover 60% of the total participants hold a university degree, whereas the others relied upon extensive work experience. It is interesting to note that there is no respondent who has a doctoral degree that participated in the study. A summary of the demographic information of respondents are shown in the Table 4.1.
The participants were asked to identify the factors that motivate them to work in their companies. The main motivation factors were brought to discuss with the participants. These factors have been adopted from motivation theories. This aimed to find out the solution to improve the effectiveness of employee performances in the mining companies. Hence, the participants were also asked to share their opinions on fairness in the company as well as the motivation approaches that should be used in the company in order to increase the effectiveness of employee performance.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Title/positions</th>
<th>Gender</th>
<th>Status</th>
<th>Age</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-P1</td>
<td>HR Manager</td>
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<td>Married</td>
<td>31-40</td>
<td>Master</td>
</tr>
<tr>
<td>N-P2</td>
<td>Non-management</td>
<td>Male</td>
<td>Married</td>
<td>20-30</td>
<td>Bachelor</td>
</tr>
<tr>
<td>N-P3</td>
<td>Non-management</td>
<td>Female</td>
<td>Married</td>
<td>31-40</td>
<td>Bachelor</td>
</tr>
<tr>
<td>N-P4</td>
<td>Non-management</td>
<td>Male</td>
<td>Married</td>
<td>20-30</td>
<td>Bachelor</td>
</tr>
<tr>
<td>N-P5</td>
<td>Non-management</td>
<td>Female</td>
<td>Single</td>
<td>31-40</td>
<td>Bachelor</td>
</tr>
<tr>
<td>N-P6</td>
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<td>Married</td>
<td>31-40</td>
<td>Bachelor</td>
</tr>
<tr>
<td>N-P7</td>
<td>Non-management</td>
<td>Male</td>
<td>Single</td>
<td>31-40</td>
<td>Secondary</td>
</tr>
<tr>
<td>N-P8</td>
<td>Non-management</td>
<td>Male</td>
<td>Married</td>
<td>31-40</td>
<td>Primary</td>
</tr>
<tr>
<td>N-P9</td>
<td>Non-management</td>
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<td>Married</td>
<td>20-30</td>
<td>Bachelor</td>
</tr>
<tr>
<td>N-P10</td>
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<td>Married</td>
<td>20-30</td>
<td>Primary</td>
</tr>
<tr>
<td>N-P11</td>
<td>Non-management</td>
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<td>Married</td>
<td>20-30</td>
<td>Primary</td>
</tr>
<tr>
<td>N-P12</td>
<td>Non-management</td>
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<td>Married</td>
<td>20-30</td>
<td>Secondary</td>
</tr>
<tr>
<td>N-P13</td>
<td>Non-management</td>
<td>Male</td>
<td>Single</td>
<td>20-30</td>
<td>Bachelor</td>
</tr>
<tr>
<td>M-P14</td>
<td>HR Manager</td>
<td>Female</td>
<td>Married</td>
<td>31-40</td>
<td>Master</td>
</tr>
<tr>
<td>N-P15</td>
<td>Non-management</td>
<td>Male</td>
<td>Single</td>
<td>20-30</td>
<td>Secondary</td>
</tr>
</tbody>
</table>
To summarise the research findings which were gained from the individual interviews with 15 participants, all participants were coded by using letter and numbers such as P1, P2, P3, P4, P5, P6, P7, P8, P9, P10, P11, P12, P13, P14 and P15. These participants were divided into two groups – management and non-management group. In this research, M represented the management employees. This group of participants in this study refers to human resource managers in the mining companies. N represented non-management employees. This group of participants refers to general employees who are working in the mining companies.

Regarding the interviews, the interview questions were raised and prepared for participants who were working in mining companies in Laos. These questions were developed to help the researcher answer the research questions and understand the employees’ perspectives toward motivation within the companies. The interview questions were designed from general to specific questions (see Appendix 2) in order to cover the objectives of the research, and especially to cover the research question as much as possible. To ensure that there is no harm to the companies and all respondents, the names of the companies and participants are anonymous in this research study. Furthermore, to ensure that all participants correctly understand the questions, the researcher also attempted to explain some terms that related to the research study to participants during the interviews. This enabled participants to provide better information through the whole process of the interviews which was very important for the research in terms of answering the research questions. Moreover, to understand clearly the issues in this study, the findings were organised according to the heading of the research sub-questions.

4.3 Interview results and findings of managerial level

The managers of two companies participated in the interviews. This is because these managers have a number of years of experiences in the HR professions. They can understand the issues regarding employee motivation deeply. The interview focused on the issues that related to the factors that can help employees to increase their effectiveness of performance in the company. The answers from the managers enable the researcher to understand their views on how they manage employees in the companies.
4.3.1 The perspectives of the manager toward employee motivation

Sub-question one: What are the perspectives of employees toward the meaning of employee motivation?

In order to know how managers define the term of employee motivation, managers were asked to share their views on how they understand employee motivation in the company.

Two participants on managerial level have defined the term of “employee motivation” in a similar way. The respondents said that employee motivation is to provide rewards such as monetary rewards to employees and another way to increase employee motivation is to try to give employees something bigger than doing the job.

*Employee motivation refers to the presents or inspiration for employees. If employees have good performance, we will present or reveal their good performance to others in order to let other employees in the company to acknowledge. Motivation also refers to liking and satisfying in the job they do. Having good relationship is one of the motivator for employees. To motivate employees, we should provide them rewards or presents (M-P14).*

*On the other view, another manager said that employee motivation can refer to remuneration, monetary rewards or monetary motivation. Other meaning is to try to give employees sense of purpose, the job is meaningful, the job has values to the company, and also try to create the physical environment that makes them want to work and motivate them to feel to be a part of something bigger than doing the job (M-P1).*

**Table 4.2 Perspective of managers toward employee motivation**

<table>
<thead>
<tr>
<th>Theme</th>
<th>Managers’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perspectives</td>
<td>• Remuneration,</td>
</tr>
<tr>
<td></td>
<td>• Sense of purpose,</td>
</tr>
<tr>
<td></td>
<td>• Creating environment</td>
</tr>
<tr>
<td></td>
<td>• Presents or inspiration</td>
</tr>
<tr>
<td></td>
<td>• Good relationship</td>
</tr>
</tbody>
</table>
4.3.2 Motivational approaches of the existing mining companies in Laos

Sub-question two: What are motivational approaches that the existing mining companies apply to motivate their employees in their business?

The motivational approaches that have been approved as practical tools in the company are important for other companies in terms of applying to improve the effectiveness of employees’ performance. Hence, it is important to investigate the issues with existing mining companies in Laos in order to be able to see how those approaches have been implemented and how the approaches have impacted on employees’ performance. To achieve that, the question “What approaches does your company undertake to motivate employees to work?” was asked of managers in order to gather information on how they practice motivation approaches in their companies.

During the interviews it was revealed that the two companies had applied different approaches to motivate their employees. However, there are some points that two companies have in common in terms of motivating employees such as salary, bonus, annual reward program, performance review, building good relationships, providing leave. As they explained below:

*At the present, we have employee award system, which held in every three months. Another activity is about building good relationship among employees. This activity is called team building. Regarding this, the company sometimes arranges activities for them in order to allow them to learn and understand each other, especially their behaviors. The company also has two-way feedback. This means that not only managers or supervisors can give feedback to their subordinates but their subordinates or general employees also have the right to give feedback to their managers and supervisors. To motivate employees, we also have salary and other benefits such as bonus, social security fund, annual leave, sick leave,…and in December, we have performance review. (M-P14).*

*What we do in terms of motivation is to put them to do more than doing their job so to actually give some description reward it. We set bonus targets for employees in each quarter.*
They are asked to set their targets which are over the above what they need to do. We have award programs where we reward employees for outstanding achievement and that is practical annual reward programs where employees are in seven categories are nominated and selected as employees of the year and they are then rewarded a trip to Australia to go to visit the mine site and also go on practice tools in Australia. We also try to give employees meaningful employments. So we make sure that they understand their job and then how their job is important to the company and give them a sense of purpose and make them feel like their job contribute to the advance of the company... We are certainly trying in creating job in many challengings for employees, so they get that sense of motivation (M-P1).

We organise social activities for the mine site. At the mine site we have regular social activities on Saturday evening. For instance, there is a BBQ, every set of quarter we have entertainment night on site where will be competition or musical entertainment to give employees freedom and sense of enjoyment. In Vientiane, We also have a soccer game on Friday evening and we have a numbers of social events we organise for department dinner, office dinner...(M-P1).

Table 4.3 The existing motivation approaches from perspectives of managers

<table>
<thead>
<tr>
<th>Theme</th>
<th>Managers’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing motivation approaches</td>
<td>• Set goals</td>
</tr>
<tr>
<td></td>
<td>• Set bonus targets</td>
</tr>
<tr>
<td></td>
<td>• Annual reward</td>
</tr>
<tr>
<td></td>
<td>• Meaningful employment</td>
</tr>
<tr>
<td></td>
<td>• Social activities</td>
</tr>
<tr>
<td></td>
<td>• Employee rewards</td>
</tr>
<tr>
<td></td>
<td>• Team building</td>
</tr>
<tr>
<td></td>
<td>• Provide trainings</td>
</tr>
<tr>
<td></td>
<td>• Two way feedback</td>
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<tr>
<td></td>
<td>• Salary</td>
</tr>
<tr>
<td></td>
<td>• Bonus</td>
</tr>
<tr>
<td></td>
<td>• Annual leave</td>
</tr>
<tr>
<td></td>
<td>• Sick leave</td>
</tr>
</tbody>
</table>
4.3.3 The effect of employee motivation on employee performance

Sub-question three: How does employee motivation affect employee performance in the mining industry in Laos?

In order to examine the important role of employee motivation in the mining sector in Laos, the researcher asked HR managers in those two mining companies: “Do you think employee motivation plays an important role in work performance?”

Regarding the effect of motivation towards employee’s performance, managers in these companies think that providing motivation to employees has a positive impact on their work performances. They said that employee motivation is one of the biggest drags of work performance. One manager said that he looked at motivation and engagement in the same way (M-P1). He further explained that “if you got any employee who is engaged and wants to work for the company and enjoys in the working environment, enjoys their jobs, then they are not just doing their jobs but doing more than their jobs and if you can get them to work for you and do more than what you asked from them. You’ll have very successful workforce and happy workforce. I think happy workforce leads to success” (M-P1).

Another HR manager also agreed that employee motivation is important to employees. He gave the reasons that motivation can help employees to work more active and produce good outcome. Employee motivation also influences employees to work according to the organizational goals (M-P14).

4.3.4 The employee motivation factors in the mining sector in Laos

Sub-question four: In your opinion, what are the factors that motivate employees to perform better in your company?

Based on the interviews, safety issue is one of the issues that HR managers from two companies emphasised. This is because they think that if there are any failures on safety, it will not only affect employees but it also affects other activities and resources of the companies. Therefore, the safety issue is considered as the most important for management in the mining companies. However, managers expressed their views that physiological needs
are considered as primary motivators for employees. This is because most employees live on subsistent type of living day to day. It is necessary for them to have money to spend on other necessary things for living, especially food.

One manager thinks that safety is the first thing that employees pay attention to (M-P14). He said that “safety is the first priority for employees because the regulation of the company is quite strict. For instance, if employees don’t follow the safety rule, employees will be recorded and the company will give him or her warning letter for the first time, second time and the last time is to be terminated accordingly. This means that if anyone does not follow the safety rules of the company, he or she will be terminated. The reasons behind this are that if accident occurs, it will affect many other factors such as time, money, human resources and other things. Anyway, some people look for advancement and some prefer to have good relationship in the company” (M-P14).

Another manager gave a similar view. He said that money is a motivator but a high level of motivator is security. He further explained that, “security for themselves, their families in terms of having enough money to buy food um... you know provide for their families those top of things. I think that’s a primary motivator, sense of security for their families and their future. I think that motivates employees the most” (M-P1).

I think the physiological, actually you know I’d say that being able to physically provide for people and provide for themselves is probably the primary motivator and it’s...you know I guess a culture like Lao too. Where it was so longer where a lot of people just live and some people do and a lot people live on subsistent type of living day to day proposition to live to feed to eat those of the something. Ah, I think that’s still quite ingrain in terms of the culture here. So, I have to say that a physiological need is driving most people (M-P1).

<table>
<thead>
<tr>
<th>Theme</th>
<th>Managers’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee motivation Factors</td>
<td>• Safety</td>
</tr>
<tr>
<td></td>
<td>• Physiological needs</td>
</tr>
<tr>
<td></td>
<td>• Advancement</td>
</tr>
<tr>
<td></td>
<td>• Good relationship</td>
</tr>
</tbody>
</table>
**Sub-question:** Extrinsic motivation refers to pays, raise, bonuses, paid leaves, annual recreational plan... Do you think providing extrinsic motivation can improve the effectiveness of employee performances?

Extrinsic motivation is important in terms of motivating employees to increase their temptations and potentials. Extrinsic motivation can refer to the external factors that stimulate the energy of employees to be committed to their jobs in order to achieve the organizational goals. Individuals may have different kinds and degree of extrinsic motivation. To understand how important extrinsic factor is, participants were asked to share their views on how they think about the importance of extrinsic motivation.

Based on the interviews, one manager said that extrinsic is the first priority factor that employees prefer, especially salary while the other manager suggested that it works for a certain period of time.

*Well, I think most employees prefer to have salary as the first priority for them. Then, getting new position in the company is the second thing that they want to have. The third one is about their holidays or day offs (M-P14).*

*I think they’re all incredibly important in terms of employee performance but I have said before that I think those top of things are only work for a certain period of time. They only have high level of factor for a little bit of time then the amount will get out from motivational engaged perspective um.. the diminish quite quickly. I think, you know everyone likes paying well, everyone likes to see the bonus. Ah…but reality is once that finishes and that feeling is gone. You’ll need more than just that to keep them motivated (M-P1).*

**Sub-question:** Intrinsic motivation refers to giving a challenging task, involved in decision making process, giving a higher rank in the hierarchy... Do you think providing intrinsic motivation can improve the effectiveness of employee performances?

Intrinsic motivation occurs when activities satisfy basic needs of employees. In the company the activities refer to interesting jobs, challenging task, involved in decision making process
or even getting a new position in the company. Intrinsic motivation refers to internal factors
that stimulate desire in employees to be continually interested in jobs they are doing and to
put their efforts in achieving their goals as well as the goals of their companies. To find out
how important this intrinsic factor is, two managers were asked to provide their views on the
importance of intrinsic motivation.

According to the interviews, one manager expressed her view that most employees prefer to
have salary rather than other factors to motivate them to work with the company. Another
manager emphasized on ensuring employees have a sense of purpose in their jobs, understand
how they fit with the company, understand how their jobs contribute to the success to the
company.

*I think most employees focus on salary rather than preferring challenging work or involving
in decision-making. Anyway, having higher position seem to be wanted by some employees
(M-P14).*

*I think making sure that employees engaged with the work they do. They have a sense of
purpose of their job. They understand how they fit in the big organisation. They understand
how their jobs contribute to the success to the company, their opinion of values, the work they
do of values. I think that has a far longer lasting impact on keeping employees engaged and
motivated in their job than just strictly financial motivation (M-P1).*

**Table 4.5 Managers’s perspectives toward factors that motivate employees**

<table>
<thead>
<tr>
<th>Theme</th>
<th>Managers’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extrinsic &amp; Intrinsic</td>
<td>• Extrinsic reward is preferred less than intrinsic reward</td>
</tr>
</tbody>
</table>
4.3.5 The effect of fairness on employee performance in the mining sector

Sub-question five: How does fairness affect employee performance in the mining industry in Laos?

Equity is important for the company. This is because employees will be motivated when they perceive that they are being treated fairly and they will be less motivated when there is no equity among them. Hence, managers should ensure that their employees are treated fairly. In the interviews, both managers agreed that treating employees fairly can affect employee performances. They also share their opinions on how to avoid unfairly treating employees in the company. One manager suggested that employees should be treated in the same way and manager should be consistent in terms of treating employees within the company. Another manager said that the company conducted two-way feedback in order to avoid unfairness in the company.

I think, ... you know all employees want to be treated with respect and they all want to be treated fairly and get back to what I said earlier about being consistent with how you apply policy, how you treat people. So, you shouldn’t treat one person in one way and one person completely differently, never be consistent how you go about that and I think having respect for people that work for you and they have the respect of you. Certainly bring out about the performance in that group (M-P1).

I think treating employees unfairly can affect their performance. This is because they will lack of motivation to work. Anyway, we may not know all the things about employees, but we try to avoid any fault that may occur in the company. To do this, we have 360 degree feedback system for all employees. It means that we allow employees to have the right to give feedbacks to their own managers and supervisors. The company also conducts performance review in every year in order to evaluate employees’ work performances. Doing all these activities can allow employees to use their voices to improve the work in the company and it can minimise any unfairness in the company (M-P14).
Table 4.6 Managers’ perspectives toward fairness in the companies

<table>
<thead>
<tr>
<th>Theme</th>
<th>Managers’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairness</td>
<td>• Employees want to be treated with respect and they want to be treated fairly</td>
</tr>
<tr>
<td></td>
<td>• Treating employees unfairly can affect employee performance because it can cause them lack of motivation to work</td>
</tr>
</tbody>
</table>

4.3.6 Determining the suitable motivation approaches for mining industry in Laos

Sub-question six: What are the main motivation factors that should be considered to motivate employees in the mining industry in Laos?

Applying suitable motivation approaches to the company can have a positive effect on the company performance. In order to gather updated information from people who are working in this field of work, managers were asked to share their ideas on how to motivate employees to work effectively in the mining companies in Laos.

Based on the respondent’s responses, both managers agreed that most employees considered salary as their priority. At the same time, other factors such as leave, safety issue and other benefits are also considered as important factors that can motivate them to increase the effectiveness of their performance. Furthermore, a manager said that money just makes the employee happy for a short time but not long term. To motivate employees more effectively, there are a lot of things outside of monetary reward. It is a non-financial reward that can give employees a longer purpose.

*I think incentive is the most important thing for employees, especially salary. Salary can attract employees to keep working with the company. The second thing that employees need is about holiday of day off. The third thing of motivating employees would be about the*
benefit for them such as sick leave, and other compensations. In addition, safety should be one issue that is important for both company and employees. Therefore, the company should pay attention to these factors (M-P14).

I think we have a much longer lasting impact on the motivation effectively round employees than just keep trying money as issues that we think well we just give them more money that will make them happy. It makes them happy for a short time but not a long time (M-P1).

You got to find the balance between the financial reward and how that motivated employees to certainly extents, but there are a lot of things out side of that is a non-financial that give employees a longer sense of purpose... That giving them roles that are challenging, giving them a sense of purpose, a sense of identity and also giving them setting a culture within a company that they feel proud about working for. They have a sense of ownership of that and they also have a sense of pride they are a part of that they are contributing to that (M-P1).

Table 4.7 Managers’ perspective toward motivation approaches

<table>
<thead>
<tr>
<th>Theme</th>
<th>Managers’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suitable approaches</td>
<td>• Incentive-salary</td>
</tr>
<tr>
<td></td>
<td>• Holidays</td>
</tr>
<tr>
<td></td>
<td>• Benefit</td>
</tr>
<tr>
<td></td>
<td>• Safety</td>
</tr>
<tr>
<td></td>
<td>• Non-financial rewards</td>
</tr>
</tbody>
</table>

4.4 Interview results and findings of employee level

4.4.1 The perspectives of employees toward employee motivation

Sub-question one: What are the perspectives of employees toward the meaning of employee motivation?
To understand the perspectives of employees toward the term of employee motivation, the researcher started by asking participants to describe the meaning of employee motivation in their own perspectives. This is because employee motivation is considered as the foundation of understanding how to motivate employees in the organisation. Therefore, without understanding employee motivation, managers cannot motivate employees effectively. This question surveyed whether participants understand the term of employee motivation or not. This interview question allowed the researcher to understand how employees in the mining sector define the term of “employee motivation”.

Employee motivation refers to the interaction of motive and incentive, which activates human behaviour (Bandt, 2013). There are many authors who define employee motivation in different ways. However, the purpose of employee motivation is to encourage employees to be active in working in order to achieve their goals and organisational goals. In this study, participants provide different perspectives and ideas on employee motivation in the organisation. They mostly understand that motivation is associated with incentives and benefit provided by the companies.

Based on the interviewee’s answers, employee motivation is one thing that is important for the mining companies in Laos. Providing employee motivation can help employees to work effectively. It has many different factors for each individual (N-P4). One employee explained that:

*Employee motivation can be divided into two types of motivation. In manager’s perspective, motivation is about how to influence employees to be active and work effectively. In employee’s perspective, it can refer to the benefits that get from the company that can motivate employees (N-P6).*

There were eight employees who described employee’s motivation as the benefits that the employers offer to employees, especially salary. They said that “employee motivation refers to compensation, incentives and other benefits that the company provides to employees who work for the company. In other words, employee motivation is about getting the benefit from the companies, especially the salary” (N-P2, N-P3, N-P6, N-P7, N-P8, N-P9, N-P12, N-P15).
The working environment is one of the factors that employees think of in terms of motivation. According to the interviews, there were seven participants who think that employee motivation is associated with creating a great working environment in the company such as building good relationships among employees and employer by having sport, and entertainment together.

Employee motivation is about having good friendship between employers and employees. This includes having activities together such as entertainment, playing sport. To motivate employees, managers should spend their time to communicate with employees regularly in order to influence them to be more active in improving productivities and services (N-P2, N-P6, N-P7, N-P10, N-P11, N-P13, N-P15).

Employee motivation refers to the company that has good working system, especially safety system. It also refers to non-monetary reward such as working time or holidays (N-P2, N-P3, N-P9).

I think employee motivation is to create satisfaction or facility to employees in order to keep them to work with the company (N-P5).

Employee motivation is about the skills and trainings that help employees who work with the company and help the company grow day by days. Providing trainings to employees can encourage other people to be eager to work with the company (N-P2).

Employee motivation is about influencing employees to grow and step forward but not to go backward (N-P10).

I think employee motivation refers to when supervisors communicate with employees in order to influence them to improve the quality of work in the company (N-P11).

I think motivation is about how to attract employees to pay attention at working in order to improve the quality of product or services. If the company does not provide any motivation, the company might go bankrupt (N-P13).
### Table 4.8 The perspectives of employees toward employee motivation.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Employees’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perspectives</td>
<td>• Salary</td>
</tr>
<tr>
<td></td>
<td>• Good relationship</td>
</tr>
<tr>
<td></td>
<td>• Good working system</td>
</tr>
<tr>
<td></td>
<td>• Create satisfaction</td>
</tr>
<tr>
<td></td>
<td>• Providing trainings</td>
</tr>
<tr>
<td></td>
<td>• Influencing employees</td>
</tr>
<tr>
<td></td>
<td>• Communication with employees</td>
</tr>
<tr>
<td></td>
<td>• Attracting employees to work</td>
</tr>
</tbody>
</table>

#### 4.4.2 Motivational approaches of the existing mining companies in Laos

Sub-question two: What are motivational approaches that the existing mining companies apply to motivate their employees in their business?

Many mining companies have different motivation approaches to motivate employees in their own companies. To understand more about the trends and styles of motivation that those companies had applied in the companies, the second research sub-question was asked to survey the techniques and approaches that they are using in their organisation or their companies. To answer the sub-question, employees were asked: “What are motivational approaches that you think your company applies to motivate you and your colleagues?”

Based on the interviews, there are many participants who share their views on how their companies motivate the employees in the organisation. The most common theme is salary or monetary reward is the main factor that the companies emphasise in order to motivate their employees. The other factors that motivate employees in the company include employee award, entertainment, sport, communication between managers and employees, employee schedule or working rosters, updating company information, providing trainings, safety issues, and other benefits such as insurance.
To motivate employees, the company offers salary and other benefits such as bonuses because the company wants to reward employees in order to motivate employees to work effectively and keep them working with the company for long time (N-P2, N-P3, N-P4, M-P14, N-P5, N-P6, N-P7, N-P8, N-P12, N-P13, N-P15).

Every year, the company has one program, which is called “employee award”. The company will select the best employees in each department within the company. Those who are selected by management team will be given the awards (N-P2, N-P3, N-P4).

The company focuses on safety issues. The company tries to avoid any accident in the workplace. Therefore, the company provides safety training to employees in order to create awareness to them to be aware of safety during the working time (N-P2, N-P5, N-P9).

I appreciate with the policies of the company. The company has good policies for all employees. For example, employees are allowed to take day offs when they are sick or have personal issues (N-P5, N-P8, N-P10).

The company also provide other benefits to employees such as insurance (N-P2, N-P3, N-P5).

To motivate employees the company maintains relationship of employees by arranging many activities for employees such as entertainment, sports. For instance, the company arranges activities such as playing football, singing contest, dancing contest. In every Saturday, the company provides free dinner and free drinks for employees in the mine site (N-P2, N-P4, N-P5).

Our boss likes having conversation with employees in order to motivate them to keep working with the company (N-P11)

One more thing that the company concerns about is the schedule of working or working roster. If employees work too long, they will feel demotivated. On the other side, if employees have good roster such as the hours of working is not too long or not too short. If employees accept the roster and they will feel happy (N-P4).
To motivate employees, the company focuses on updating information for employees such as the progress of each project of the company and important news that are relevant to the work (N-P2).

The company provides trainings to employees. For instance, training about the tasks that related to what employees are doing (N-P5).

The company conducts surveys the satisfaction of employees in the company. The results of the surveys were analysed. Then the some policies are accordingly adjusted in order to satisfy employees (N-P6).

Table 4.9 The existing motivation approaches

<table>
<thead>
<tr>
<th>Theme</th>
<th>Employees’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing motivation approaches</td>
<td>• Remuneration-salary</td>
</tr>
<tr>
<td></td>
<td>• Employee award</td>
</tr>
<tr>
<td></td>
<td>• Maintains relationship</td>
</tr>
<tr>
<td></td>
<td>• Having conversation with employees</td>
</tr>
<tr>
<td></td>
<td>• Working schedule</td>
</tr>
<tr>
<td></td>
<td>• Updating information</td>
</tr>
<tr>
<td></td>
<td>• Providing training</td>
</tr>
<tr>
<td></td>
<td>• Safety</td>
</tr>
<tr>
<td></td>
<td>• Company policies</td>
</tr>
<tr>
<td></td>
<td>• Insurance</td>
</tr>
<tr>
<td></td>
<td>• Conducting survey</td>
</tr>
</tbody>
</table>

4.4.3 The effects of employee motivation on employee performance

Sub-question three: How does employee motivation affect employee performance in the mining industry in Laos?
To support the sub-question, the researcher asked participants to share their views on how employee motivation affects their work performance.

Employee motivation plays an important role in terms of producing productivity for the company. Regarding this, participants were asked to share their opinions on how motivation affects their performance. This is to see how important employee motivation is in terms of improving the performance of employees in the mining company. Most participants explained that employee motivation is important to them because motivation can help them to have more energy to work. The employee motivators are not only the money but also other benefits provided by the company.

*Employee motivation is important for both company and its employees. It can be said that we work for the company. So, we have to do our best in order to balance with the benefit that the company provide to us. The company gives us benefit which can be motivation to me and my colleagues to work and we work as best as we can (N-P2).*

*When the company offer me these benefits I have to pay back the company by working effectively. As we know that employees also come to work for money. If they don’t have good salary, they will not work effectively (N-P3).*

*I think employee motivation is important. It can help employees to have energy and be active in working (N-P10, N-P11)*

*Sure, employee motivation plays an important role towards work performance. This is because it can influence employees to work continuously and very well. I can work harder if I am influenced by the company (N-P12, N-P13).*

*Employee motivation is the most important for every workplace or activity. This is because it is a starting point for individual to use their fullest potentials to work. If we are happy we will work better than getting stress and then we will produce good quality of work (N-P4).*

*I think employee motivation is important. When we work we sometimes do not understand how to do the job properly, but if our boss teaches us how to do it. It will make the work done accordingly (N-P5).*
Absolutely, employee motivation is important for the company, especially the company that wants employees to work with the company for long term. Furthermore, employee motivation can build the good image in society for the company as well (N-P6).

I think it is important to motivate employees especially manager or supervisor should go to check the work with employees closely. This is important because if managers don’t see what employees have done, employees might feel demotivated and they might be lazy to work (N-P7).

I think it is important because it can influence employees to be patient to work with the company even in the hard time for the company (N-P8).

Table 4.10 The effects of employee motivation

<table>
<thead>
<tr>
<th>Theme</th>
<th>Employees’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roles of motivation</td>
<td>• Motivation can help me and my colleagues to work as best as we can</td>
</tr>
<tr>
<td></td>
<td>• Make me work effectively</td>
</tr>
<tr>
<td></td>
<td>• Help employees to have energy and be active in working</td>
</tr>
<tr>
<td></td>
<td>• It can make me work harder</td>
</tr>
<tr>
<td></td>
<td>• It is a starting point for individuals to use their fullest potentials to work</td>
</tr>
<tr>
<td></td>
<td>• It can make the work done accordingly</td>
</tr>
<tr>
<td></td>
<td>• It can keep employees working with the company and build good image for the company</td>
</tr>
<tr>
<td></td>
<td>• Less motivation can cause employee to be lazy to work</td>
</tr>
<tr>
<td></td>
<td>• It can help employees to be patient when the hard time comes</td>
</tr>
</tbody>
</table>
Sub-question four: What are the factors that motivate employees to work in the mining industry in Laos?

There are many factors that motivate people to work in a certain company. Individuals have a different degree of motivation. In order to identify the factors that have most impact on employee performances, participants were asked to express their views on what are the factors that can motivate them to work with the company.

According to the interviews, ten respondents (N-P2)(N-P3)(N-P6)(N-P7)(N-P8)(N-P9)(N-P10)(N-P11)(N-P12)(N-P13) were of the view that money was the most influential factor to them in terms of motivation because they earn money for themselves and supporting their families. However, other factors are also considered as important factors to employees such as supervision, good relationship within the company, getting new position, good policy, safety, job security and advancement.

I think salary is important for me. It is my motivation of working with the company. Nowadays, the cost of living in our society is quite high. So, it is necessary to me to have enough money for living and supporting my family (N-P2, N-P3, N-P6, N-P7, N-P8, N-P9, N-P10, N-P11, N-P12, N-P13).

I think safety is also one of the important issues as it is related to the income. Safety can refer to job security too. Everyone wants to be safe in the working places. If we don’t have safety, it will make us weak, sick. When we get any accident, it will waste of time to cure and that might lead to resigning from the company. None of us wants to get hurt or loose our fingers or toes. Regarding job security, the job should be long term job or stable job. I don’t want to work with the company for a few days and then the company fires me. If I move to work with another company, I have to restart again. So, I want to have permanent job (N-P3, N-P5, N-P9, N-P11, N-P12, N-P15).
I want to have good supervisors or managers. This is because if they are good they can give
advices and coaches employees as well as being friendly and treat each others as members in
the same family (N-P2, N-P4, N-P7)

Someone who is in high position always shouts or yells at me when I go to discuss with them.
Some times I want to discuss with him about the work but he firstly shout at me. I sometimes
felt bad when he shouts at me and it made me feel unconfident. As the result, I didn’t dare to
discuss about the work with him (N-P7, N-P10)

The environment is related to how far the workplace is, how employees in the company do,
how good co-workers are. The reason that motivates me to work the company is that I have a
lot of friends here. So, I don’t want to move to other company.(N-P4, N-P6, N-P13).

I personally think that working environment is important, especially having good relationship
in the work place. Even though the work is hard or difficult, the work can be done if everyone
help each others. If all people help each other, we can win in every stitution (N-P2, N-P11).

The strategies and policy of the company are motivators to me and my colleagues such as
bonus, annual leave or public holidays (N-P4, N-P6).

I think the management team in company trust in me because I am responsible my duties.
Responsibility of my own duties is important. In other words, the position in the company is
important for me in terms of motivation (N-P3).

I also prefer to have advancement. The second important thing for me is about advancement
or the path way of grow in the company (N-P6).

Sub-question: Extrinsic motivation refers to pay, rise, bonuses, leave, annual recreational
plan... Do you think providing extrinsic motivation can improve the effectiveness of your
performances?

Extrinsic motivation refers to external factors such as salary and benefits, disciplinary action,
promotion. Extrinsic factors are important to most employees as seen in the explanation of an
employee who said “extrinsic motivation is important and it can affect employee performance in general, because these extrinsic factors are considered as standard for both government and the private company. These policies are aligned with the regulation of the Ministry of Labour and Social Welfare” (N-P2).

Based on the interviewees’ responses, there were eight participants agreed that they prefer to have extrinsic motivation, especially getting raises in order to survive in the society. This is because the cost of living is increasing everyday. Hence, to have enough money to support their families, they need higher salary. However, four participants emphasized on sabbaticals such as holidays or day offs while only one participant wanted to participate in decision making.

*I think giving a pay raise or bonuses to employees can motivate them to work effectively. It would be able to improve the performance of employees in the company. This is because the cost of living is getting higher and higher. So, when they have higher salary, they will be able to support their families (N-P5, N-P7, N-P8, N-P10, N-P11, N-P12, N-P13)*.

*These are many factors that can keep employees satisfied and working with the company, especially holidays or leaves such as annual leave, sick leave, paid leaves. For example, when I am sick the company can allow me to take sick leave until I recover from the sickness. In addition, if the company does not offer annual leaves or any other leaves to me, it will limit my socialization. Everyone needs more time to relax, every year I should take holidays to relax with my family (N-P4, N-P6, N-P9, N-P14).*

*Yes, the raise is important. Every year the company gives pay raises according to employee performance reviews. The company also gives bonus to employees in every quarter (N-P3).*

*I would love to involve in decision making. It means that these extrinsic factors also help me to be more active in terms of working (N-P7)*
Table 4.11 The factors that motivate employees in mining companies

<table>
<thead>
<tr>
<th>Theme</th>
<th>Employees’ Perspectives</th>
</tr>
</thead>
</table>
| Employee motivation  | • Salary
| Factors              | • Safety
|                      | • Relationship
|                      | • Supervision
|                      | • Company policies
|                      | • Position
|                      | • Advancement                                               |

**Sub-question four:** Intrinsic motivation refers to giving challenging task, involving in decision making process, giving a higher rank in the hierarchy... Do you think providing intrinsic motivation can improve the effectiveness of your performance?

Most times providing monetary tools to employees is enough to keep them working for the company, but just working for salary is not enough for employees to work with the company (Smith, 2012). Hence, providing intrinsic motivation to employees is reasonable to help employees to increase their effectiveness of performance. Intrinsic motivation refers to internal factors such as responsibility, job satisfaction, challenging work, abilities, and opportunities for development. It is said that these internal factors are likely to have deeper and longer effect compared to external factors. However, in this study the result seems to be different.

In the interviews, there were four participants who prefer to be involved in decision making while four participants also want to have challenging work to do. In addition, two employees focused on taking days off and holidays and the other two employees prefer to have higher positions in the company. Moreover, two participants still confirmed that they prefer extrinsic motivation rather than intrinsic motivation that is money.

*Regarding to intrinsic factors, I think involving in decision making is important. It can help me to be more motivated in working. This is because we want to share our own decision while working and we don’t want to be ordered to redo our work again. So that involving*
employees in decision making can be one factor that can motivate them to work more effective. (N-P2, N-P3, N-P7, N-P9)

I definitely want to do the job that is challenging. If the work is boring I don’t want to do it. Definitely, the challenging work might not be done properly but I can ask for more advices or suggestions from those who are good at it. This can challenge me and make me happy with it (N-P4).

I would say that having challenging task is interesting. If the work is challenging and it can help me to improve our skills because it helps me to have new experiences. So that it can motivate me to work better (N-P6, N-P10, N-P12).

To me, a part from salary, I just want to have longer time to have day offs because I sometimes want to help my family (N-P11).

I would say that the money is important to me (N-P13, N-P8)

Regarding new position, I think I want to have new position because if I work for long time, I will be getting older and my health will be weak. Then I won’t be able to work hard as the present (N-P15).

I think having new position is important to me because I already know how to do the old job. So I want to have new task. If I have new work to do everyday, it will challenge me and at the same time, it will motivate me to work as well (N-P5).

Table 4.12 The factors that motivate employees in mining companies

<table>
<thead>
<tr>
<th>Theme</th>
<th>Employees’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extrinsic &amp; Intrinsic</td>
<td>• Extrinsic reward is preferred more than intrinsic reward</td>
</tr>
</tbody>
</table>
4.4.5 The effects of fairness on employee performance in the mining sector

Sub-question five: How does fairness affect employee performance in the mining industry in Laos?

Fairness is considered as one key that can affect the level of employee motivation. It is said that employees are more motivated when they feel that they are treated fairly. In addition, employees who experience fairness at work are more likely to have better performances.

Based on the interviews, there were five participants who agreed that the company treated them fairly and they appreciated their management in the company. However, many participants said that they are not treated fairly in the company and managers should pay attention on this matter, especially the salary issues which they claimed that their salaries are low compared to their performances. The company should not judge employees by only certificates but also their experiences and performances. In addition, some employees suggest that managers should not treat their relatives in a better way than other employees in the company. This is because it can discourage employees and there will be less solidarity among employees. Moreover, some employees said that treating employees unfairly in the company can lead employees to be discouraged and they might leave the company later which is one of the factor that lead the company to high employees turnover.

In general, the company treats employee fairly. This is because we follow the labour law. For instance, the hour of working might longer but the salary is much better than the companies that provide shorter time of working...I think it is fair to me. (N-P2).

Absolutely, it is important if the boss treats employees fairly in the company. To me the company treats me fairly. For instance, I sometimes have problems in the family. When I call to my boss to ask for a day off, my boss agreed to allow me to have day off to take care of my family. It makes me feel more motivated to work with the company. If the boss shouts at me in negative way, it would be boring (N-P9).

I think the company treats employees fairly. I appreciate with the policy of the company. However, if boss treats his employees unfairly, his employees would be discouraged. Anyway, the company has the process of dealing with this issue (N-P10).
I think the company treats employees fairly and I appreciate that. Anyway, I think treating employees fairly can motivate them to be happy to work. In the company, when employees do something wrong, the company has a certain process to deal with employees. For instance, if an employee makes big mistake or do something wrong seriously, the company will first give warning letter to that person. Then, if that employee still makes more mistakes, the company will give him or her a second warning letter before termination (N-P12).

I think my boss treats us fairly. However, if I am not treated as fair as others I would be discouraged in terms of working. At the present, my salary is still low when compared to other’s salaries. By the way, I appreciate with my salary even though it is lower than other’s (N-P13).

Everything should be fair. For instance, the salaries for foreigners are big different from the salaries for local employees. Moreover, the bonus for expatriates is paid in different time of paying for local people. All should be fair. Otherwise, local employees feel discouraged (N-P3).

I think treating employees fairly can affect the performance of employees because some employees always compare their benefits to others (N-P4).

I think fairness is very important in an organization. If two people are working in the same position but the tasks are different. This can cause one another thinks that why he or she has more jobs to do than another one, even though they are holding the same position. This causes unfairness between two people and it then demotivated them (N-P5).

In general, the company has the process of treating fairness in the company. However, there are some employees who behave well with their bosses and they can influence their bosses to offer better benefit to them, especially salary. This can affect the effectiveness of performance of employees especially those who are treated unfairly compared to their colleagues. Moreover, it can demotivate employees in the company and it can lead to high employee turnover in the company. This shows that treating employees fairly is an important factor that can cause employees to resign from the company (N-P6).
I think unfairness can make me feel demotivated. The company should compare about the performance of employees to their salaries. If one can work well and has good performance, the company should give him or her a raise according to his or her performance. The company should not evaluate employees by just comparing the certificate or education qualification. If the company relies on the certificate of educational qualification, some employees who have real experiences can feel demotivated and disappointed (N-P7).

I think treating unfair in the company can affect the feeling of employees. In my experience, the amount of my money that I have saved for six months equals the salary of some people who just earn for only one month. This is so different between us. People who have experiences have lower salary than new comers. This can demotivate those who have worked here for long time (N-P8).

Some employees are relatives of managers. These people sometimes do nothing. This can demotivate me who work hard. For instance, I notice that when my boss walked pass the workplace. If he sees anyone does nothing he will complain to that employee, but if he sees the employee who is his relatives he will not complain or say anything to him (N-P11).

To me, it is not fair yet. For example, my colleagues and I work as the same position and do the same duties. My manager treats us unfairly by only giving me better salary, but not my colleague. This is not fair for him...It can demotivate him and other employees in terms of performing in the company. Moreover, managers sometimes praise only one but not others (N-P15).

Table 4.13 The effects of fairness in the mining companies

<table>
<thead>
<tr>
<th>Theme</th>
<th>Employees’ Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairness</td>
<td>• 5 employees were treated fairly</td>
</tr>
<tr>
<td></td>
<td>• 8 Employees were treated unfairly</td>
</tr>
</tbody>
</table>
4.4.6 Determining the suitable motivation approaches for mining industry in Laos

Sub-question six: Which factors of employee motivation would you like your company to develop in order to motivate you to work more effectively?

Although several participants share their opinions on what factors are that motivate them to work in the company, in terms of improving the employee motivation system, the researcher attempted to gather more information from participants regarding the issues that the company should pay attention to in order to develop employees motivation within the company.

Based on the interviews, participants expressed their views that management should develop many different motivation approaches in order to be able to motivate employees effectively. For instance, the company should focus on both monetary and non-monetary incentives to influence employees to exert their energy to commit their jobs. In other words, the company should ensure that all related factors are set and implemented appropriately, especially the issues of equity, achievement, recognition, work itself, responsibility and advancement, company policies-administration, supervision, relationship, working conditions, interpersonal relations, salary, status and security. These factors are important for employees and they should not be ignored because they are components of employee motivation.

As the details below show, participants explained the factors that the company should take into consideration in order to develop and improve the employee motivation system in the company.

*The salary is important to me. The company should compare salary of employees to the cost of living in our country in the present. Then adjust it accordingly in order to satisfy employees (N-P3, N-P6, N-P7, N-P8, N-P9, N-P11, N-P12, N-P13, N-P15).*

*I personally want the company to focus on solidarity or good relationship in the company. This is because if we have good relationship among employees in the company, the work can be done easily. Even you are very good at working but if you don’t have friends to support you, you can not succeed and grow (P2,P8).*
The other important thing is advancement. This is because if I know more I will get more. To be more precise, advancement can help me to have more opportunities to get new position in the company (N-P3).

I think the job security is important for me. It is not about the task or skills, but I think about the benefits that I get from the company in a long term. It is related to learning new things and developing myself too. This is because it takes long time to achieve one task or a job. With this regards, if the company is not good enough, I may be get fired from the company. It means that our growth in the future will be uncertainty (N-P4).

I think that safety is important and necessary for employee like me. This is because I have to make sure that I can survive and work in order to support my family (N-P6, N-P8).

To me, recognition in the company is important to me. Because it makes me satisfied because I can attend other useful trainings which can bring me knowledges (N-P5).

I want manager to recognise my achievement. If the company can improve this, it can motivate me to work more effective (N-P7).

In order to motivate me to work, I want the company to pay attention on the equity in the company. I just want to see the company treats everyone in the same way. I don’t want to see the company just care some group of people while the other people are not treated in the same way (N-P10).

I would say that fairness in the company is also important for employees. The supervisor should change his attitude or his perception in terms of treating employees, especially the cooperation within the company. This means that an employee should not work based on only one task or one job according to his or her job description but everyone including manager or supervisor should help each other, especially when the work needs to be done in urgent (N-P11).

Other important thing is about physiological needs such as the food, the time of working and the accommodation (N-P13).
Other additional benefits should not be ignored. If the company does not include one of these motivation factors, it will affect the whole structure of motivation or demotivate some group of employees. The important thing is to implement, learn and adapt and apply it accordingly (N-P6)

Table 4.14 Employees’ perspectives toward suitable motivation approaches

<table>
<thead>
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<th>Theme</th>
<th>Employees’ Perspectives</th>
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<td>Suitable approaches</td>
<td>• Salary</td>
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<td>• Good relationship</td>
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<td>• Equity</td>
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<td>• Physiological</td>
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<td>• Other benefits</td>
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4.5 Summary

Chapter four displayed the outcomes of semi-instructured interviews that described six main issues related to employee motivation within the Lao context. These six main issues are as follows:

- The perspectives of employees toward employee motivation
- Motivational approaches of the existing mining companies in Laos
- The effects of employee motivation on employee performance
- The employee motivation factors in the mining sector in Laos
- The effects of fairness on employee performance in the mining sector in Laos
- Determining the suitable motivation approaches for mining industry in Laos
Regarding the perspectives of employees toward employee motivation, most participants understand the term of employee motivation. From the perspective of managers, employee motivation is to provide rewards to employees. The employee perspectives refer to the compensation, incentives, and rewards that the company provides to employees.

With respect to motivational approaches of the existing mining companies in Laos. Many participants explained that their companies implement many factors that can motivate them. However, there are some issues that the company should improve in order to increase the effectiveness of employees’ performances such as salary, employee awards, entertainment, sport, communication between managers and employees, employee schedules or working rosters, updating company information, providing training, safety issues, and other benefits such as insurance.

Regarding the effects of employee motivation on employee performance, most employees are likely to agree that to motivate employees can increase the effectiveness of employees’ performance. Regarding the factors that motivate employees in the mining sector in Laos, it was likely to appear that monetary rewards are significant factors for most employees in terms of motivation. However, other factors are also considered as important factors to employees such as supervision, good relationships within the company, getting a new position, good policy, safety, job security and advancement. In addition, fairness is also considered as one factor that can affect employee motivation. Most employees explained that they are not treated fairly in the company while some people appreciated their management.

Synthesising through the research findings, the common factors that appeared to be significant for most employees in the mining sector in Laos were: extrinsic rewards such as salary. On the other views, some factors also appear to be important to employees such as supervision, good relationship within the company, obtaining a new position, good policies, safety issues, job security and advancement.

The next chapter will discuss the result of findings, especially the important factors that motivate most employees in the mining sector in Laos and this study continues with an attempt to indentify suitable motivation approaches for mining sectors in Laos.
Chapter 5 Discussion of the findings

5.1 Chapter outline

The previous chapter of the study provided the findings that were gathered from the semi-structured interviews. The interviews were conducted with 15 participants from two large mining companies in Laos. The focus of Chapter 5 is to discuss the important results of the findings that were extracted from Chapter 4 - the outcome of the interviews, with the support from the literature in Chapter two.

All discussions are based on the categorised themes that were drafted according to the sub-questions of the research. The findings of each sub-question are discussed below:

5.2 Discussion of interviews

5.2.1 The perspectives of employees toward employee motivation

Employee motivation is one of the components of employee performance and productivity. This section addresses the research sub-question 1.4 (1). The results showed that most employees have their own views on the term “employee motivation”. They agreed that providing employee motivation has a positive impact to their own performances. Based on the results, managers have common views in terms of defining the term “employee motivation”. They said that employee motivation is to provide rewards such as monetary rewards to employees. They further went on that employee motivation can refer to liking and being satisfied in the job they do and to satisfy employees, management should give employees a sense of purposes and create a physical environment that makes employees want to work, and to motivate them to feel they are part of something bigger than doing their jobs.

Similarly, there were eight out of 13 employees that covers 61.5% of employees stated that employee motivation refers to compensation, incentives and other benefits that the company provides to employees. On the other views, there were seven participants who covers 53.8% of employees expressed that employee motivation is associated with creating a great working environment in the company such as building good relationships among employees,
managers and supervisors. Furthermore, many employees stated that employee motivation is concerned with many factors such as safety, good communication, advancement and other factors.

The mentioned findings were supported by many authors. With this regard, Dubrin (2011) states that from the view point of employee, motivation refers to an internal state that leads to chase the objectives and from the view point of the manager, motivation refers to the process that gets employees to accomplish objectives. Similarly, motivation refers to encouraging employees to be willing to work effectively toward achieving the company goal (Rubin & Babbie, 2011).

However, even though most of participants can define the meaning of motivation in their own ways none of them could explain more details about motivation, especially extrinsic and intrinsic motivation. According to Nel et al. (2012), motivation is affected by both external and internal forces. In other words, motivation is divided in to two types: intrinsic and extrinsic motivation (Nelson & Quick, 2013). Intrinsic motivation refers to soft motivation such as challenging tasks and a genuine desire to help others, a friendly and enjoyable work environment (Härtel & Fujimoto, 2010). Extrinsic motivation refers to bonuses, salaries, benefits, perks, and cash rewards (Anderson, 2010). Understanding these factors might help employees to recognise what approaches that their managements are applying to them and they can realise the importance of motivation provided by the companies.

5.2.2 Motivational approaches of the existing companies

To understand the views of participants toward the real motivation practices in the mining company, participants were asked to share their views on how their company motivates them in order to increase their effectiveness of performance. This section addresses research sub-question 1.4 (2).

Based on the real practices, both mining companies also have an incentive system in which they offer salary, bonuses, social security fund, leave and other benefits to employees as other companies. The most widely used for incentive system was monetary rewards. Besides, the companies also have emphasised some activities that fit with their own companies. One activity that both companies have in common is employee award programs where they
reward employees for outstanding achievement. A reward program is one strategy that can stimulate employees to work harder in order to achieve what they want, especially the rewards provided by the company. According to one the HR manager in one mining company, bonuses are set for each department in each quarter. Moreover, the company also provides virtual shares to employees at the end of each year. Another HR manager also said that her company sets targets for employees in every project. When the project is completed, a party will be held for employees. This showed that both mining companies have their own reward system depending on the size of the incentives of the company (Mumford, 2012).

Building a good relationship is also one of the activities that managers emphasised. This is because they think that having good relationships among employees can increase the effectiveness of employee performance in the organisation. In relation to this, the companies organise entertainment and sport activities that enable employees to learn and adapt themselves to each other. The activities also enable employees to feel relaxed and happy with their co-workers which is important for employees in terms of building deeper relationship among each other. Building good relationships among employees is important for the company because it allows employees to get to know each other well. When they know each other well, they will become friendly and helpful. When employees have a positive relationship they will perform better. This is consistent with Goetsch (2011) who states that positiveness at work can motivate employees to perform at their peak levels.

Another employee motivation practice that is important for the companies is giving feedback. One manager said that they have 360 degree feedback or two-way feedback. This means that both leaders and subordinates can give feedback to each other. In other words, not only managers and supervisors can give feedback to their subordinates but their subordinates also can give feedback to their own managers and supervisors. Management believe that giving feedback can minimise the gap of conflict and increase the work productivity in the company. In other words, giving feedback to employees can be one factor that can influence employees to be motivated. This concept is aligned with Chevalier and Gutsatz (2012) who said that in order to keep employees motivated, it is important to keep balanced feedback. To have effective feedback, Folkman and Zenger (2010) suggest that feedback must be balanced between rationalization and taking feedback too literally.
In addition to the findings, management also aims to influence employees to engage with their jobs. With this regard, a manager further explained that management of the company is trying to give employees meaningful employment. In other words, managers in the company try to ensure that their employees understand the jobs and how the jobs are important to the company. They try to create jobs in many challenging areas for employees, so that employees can get a sense of motivation.

On the other views, most employees revealed that salary is the basic reward provided by their companies. However, there are some other factors that the companies applied to motivate their employees such as employee award programs, entertainment, sports, good communication among employees, flexibility of working rosters, providing updated company information, providing trainings, safety working conditions, and other benefits for employees.

According to Dennis and Meola (2009), employees enter the company with a set of expectations such as: leaders can be admired and respected, receiving fair treatment from colleagues in a safe work environment, individual efforts or good performance will be recognized by the company, and fair monetary compensation. This is aligned with the views of employees that not only get a salary but also other factors that can influence them to be active in working and producing better productivity.

### 5.2.3 The effects of employee motivation on employee performance

Motivating employees is one of the most important managerial functions (Nel et al., 2014). There are many companies that attempt to find suitable solutions to motivate their employees in order to encourage them to use their fullest potential to accomplish the company’s goals.

Based on the interviews, most participants expressed that employee motivation has a positive impact on their work performances. From the perspective of one manager, employee motivation is one of the biggest drags of work performance (M-P1). He further explained that if we offer them suitable motivation and get any employee who is engaged and wants to work for the company and enjoys the working environment, enjoys their jobs, then they are not just doing their job but doing more than what we ask them to do. Another manager also agreed that employee motivation is important to employees and the company. This is because it can
help employees to work more actively and produce a good outcome. Employee motivation not only leads employees to accomplish their goals but also the organisational goals (M-P14).

From employees’ perspectives, providing suitable employee motivation approaches can help them to have more energy to work (N-P10, N-P11). Providing motivation can help employees to recognise the value and benefits from the company. For instance, one employee said that when the company offered him benefits, he had to pay back the company by working effectively (N-P3). This shows that if employees are motivated appropriately, they will be willing to work for the company. In addition, some employees think that providing motivation can influence them to work continuously and very well (N-P12, N-P13).

They also affirm that they can work harder if they are influenced by the company appropriately. Similarly, one participant confirmed that employee motivation is important for every workplace or activity (N-P4). He said that if employees are happy, they will work better than getting stressed and then they will produce good quality of work. Of the other views, employee motivation helps employees to get the work done accordingly (N-P5) and it can build a good image for the company as well (N-P7). In addition, motivating employees in the company can influence employees to be patient and to work with the company in the hard time. Moreover, one employee suggested that managers or supervisors should go to check the work closely with employees. This is because they will feel demotivated and lazy to work if their managers do not recognise their achievement (N-P7).

5.2.4 The factors that motivate employees to work

According to Maslow’s Hierachy Needs, there are five stages of needs: Physiological needs, Safety needs, Social needs, Self-esteem needs and Self-actualization. To identify the factors that motivate employees in the company, the employees were asked to share their views what factors are influencing them to work with the company. In the same time, the managers also were asked to give opinions on this motivational issue. This was designed to examine the views of managers and employees toward the factors that motivate employees in the mining companies. This section addresses sub-question 1.4 (3) and tests H01 and H02.

According to the respondents, managers expressed their views that safety issues are the most important issues for the mining company. Failure on safety can affect other activities and the
valuable resources of the company. Hence, management of mining companies always emphasise safety as a priority for them. However, physiological needs of employees are other factors that managers insisted to be one of the important factors for employees. This was because most employees were living on subsistent type of living.

Of the other views, 10 out of 13 employees that covers 76.9% of employees agreed that money is the main factor for them in terms of motivation. They explained that they work because they want money to support themselves and their families. The following factor that employees think that was important for them was the safety issue. Safety was preferred to by 46.1% of employees. They explained that they want to be safe while working. They want to go back home after working without any employees being injured. In addition to this, they mentioned job security by saying that they want to have a stable job because they do not want to move to new companies where they have to adapt themselves to new environments or start from the beginning again.

In addition, 38.4% of employees prefer to work in a good working environment while other people also want to have their own needs such as good supervision (23%), getting new positions (7.6%), good policy (15.3%), and advancement (7.6%). These factors are important to employees in the company in terms of motivation. However, these participants did not pay much attention to self-esteem, advancement and fairness in the workplace. Their levels of motivation are likely to be different from a study by Vongphanakhone (2014) who conducted a research study with employees in the banking sector in Laos.

The research revealed that self-esteem needs, opportunity for growth and fairness in the workplace respectively are factors that motivate employees to work in the banking sector in Laos besides money which appeared to be one of the most important factors in terms of motivation. In relation to this, Maslow’s Hierarchy of Needs theory assumes that “human needs are arranged in a hierarchy of importance” (Griffin & Moorhead, 2013, p. 93). This means that employees might focus on what they think that is most important to them at that time. Hence, the employee motivation in the mining sector may depend on the level of their needs.
5.2.4.1 Extrinsic Motivation

Hypothesis One

H01: Using extrinsic motivation such as monetary tools to motivate employees to work in the mining sector in Laos cannot lead to high job performance.

This section addresses H01. The data showed that monetary tools are important to most employees and they are likely to be the most influential factor for most employees to perform their best in working.

There were ten participants which covers 66.6% of participants who are likely to prefer to have extrinsic motivation rather than intrinsic motivation (N-P2, N-P3, N-P4, N-P6, N-P7, N-P8, N-P9, N-P10, N-P12, N-P13). They explained that having a better salary is important to them because the cost of living is increasing everyday. It is necessary for them to earn money to support their families. On the other views, five participants which covers 33.3% emphasised having holidays or days off in order to relax and stay with their families (N-P4, N-P6, N-P9, N-P11, N-P14). There was only one participant who said that he wanted to participate in the decision making process (N-P7). He further added that extrinsic factors could help him to be more active in working.

It is interesting to notice that one participant who was holding HR manager position in that time explained that extrinsic motivation only work for a certain period of time (M-P1). He added that everyone likes paying well, everyone likes to see the bonus, but in reality once that extrinsic tools finish, the feeling is gone. We’ll need more than just extrinsic to keep employees motivated (M-P1).

This finding demonstrates that monetary tools can motivate most of employees in the mining sector to achieve their own objectives and the company’s goals. In other words, extrinsic motivation can help employees to perform better. This matter is reflected in the literature by several authors and researchers (Noe, Hollenbeck, Gerhart, & Wright, 2014; White and Druker, 2009; Sriyai, 2011; Vengel, 2010; Tremblay, Blanchard, Taylor, Pelletier, & Villeneuve, 2009). This means that employees can be motivated by monetary tools in order to increase their performances in the mining sector.
In addition, this study rejects $\text{Ho}_1$ and supports $\text{Ha}_1$ that is using extrinsic motivation such as monetary tools to motivate employees to work in the mining sector in Laos can lead to high job performance.

### 5.2.4.2 Intrinsic Motivation

#### Hypothesis two

$\text{Ho}_2$: Using intrinsic motivation to influence employees in the mining sector in Laos cannot lead to high job performance.

This section addresses $\text{Ho}_2$. Based on the findings, less than half of participants who mentioned about intrinsic motivation, agreed that intrinsic motivation was important for them in terms of motivation.

There were four participants which covers 26.6% of participants who responded that they wanted to be involved in the decision making process (N-P2, N-P3, N-P7, N-P9). They added that they want to share their own decision while working and they don’t want to be ordered to redo their work again. Another four participants (26.6%) appear to be active with having challenging work to do (N-P4, N-P6, N-P10, N-P12). These people said that they don’t want to do the job that is boring but a challenging task is interesting as it can help them to improve their skills and have new experiences.

This finding illustrates that the total amount of employees who prefer intrinsic motivation is less than those who prefer extrinsic motivation. This affirms that most employees in the mining sectors are not likely to be motivated by intrinsic factors. In other words, providing intrinsic motivation cannot influence most employees to provide a better performance. With this regard, it cannot be said that most employees can have a higher level of motivation when they are motivated by intrinsic factor. The views of employees are likely to contrast with DuBrin (2012), who discovered that using non-cash incentives can be effective in terms of improving performance and employee satisfaction.

Similarly, this finding also contrasts with the study by Javed and Javed (2013) who revealed that intrinsic motivation is more important than extrinsic motivation. However, this may be because employees have their own expectation as Härtel and Fujimoto (2010) state that every
person has his or her unique set such as values, expectations, personality. In other words, employees may have different levels of motivation and their needs can be changed at any time is supported by Elkin et al. (2007) who state that needs can be activated in any order and at any time. Similarly, Nelson & Quick (2013) also state that each of us will be influenced by need for achievement, need for power and need for affiliation, at different times, and the strength of that need will vary with the situation. In other words, some employees might require extrinsic rewards while others might not need them (Mumford, 2012). Hence, this result can be different from other studies. In addition, this finding supports Ho2 that using intrinsic motivation to influence employees in the mining sector in Laos cannot lead to high job performance.

However, Vengel (2010) further suggests that extrinsic motivation such as pay is not enough to use to engage and motivate employees. Similarly, Thomas (2010) states that most employees are not satisfied only with monetary but also with moral motivators. This means that employees should not be motivated by only monetary tools, but they should be supported by other factors such as achievement, recognition of achievement, work itself, responsibility, advancement, and growth. Gagne (2014) also supports these concepts of motivating employees by saying that both intrinsic and extrinsic is associated with high level of employee performance. Therefore, Tremblay et al., (2009) suggest that both monetary and non-monetary incentives are important for motivating employees in terms of motivation.

These thematic findings were discussed by many authors. The well-known author is Maslow who categorised motivation in five levels: physiological needs, safety needs, social needs, self-esteem needs, and self-actualization. Based on the findings of the study, monetary tools that are categorised as physiological needs appeared to be the factor that most employees prefer to focus on. At the same time, it is interesting to note that although money is the most important factor for employees, many employees also prefer to be safe. This is because they believe that if they get hurt or have any accident, they will not be able to work. Therefore, working is not only important for themselves but also their families. This illustrates that the safety issue was one factor that can motivate them to perform well in their companies.

The third factor that had an impact on employee performance was the working environment or relationships. They said that having good relationships can allow them to solve problems together and help them to be happy with their jobs. When they feel happy with the job they
do they can work harder and be more productive (Tracy, 2013). The fourth motivator for employees in the mining sector is supervision. Employees said that they want to have good supervisor or good managers who can allow them to discuss with and help them when they need assistance.

**Figure 5.1 The Factors that motivate employees in mining companies in Laos**

![Chart showing the factors that motivate employees in mining companies in Laos]

Source: Developed by the author as based on the results of this study (2015)

The figure 5.1 illustrates that the first four factors that most affected employee performance in the mining sector in Laos were salary, safety, relationships, and supervision respectively.

**Salary:** As mentioned in the literatures, a rise in salary, bonus, and better working conditions are categorised in physiological needs (Sobel, 2010) as well as financial compensation (Hartel & Fujimoto, 2010). According to Herzberg’s theory, salary is hygienic factor (Bandt, 2013). The results of this study reveal that money is a powerful motivator for most employees in the mining sector. This may be because of Lao cultures and Lao economics in that time that cause employees prefer to have money rather than other factors as one HR manager stated that “physiological needs is probably the primary motivator because of Lao culture where a lot of people just live and some people do and a lot of people live on subsistent type of living day to day” (M-P1). In relation to this, Bandt (2013) states that the degree of importance employees place on money depends on the personality of the person, their
circumstances and any other satisfaction they get from the job they do. Of the other views, employees might find it difficult to grow within their current job or they might think that changing job and gaining acceptance are very limited because mining companies are large and there are many people to work with. The opportunities to be promoted or to gain other benefits from the company, are less than in other business sector. With these reasons, some employees are working in order to have better salary.

According to Maslow’s theory, physiological needs should be met before seeking to achieve higher level of needs. Therefore, managers should take this matter into consideration. In other words, managers should investigate their incentive systems to ensure that the pays fit with employee performance. This is because salary is categorised as a hygiene factor which relates to job dissatisfaction (Nelson & Quick, 2013). If the pay is not satisfactory for employees, the employer will not be able to motivate employees to work more effectively. Therefore, it is important for managers to pay attention to the salaries of employees.

**Safety**: in the work place, it refers to safe working conditions, job security, medical and pension plans. Safety also refers to insurance, tenure, verbal and written acknowledgment and promotions (Sobel, 2010). According to the results of findings, besides salary, safety is the second factor that many employees in the mining sector considered as an important motivator. This is likely to be consistent with Maslow’s theory that once physiological needs become satisfied people strive to achieve the safety needs.

This shows that some employees who might be satisfied with their current financial reward are seeking to be safe rather than worrying about money. For instance, an employee said that “safety is important and necessary for an employee like me because I have to make sure that I can survive and work in order to support my family” (N-P8). In fact, working in the mining industry is quite different from other jobs in Laos. This is because most employees are required to work in the mine site. This means that employees have to leave their families to work in remote areas in order to earn money to support their families. This can make employees and their families worry about safety. Therefore, many of them considered the safety issue as one of the important factors for them.
In addition, safety also refers to job security of employees in mining companies. Some employees are worrying about their current jobs. They said that they keep working their best because they do not know how long they can work with the company. In relation to this, some employees expressed that “I want to have a stable job. I don’t want to work with the company for a few days and then the company fires me” (N-P3, N-P5, N-P9, N-P11, N-P12). Therefore, managers should ensure that safety needs are met in order to motivate employees to work effectively.

Relationships: Relationships appeared to be the third factor that many employees think that is important for them in terms of motivation. The outcome of the findings revealed that many employees want to work within a good environment, especially the environment in which they can have a good relationship with their colleagues. For instance, some employees said that having good relationships is important because it can motivate them to work more effectively even though the work is hard or difficult. They further said that they can win in every situation, if everyone helps each other.

According to Maslow’s theory, relationship is categorised in the third level of needs- Social needs and it refers to professional friendship and development of work groups (Sobel, 2010). In order to fulfil social needs for employees, managers should ensure that their working environment is positive. In other words, managers should provide activities that allow employees to have opportunities to associate together. This is to enable them to get to know each other and when this happens they will develop good relationships. In relation to this, some employees said that they have a lot of friends in their company, so they did not want to move to another company (N-P4, N-P6, N-P13). These people feel a sense of belonging and connections with their work group and this means they can work very well together (Tracy, 2013).

Supervision: Results from the findings indicate that some employees considered supervision as one factor that has an impact on their performance (N-P2, N-P4, N-P7). They said that if managers or supervisors are good, they can coach employees well and they can be friendly with their subordinates as well. In addition, the results found that these employees felt dissatisfied with their managers or supervisor because of their ineffective supervision. With this regard, they complain that sometimes their supervisors treat them inappropriately. For instance, one employee complained that his supervisor always shouts or yells at him when he
goes to discuss work with his supervisor (N-P7). This employee further said that he felt bad when his supervisor treated him like that. This sometimes caused him not to dare to discuss the work with his supervisor. This shows that good supervision is required in order to motivate employees to work effectively.

According to Herzberg’s theory, supervision is categorised in the Hygiene factor that relates to job dissatisfaction. Hygiene factors help to decrease dissatisfaction. This means that employees’ dissatisfaction can be minimised if good supervision is provided appropriately to employees. Härtel & Fujimoto (2010) state that managers need to develop hygiene factors to attempt to eliminate dissatisfaction. Therefore, managers should know how to deal with their employees appropriately by using suitable approaches in order to motivate employees to work effectively.

### 5.2.5 The effects of fairness on employee performance

Fairness is the day-to-day treatment of employees by supervisors and managers and the company systems for determining and allocating work and rewards that impact on the views of employees about whether they are treated fairly at work. Apart from finding important factors that motivate most employees in the mining sector in Laos, fairness is one issue that the researcher wants to investigate in order to see how fairness impacts on employee performance.

It is said that employees are more motivated when they are fairly treated and less motivated when there is no equity between employees. In other words, employees will be motivated when they perceive that they are being treated fairly (Williams, 2012). To understand about how employees’ reaction toward fairness in the company, employees were asked to share their views on how they think about the fairness in their own companies.

Based on the responses, managers both agreed that treating employees fairly can affect the performance of employees. One manager said that they might not know all the things about their employees, but they try to avoid any mistakes that might happen in the company (M-P14). Another manager further suggested that employees should be treated in the same way and the manager should be consistent in terms of treating employees in the company (M-P1).
According to the responses from employees, 8 out of 13 participants that covers 61.5% are likely to feel that in general they are unfairly treated. Some of them claimed that their salaries are still low compared to their performances. They further suggested that managers should not judge employees by only considering certificates, but also their experiences and performance. However, there were five participants covering only 38.4% of employees expressed that they were treated fairly in their companies and they were satisfied with their management in the companies. However, this number of employees who were treated fairly in the companies is less than the number of employees who were treated unfairly.

**Figure 5.2 Employees’ perspective toward the fairness in the mining companies in Laos**

![Image of pie chart showing 61.5% of employees were treated unfairly and 38.4% were treated fairly.](image)

Source: Developed by the author as based on the results of this study (2015)

The findings on this issue illustrate that the majority of employees feel that they were treated unfairly. This may be because they compare themselves to their colleagues and other external factors as it is mentioned in the literature that employees compare their own input and output with their colleagues inside and outside the company in order to motivate them to perform more or less work (Santiarworn, 2008). In relation to this, Bryson & Ryan (2012) state that employees want equity between what they put into their work and what they get from it, and what they see others putting in and getting out.
It is interesting to note that when employees make comparison with their colleagues, they might be demotivated if they find that they are not treated fairly. This is consistent with literature of DuBrin (2012) who points out that employees often compare salary, job responsibilities, working hours and privileges to their co-workers; they will become demotivated if co-workers are receiving better treatment than they are. Similarly, the study of Stringer, Didham, and Theivananthampillai (2011) also indicates that employees who perceived pay was not fair generally made comparison with co-workers and they felt that pay did not reflect their efforts. Thus can be said that employees can be motivated if their pay is reflected in the rate for the work they do. In addition to this, Sriyai (2011) suggests that the company should delegate or assign work equally among employees.

5.2.6 Effective Employee Motivation Approaches

It is crucial for the mining companies to have strategies to conquer any obstacles and lead the company to success. Employee motivation is one of the important components of the company’s strategies. This is because the productivity is made by employees. Hence, it is necessary for the company to apply suitable employee motivation approaches in order to empower employees to give the best of themselves and produce outstanding productivity.

To determine whether the motivation approaches are appropriate for using in the mining industry in Laos, the researcher asked participants to answer the question “What are the main motivation factors that should be considered to motivate employees in the mining industry in Laos?” In this regard, the researcher has gathered the main factors that would be useful for managers or leaders in the mining industry to take into consideration in order to enhance their employees’ performance in their mining companies.

Based on the respondents’ answers, managers expressed their views that even though money is the factor that most employees considered as their prime motivator but there are other factors that have an impact on their motivation at work such as leave, safety, and other benefits.

One HR manager said that the most important thing for employees is remuneration. Salary can attract them to keep working with the company (M-P14). The same HR manager further
explained that employees also need to have other factors such as sabbaticals, safety and other benefits for them. Another manager added that money just makes employees happy for a short time but not a long time (M-P1). It seems to show that this manager understands what their employees need in terms of motivation. The same manager further explained that we have to find the balance between the financial reward and non-financial reward. Non-financial reward can give employees a longer sense of purpose, roles that are challenging, a sense of identity and also setting a culture within a company that they feel proud about what they are working for.

From the employees’ views, many employees expressed that management should develop many different motivation approaches in order to be able to motivate employees effectively. In other words, the company should ensure that all related factors are set and implemented appropriately, especially the issue of building good relationships, safety and job security, recognition, fairness, advancement, physiological needs such as food, working time and accommodation.

Based on the respondents’ answers, there were nine participants covering 69.2% who are likely to suggest that salary is the main motivator (N-P3, N-P6, N-P7, N-P8, N-P9, N-P11, N-P12, N-P13, N-P15). They said that salary is important to them and the company should provide salary to employees according to the current economic situation in the country.

Regarding safety and security, three respondents (23%), mentioned this issue. A total of 7.6% (One) said that they worry about their job security (N-P4). They gave reasons that it takes a long time to achieve one task or a job. If the company is not good enough, he might be fired then his growth in the future is uncertain. Two respondents (15.3%) said that safety is important for them because they had to make sure that they can work and survive in order to support their families (N-P6, N-P8).

Two out of 13 participants involving 15.3% had considered building relationships is important to them. They said that the work can be done easily if we have good relationships in the organisation. They added that even if we are very good at working, but if we don’t have friends or colleagues to support, we cannot succeed and grow (N-P2, N-P8).
Supervision was one of the important issues that employees wanted the leaders to improve in order to motivate employees within the company. Two out of 13 participants which covers 15.3% say that some leaders sometimes shouted at them. This made them feel unconfident. As the result, they didn’t dare to discuss with their leaders.

Two participants (15.3%) emphasised fairness or equity in the company. Participant N-P10 said that he wants to see the company treat employees in the same way. The other one suggested that supervisors should influence employees to have good cooperation within the company. In other words, everyone including superiors should help each other, especially when the work needs to be done urgently (P11).

Recognition was mentioned by two participants covering 15.3% of employees. The first one explained that recognition was important to him because he could attend other useful trainings that can bring him knowledge (N-P5). The other employee just wanted his superiors to recognise his achievement (N-P7).

It is interesting that there was only one employee (7.6%) who mentioned advancement. He said that advancement can help him to have more opportunities to get new position in the company (N-P3).

However, one respondent suggested that apart from salary other benefits should not be ignored because they are components of motivation. In addition to this, Tremblay et al., (2009) also state that to motivate employees effectively, both monetary and non-monetary incentives should not be ignored because these incentives are important for employee motivation. The same employees further said that the importance for management is to implement, learn, adapt and apply motivation accordingly.
Figure 5.3 Motivation factors suggested by employees in mining sector

![Graph showing motivation factors]

Source: Developed by the author based on the results of this study (2015)

The findings show remuneration is more important than other relevant factors. These findings are similar to the study of Sriyai (2011) who found that income was the most important factor for employees. In addition, this result is also supported by Vengel (2010) who found that money motivated employees. This contradicts with literature of Hopkins (2012) who states that, for most employees, money is not the prime motivator. In other words, financial compensation is not the most powerful motivator.

The outcome of these findings is different from other studies that are mentioned in the literature. For instance, Anitha (2014) found that the working environment has the most impact on employee engagement which in turn had significant impact on employee performance. This may be because Lao employees are living in different cultures which might be related to the economic position of the country and their living conditions. This reflects the view of one manager that money just provides motivation to employees in a certain period of time (M-P1). In relation to this, Smith (2012) supports this by saying that money is a motivator that tends to have a motivating effect on employees for a short period only. This means that using monetary tools to motivate employees can work well for a short time. However, even though remuneration is a powerful factor that can motivate employees, there are many other factors that are related to employees motivation in the mining companies. These factors include safety and job security, building good relationship,
supervision, recognition, fairness, advancement, physiological needs such as food, working time and accommodation.

Based on the findings of the main factors that motivate most employees in the mining sector and the suggestion from employees in the mining sector the researcher noted that high performance is from employee motivation. The employee motivation system will be effective or not depending on the tools that are applied to motivate employees. It means that if the employees are motivated by using the right motivation tools, they will be able to perform at their peak. Therefore, the researcher developed a motivation approach that could enhance employee performance in the mining sector in Laos as shown below:

**Figure 5.4 Employee Motivation approach that could enhance employee performance in mining companies in Laos.**

Figure 5.4 illustrates that even though salary was considered as a primary motivator for most employees in mining sector in Laos, there are many more factors that relate to their performance. These factors include safety, social, supervision and equity. Therefore, it is
important for management in the mining sector to examine their own motivation system in order to ensure that these significant factors are covered and implemented appropriately.

5.3 Summary

The chapter answers all the issues that are mentioned in the main research question and sub-research questions. In addition, it also indicated it supports on all the hypotheses. The outcome of the findings revealed that most employees seem to be motivated by monetary means. Even though salary was considered as primary motivator for most employees, there are other significant factors that can motivate employees to put their efforts into working with the mining industry in Laos.

These factors include safety, relationship in the company, and supervision of managers or supervisors. Furthermore, most employees claimed that they are not treated fairly in the companies. In addition, to have more effective motivation systems, it is suggested that managements consider five significant motivation factors in order to enhance employee performance in mining sector in Laos. The five significant factors consist of remuneration, safety, social, supervision and equity. A brief discussion on these significant factors is described in the next chapter.
Chapter 6 Research Conclusion and Recommendations

6.1 Introduction

The previous chapter answers the main research question, all sub-questions and the hypotheses as well as the findings are discussed. The main aim of this chapter is to summarise the major findings of this research, outline the contributions of the research, identify the recommendations and its limitations of the research and outlines the direction for future research.

This chapter is divided into four sections. The first section provides a summary of the previous 5 chapters of this research. Section two summarizes the research findings and the contributions of the research to theory building. The third section identifies recommendations for managers and management in the mining sector in Laos. The final section identifies the limitations of the research and directions for future research.

This chapter has recommends that managers and the management team in the mining sector need to address various strategies in order to motivate employees. Some of these recommendations are reconsidering and developing better incentive systems, providing safety training programs for employees, arranging activities for employees, and developing a proper HRM manual for dealing with the fairness of employees in the company.

6.2 Summary of the chapters

This research was devided into six chapters. The summary of these six chapters is provided in the following paragraphs.

Chapter one outlined the background of the study, the problem description, main aim, objectives of this research, main research question and some sub-questions, hypotheses for this research, the fact of data collection, the limitation of the research and the structure of this study.
Chapter two reviewed and critically analysed the existing literature and theoretical frameworks on employee motivation. This chapter discussed the role of HRM and employee motivation in the companies. The chapter also reviewed existing motivational theories. It critically analysed the two major theories namely content and process theory. These major theories were the models for employee motivation, especially Maslow’s theory. Furthermore, this chapter examined previous studies that are relevant to employee motivation. The final section of this chapter, investigated different approaches to employee motivation from various authors.

Chapter three provided the research methodology for this research. The chapter discussed the introduction of research methodology, the research paradigms, quantitative, qualitative approaches and the rationale for a qualitative approach to research. The sample selection was then considered, such as the semi-structured interview sample and selection of participants, the research methods both primary research and secondary research, and a pilot study. Data analysis techniques were examined such as transcribing the data; reading and generating categories, themes and patterns; interpreting the findings and writing the report. The chapter also discussed the validity of results and ethical considerations.

Chapter four illustrated the findings of this research. The chapter discussed employee motivation practices in the mining sector in Laos such as different perspectives regarding the term of employee motivation from employees in the mining companies. Application motivation approaches of the existing mining companies in Laos, the effects of employee motivation toward employee performance, and factors that motivate employees in the mining companies were also discussed along with the role of the intrinsic and extrinsic motivation, and the effects of fairness towards employee performance. In addition, this chapter also discussed the factors that should be considered to motivate employees in the mining industry in Laos.

Chapter five discussed the important findings that were extracted from the findings in this study with support from the literature which examined in chapter two. The discussion was based on the themes which are raised from the sub-research questions. These categorised themes are the perspectives of employees toward employee motivation, motivational approaches of the existing companies, the factors that motivate employees to work, the
effects of employee motivation on employee performance, the effects of fairness on employee performance, and the suitable employee motivation approaches for the mining industry in Laos.

Chapter six provided the summary of the research findings discussed in chapter five. This chapter also provided recommendations, limitation of the study and directions for future research.

The next section provides a summary of the research findings

6.3 Summary of the research findings

The outcomes of this study indicate that employees in mining companies in Laos recognised that providing employee motivation has a positive impact on their performance. Referring to the first sub-question regarding the perspective of employees, motivation refers to incentives, compensation, and other benefits that the company provides to employees. Managers explained that motivation refers to creating a good environment, giving presents or inspiration for employees, and providing monetary rewards to employees such as remuneration. In addition, some employees explained that employee motivation is associated with creating a great working environment in the workplace such as building good relationships among employees, managers and supervisors. Some other employees believed that employee motivation is concerned with other factors such as safety, good communication, advancement and other benefits. However, none of them could give an explanation about intrinsic and extrinsic motivation. This shows that most employees recognised the importance of motivation even though they could not explain it in technical terms, but they understand approaches that the company provided to them in order to motivate them to put more effort to their work to increase the effectiveness of their performance.

Sub-question two concerned the motivation approaches that the existing mining companies applied to maintain their employee performance. The results revealed that mining companies in Laos have their own incentive system which can offer other benefits to employees as is the case with other businesses. To be more precise, HR managers in the mining companies in
Laos attempted to apply different strategies in order to motivate their employees. These strategies include setting employee goals, setting bonus targets, offering annual rewards, creating meaningful employment, arranging social activities, team building, providing trainings, having two way feedback, and having other activities that can benefit to employees. On the other hand employees think that their companies attempted to motivate them by paying attention to different issues such as remuneration, employee awards, maintaining relationships, having conversations with employees, flexible working roster, updating company information, providing trainings, focusing safety, providing good company policies, offering insurance, and conducting surveys in order to improve their motivation system.

Regarding the effect of employee motivation toward employee performance, in general, most employees said that it has a positive impact to their performance. The view of managers is that employee motivation enables employees to work more actively and more productively. Moreover, if motivation is provided appropriately, they will be able to do more than their jobs. Employees believed that providing motivation can help them to work effectively and they tend to work as best as they can. Many employees further expressed that employee motivation has a positive impact on them such as work can be done accordingly, keeping the employee working with the company, building good images for the company, and to help employees to be patient when the hard times come.

Moreover, they said that providing less motivation can cause employees to be lazy to work. This means that providing employee motivation is crucial for the company in terms of increasing company performance. The mining companies should realise this issue. The work can be done without providing motivation, but if the companies want to increase the effectiveness of the company performance, it is necessary for management to consider suitable motivation approaches.

The study found that salary was the most powerful factor for employees in the mining sector in Laos in terms of improving performance. Besides salary, there were also four main factors that appeared to be motivors for employees. These factors are safety, relationship, supervision and equity. In other words, most employees are likely to consider these factors in order to determine whether they should work harder or not. According to the interviews, most employees were of the views that money was the main motivator for them in terms of motivation. This point of view contradicts the views of managers who say that safety should
be the first priority for employees in the mining sector. Managers said that failure on safety can affect other activities and the valuable resources of the company. Hence, it is important for the company to avoid any safety issues or accidents.

Remuneration was the most powerful motivator for employees in the mining sector. The following factor for motivation was the safety issues. Some employees also recognised the importance of safety. These employees have a higher sense of thinking about motivation and they think more deeply more than the previous group who focused on money. These employees believed that if they are injured, they will not be able to work to earn money to support their families. They explained that they want to be safe while working and they want to go back home after working without any being injured in accidents at work. In fact, HR managers also affirmed that their companies have good safety systems and some employees affirmed that the companies also provided safety trainings to employees in order to increase safety awareness to employees. This indicates that safety is important for them. Hence, managers should attempt to further develop safety systems in the companies.

These factors are very important to management in the mining sector in terms of improving employee performance. As mentioned earlier, knowing the factors that motivate employees enables managers to formulate strategies in order to increase the effectiveness of employee performance. With regard to this management in the mining sector can investigate and examine motivational systems in their companies and find solutions or appropriate ways to further improve their employees’ performance.

Another important factor for employees in the mining sector in Laos is having a good working environment. In other words, employees are likely to prefer to have good relationships with their managers, supervisors, and co-workers. Most employees expressed that having good relationships can motivate them to work better because when all people know each other well, they will help each other to accomplish the company’s goals. In fact, the companies also provide activities to employees in order to allow them to learn to know each other better. For instance, the companies arranged activities such as playing sports, entertainment.

Supervision appeared as the fourth factor that motivates employees in the mining industry in Laos. Some employees want to have good managers or supervisors who can fit with the
position. They believed that good managers or supervisors should be people who can communicate well with their subordinates. In other words, good managers or supervisors should be willing to allow their subordinates to discuss work issues with them. For instance, some people said that if managers or supervisors are good, they will be able to give advice and also coach employees as well as be friendly with subordinates (N-P2, N-P4).

In sub-question five concerning fairness is considered as one of the motivation factors for most employees in the mining sectors in Laos although some employees are likely to feel that they are not treated fairly. However, HR managers confirmed that they treated their employees fairly and the companies also have systems for dealing with fairness. Some employees claimed that their salaries are low compared with their performance. With regard to this, they suggested that the company should not judge them by only certificates but their real performance. Moreover, a few employees also complained that some managers treated their relatives in a better way than other subordinates in the company. This means that there are some points regarding fairness need to be considered by the company. These issues should be revisited by the management team in order to avoid any unfair action within the company. The reason for this is because treating employees unfairly can demotivate employees.

The results of this study also found that there are more factors that employees mentioned that they can be one of the factors that relate to their performance. The factors that employees mentioned in the interviews include: company policies, position, advancement, recognition, benefits, physiological needs, holidays, non-financial rewards. Based on the respondent’s answers, these factors are likely to be less important for most employees in the mining sectors in Laos. However, if management recognises the importance of all factors, it would be helpful in terms of increasing the effectiveness of employee performance.

To find out the main motivation factors that have influenced employees in the mining sector in Laos, sub-question six asked participants to support the fourth sub-question in order to identify the factors that have the most influence on employee performance in the mining sector in Laos. The outcome of this study concludes that the five main factors that motivate most employees in mining sector in Laos are remuneration, safety, social, supervision and equity. These factors are formulated as motivational approaches for employees in the mining sector according to the level of importance of each factor as shown in Figure 5.4. This means
that this model can be useful for management in mining sector in Laos to apply to their companies in order to improve employee performance.

**Figure 5.4** as developed and shown in chapter 5: Employee Motivation approach that could enhance employee performance in the mining companies in Laos.

6.4 Recommendations

Härtel & Fujimoto (2010) state that HRM is responsible for all aspects of the management of people in a company. Therefore, HR managers need to employ different strategies in order to increase the effectiveness of employee performance. Based on the results of this study, there are many issues that management in the mining companies in Laos still face in term of motivating employees to have better performance. Therefore, to find suitable solutions to the issues, HR managers should use the model (Figure 5.4) as developed by the researcher in this research study. In other words, to increase the level of employee performance, HR managers should attempt to improve the main five factors as below:
6.4.1 Developing better reward policies

The results of the study indicate that remuneration is the most powerful factor for employees in terms of motivation. This is because most employees come from different parts of the country and most of them are living on a subsistent type of living day-to-day. Moreover, the cost of living in the country seems to be getting higher and higher. It means that they have to spend more in order to survive. This can cause employees to worry about their families. Therefore, the management of the company should develop reward policies and practices that are aligned with the company’s objectives. To be more precise, the management of the companies should update the cost of living each year. In other words, salaries of employees should be given consider to be adjusted according to the current cost of living. In addition, salaries should be upgraded or increased based on employees’ work experiences and contribution.

6.4.2 Providing safety training programs for employees

Safety becomes the second factor that motivates most employees in the mining sector in Laos. Based on the outcome of this study, it is revealed that some employees need to feel safe in the workplace. Furthermore, there are employees who are worrying about their future jobs. They wanted to have stable job rather than seeking new jobs that require them to start working in a new environment and earning new income. With this regard, to solve these issues, the HR management team should provide safety programs for employees in order to allow employees in each section to know how to do their jobs safely. At the same time, the safety manual should be updated and safety equipment should be provided accordingly. In addition, working rosters should be appropriately provided. This is because mining in Laos, especially in large mining companies, is non-stop production. Employees are required to work on different shifts within 24 hours. Hence, it is necessary to provide appropriate working time to employees in order to allow them to have enough time to relax between shifts. The most important is all departments should practice safety rules strictly.

Regarding job security, management should have a definite plan and target for employees in order to guarantee that they work according to their plans which are aligned with the company goals. The objectives of the company and employees have to be clear, concrete and oriented toward expected results. Doing this can make employees feel more confident with
their jobs and then they can be able to accomplish their jobs according to the plan rather than worrying about their uncertain future. In addition to this, the company should apply the expectancy theory to allow employees to achieve desired outcomes. This is because if employees meet expectations, they can receive desired outcomes. Doing this can allow employees to put more effort into their work in order to achieve desired outcomes. This generally will lead to good performance.

6.4.3 Arranging activities for employees

Social is categorised in the third level of needs of employees in mining sectors Laos. This means that some employees need to be associated with others. Based on the outcome of this study, some people want to have a good working environment, especially they want to have good relationships with their managers, supervisors and even co-workers. They believed that having good relationships in the workplace can motivate them to work better because they can help each other to solve problems or even create new ideas in working. In fact, according to the respondents’ answers, those companies seem to be good at this point of having activities for employees. However, to maintain good relationships among employees in the companies, the management team of the companies should attempt to improve the working environment to be a positive environment. To do that, the company should arrange different activities for employees to exchange their experiences with each other. The activities can be playing sport, entertainment or even having conversations with each others. In addition to this, managers should avoid “one-man show”. It means that managers should not make someone important or special. This is to avoid conflict among employees in the company.

6.4.4 Supervision within the companies

The results of this study indicate that some employees wanted to have better managers or supervisors. They said that if managers or supervisors are good, they will be able to give advice and coach employees very well. Moreover, some employees complained that their managers or supervisors always shout and yell at them when they need help from them or want to discuss a work issue with them. This shows that some managers or supervisors still behave inappropriately to their subordinates. This can be one factor that can demotivate employees. To avoid this happening again, the management team should revisit each department in order to check how managers or supervisors treat with their employees. The
rules such as harassment policy for all male and female employees should be created to protect the feelings of employees. In addition, 360 degree feedback should be applied in order to reduce conflict between senior level and junior level or between leaders and subordinates.

6.4.5 Developing a proper HRM manual for dealing with the fairness

Fairness in the workplace is important. Treating employees unfairly can be demotivating. Based on the results of this study, most employees agreed that treating employees fairly can have a positive impact to their performance. However, it is likely to appear that over half of participants felt that they were not treated fairly. They claimed that their salaries were still low compared to their performance. They also suggested that the company should not judge employees only by their certificates, but also by their experiences and performance. It is interesting to note the point that employees still paid attention to their salaries. However, to find a solution to this issue, management should develop a proper HR manual for dealing with the fairness of employees in the company.

To be more precise, definite manuals or standards for each level of employees should be developed and based on the agreement between managers and employees. These manuals or standards should be presented to employees at or before commencement of work. Furthermore, according to Herzberg’s theory, employees were motivated by factors such as achievement, recognition (Burrow & Kleindl, 2013). Hence, management should recognize the value of all employees who have given outstanding performance by public praise, company dinner or other suitable rewards.

However, even though these factors can be improved appropriately, but HR managers should not ignore other related factors such as company policies, position, advancement, recognition, benefits, physiological needs, holidays, and other non-financial rewards. These factors are components of employee motivation and they should be considered in order to maintain the level of employee motivation as stated by an employee, but that other additional benefits should not be ignored. If the company does not include one of these factors, it will affect the whole structure of the motivation system, or it might demotivate some employees (N-P6). Therefore, management should pay attention to all related factors depending on the objectives of each company.
6.5 Limitations of this research and directions for future research

6.5.1 Limitations

There are some limitations of this research. First, this research was conducted only in two mining companies. According to researcher’s first plan, it was to conduct the research with three large mining companies in Laos. Unfortunately, one of the companies declined to participate in this study. If many mining companies could be included in this research, the research findings would provide more robust results and the data collected from many mining companies would have been used to analyze and find out more effective solutions for employee motivation in the mining sector in Laos.

Next, there was limited research on employee motivation. To date, none of the existing studies have developed the motivation approaches that could be applicable to the mining sector in Laos. It would be more effective if more research similar to this study was undertaken.

Based on the limitations of this study mentioned above, there should be similar studies conducted in the mining sector in Laos to examine the applicability of motivation approaches. The research findings of such studies can be compared to this study.

Furthermore, in the views of managers, the researcher only conducted interviews with HR managers. It would have been more useful if the researcher could have conducted some interviews with managers in other departments.

Moreover, in the interviews, some participants, especially employees who have low education levels did not understand much about the issues being researched. As a result, they are likely not to answer the questions accurately. This resulted in missing out on some information that could have an effect on the analysis and outcomes.
6.5.2 Future research opportunities

Further studies can use the motivation approaches in mining companies in this study to examine and analyse its effectiveness to see whether the approaches are useful for applying in the mining companies in Laos.

The researcher suggests that further studies include managers in each department in the interviews. This is to gain different perspectives from the managerial level and those managers might provide much a deeper understanding, and better solutions, of the issues being investigated.

6.6 Summary

Employee motivation plays a crucial role in the company in terms of increasing the level of employee performance. Since Laos opens the door for investors to do business in Laos, many businesses are established throughout the country. The mining industry became one of the largest industries in Laos. However, due to the fact that mining is new for the country, there are many issues required to be improved in order to be able to integrate into global level. With this regard, management in the mining industry needs to have good strategies in order to deal with the issues. Employee motivation became one of the solutions in terms of improving company performance.

The mining sector in Laos lacks skilled human capital. The mining companies have to recruit employees from different parts of Laos. Some employees have a low education level while some of them have good skills and high education. This can bring conflict between employees who are holding higher positions and those who are working at a lower level or even employees who are working at the same level. As a result, the issues become a factor that can affect employee performance both directly and indirectly.

The proposed employee motivation model for the mining industry in Laos (as depicted in Figure 5.4) has been developed by the researcher to provide suitable motivation approaches for applying to employees in mining sector in Laos in order to motivate them to increase the
effectiveness of their performance. It is believed by the researcher that this motivation model can help management in the mining sector in Laos to find some solutions to improve their employee performance in order to increase company productivity at the present time and in the future.
References


The ASEAN Secretariat. (2008). *ASEAN economic community blueprint*.


## Appendices

### Appendix 1 Summary of key findings

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<td>• Annual reward</td>
<td>• Maintains relationship</td>
</tr>
<tr>
<td></td>
<td>• Meaningful employment</td>
<td>• Having conversation with employees</td>
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<td></td>
<td>• Social activities</td>
<td>• Working schedule</td>
</tr>
<tr>
<td></td>
<td>• Employee rewards</td>
<td>• Updating information</td>
</tr>
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<td></td>
<td>• Team building</td>
<td>• Providing trainings</td>
</tr>
<tr>
<td></td>
<td>• Provide trainings</td>
<td>• Safety</td>
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<td></td>
<td>• Two way feedback</td>
<td>• Company policies</td>
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<td></td>
<td>• Salary</td>
<td>• Insurance</td>
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<tr>
<td></td>
<td>• Bonus</td>
<td>• Conducting survey</td>
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<td></td>
<td>• Annual leave</td>
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<tr>
<td></td>
<td>• Sick leave</td>
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<tr>
<td>Roles of motivation</td>
<td>• Motivation enables employees to do more than their jobs</td>
<td>• Motivation can help me and my colleagues to work as best as we can</td>
</tr>
<tr>
<td></td>
<td>• Motivation can help employees to work more active and produce good outcome</td>
<td>• Make me work effectively</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Help employees to have energy and be active in working</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• It can make me work harder</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• It is a starting point for individuals to use their fullest potentials to work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• It can make the work done</td>
</tr>
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</tbody>
</table>
accordingly
- It can keep employees working with the company and build good image for the company
- Less motivation can cause employee to be lazy to work
- It can help employees to be patient when the hard time comes

<table>
<thead>
<tr>
<th>Employee motivation Factors</th>
<th>Safety</th>
<th>Physiological needs</th>
<th>Advancement</th>
<th>Good relationship</th>
<th>Salary</th>
<th>Safety</th>
<th>Relationship</th>
<th>Supervision</th>
<th>Company policies</th>
<th>Position</th>
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<tr>
<th>Extrinsic &amp; Intrinsic</th>
<th>Extrinsic is preferred less than intrinsic</th>
<th>Extrinsic is preferred more than intrinsic</th>
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<table>
<thead>
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<th>Fairness</th>
<th>Employees want to be treated with respect and they want to be treated fairly</th>
<th>5 employees were treated fairly</th>
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<tbody>
<tr>
<td></td>
<td>Treating employees unfairly can affect employee performance because it can cause them lack of motivation to work</td>
<td>8 Employees were treated unfairly</td>
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<table>
<thead>
<tr>
<th>Suitable approaches</th>
<th>Incentive-salary</th>
<th>Holidays</th>
<th>Benefit</th>
<th>Safety</th>
<th>Non-financial rewards</th>
<th>Salary</th>
<th>Good relationship</th>
<th>Supervision</th>
<th>Equity</th>
<th>Advancement</th>
<th>Job security</th>
<th>Safety</th>
<th>Recognition</th>
<th>Physiological</th>
<th>Other benefits</th>
</tr>
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</table>

Appendix 2 Semi-Structured Interview

The guide questions are divided into two main areas of interest. The two main areas are:

- Employee Motivation in perspectives of managers
- Employee Motivation in perspectives of employees

I. Employee Motivation in perspectives of managers

In the first part of the interview I’d like to start by asking some questions to find out your perspectives, as a manager, about the use of motivation approaches.

1) Regarding motivation, how do you understand employee motivation in your company?
2) What approaches does your company undertake to motivate employees to work? Are the employees in favour of them?
3) Do you think employee motivation plays an important role in work performance? Why?
4) In your opinion, what are the factors that motivate employees to perform better in your company?
5) Extrinsic motivation refers to pay, rise, bonuses, paid leaves, annual recreational plan, etc. Do you think providing extrinsic motivation can improve the effectiveness of employee performances?
6) Intrinsic motivation refers to giving challenging task, involving in decision making process, giving a higher rank in hierarchy, etc. Do you think providing intrinsic motivation can improve the effectiveness of employee performances?
7) If employees are not treated fairly compared to their co-workers, how does this affect their performances?
8) What motivation approach do you think your company should follow in order to achieve high performance?
II. Employee Motivation in perspectives of employees

In the first part of the interview I’d like to start by asking some questions to find out your perspectives, as an employee, about the use of motivation approaches in your company

1) Regarding motivation, how do you understand employee motivation in your company?

2) What activities does your company undertake to motivate employees to work? Are you in favour of it?

3) Do you think employee motivation plays an important role in work performance? Why?

4) In your opinion, what are the factors that motivate you and your colleagues to perform better in the company? Can you think of an example of what factor motivate you to work?

5) Extrinsic motivation refers to pay, rise, bonuses, paid leaves, annual recreational plan, etc. Do you think providing extrinsic motivation can improve the effectiveness of your performances?

6) Intrinsic motivation refers to giving challenging task, involving in decision making process, giving a higher rank in hierarchy, etc. Do you think providing intrinsic motivation can improve the effectiveness of your performance?

7) If you are not treated fairly compared to your co-workers, how does this affect your performances?

8) Which factors of employee motivation would you like your company to develop in order to motivate you to work more effective?
Appendix 3 Information sheet

Information for participants

Research Project Title
“Effective motivation practices that could enhance employee performance in the mining sector in Lao PDR”

Synopsis of project
My name is Phaivone Keovilay, and I am a postgraduate student at Unitec Institute of Technology, New Zealand, studying a master of business qualification. To fulfill the programme’s requirement, I will undertake a study on motivation practices that would increase the effectiveness of employee performance in mining sector in Laos. In my thesis, I will focus on human resource management in the companies, especially the issues that related to employee motivation that is important for company performance.

What we are doing
The aim of this research project is to identify the suitable motivation approaches that could increase the effectiveness of employee performances in the workplaces, especially in the mining industry in Laos. By taking part in this project you will help the researcher to understand more about how managers or leaders in mining sector motivate their employees in the companies and the factors that influence the effectiveness of employee performance in mining sector in Laos. Once the researcher understands the factors that mainly affect Lao employee performance, appropriate motivation approaches will be developed.

What it will mean for you
This research is based on the existing issues of the application of human resource activities, especially the employee motivation issue in mining sector in Laos. Therefore, this research will be useful for you and your companies in terms of improving the effectiveness of the company performance.
Regarding the process, I request your participation in the following way: I would like to interview you and ask you some questions that related to human resource management, especially employee motivation. The interview will be arranged according to your convenient time and it will take for between 45 to 60 minutes.

Your comments and any suggestions will not be identified as coming from you. This means that there will not be any negative consequence as a result of your words. All information that I gather from you will remain confidential. Your name and all identifying features will not appear in this study.

The interview will be recorded with a recording device and then transcribed by the researcher. A copy of transcript will be sent to you to check for accuracy. You are free to ask me not to use any of the information you have given and you also have the right to access to the final report or see the thesis before it is submitted for examination.

If you agree to participate, you will be asked to sign a consent form and provide contact information so that I can contact you. After signing the consent form, please return it to sealed box in staff room. I will collect the box and confirm with you whether you meet selection criteria or not. If you are selected to participate the study, you will have opportunities to withdraw from the project if you wish. However, because of the research schedule, any withdrawals must be done within two weeks after the researcher has interviewed you.

Your name and information that may identify you will be kept completely confidential. All information collected from you will be stored in a password protected file and only you, the researcher and supervisors will have access to this information.

I hope that you will agree to take part and find your involvement interesting in this project.

If you have any further queries about the research, please feel free to contact my supervisors at Unitec, New Zealand.

Primary supervisor: Dr Andries J. du Plessis, Tel: +64 9 815 4321 ext 8923 or
Email: aduplessis@unitec.ac.nz

Secondary supervisor: Jeff Marriott, Tel: +64 9815 4321 ext 8131 or
email: jmarriott@unitec.ac.nz
UREC REGISTRATION NUMBER: 2014-1075

This study has been approved by the UNITEC Research Ethics Committee from 21.8.14 to 21.8.15. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 8551. Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Appendix 4 Participant consent form

Participant consent form

Research Project Title:

“Effective motivation practices that could enhance employee performance in the mining sector in Lao PDR”

I have had the research project explained to me and I have read and understand the information sheet given to me.

I understand that if the pool of interested parties exceeds places available, I may not be selected to participate. I also understand that I don't have to be part of the project if I don't want to.

If I am selected to participate:

I understand that I can withdraw from the project within two weeks of receipt of the transcript.
I also understand that everything I say is confidential and none of the information I give will identify me; the only persons who will know what I have said will be the researcher and his supervisors. I understand that all the information that I give will be stored securely on a computer at Unitec Institute of Technology for a period of 5 years.

I understand that my discussion with the researcher will be recorded and transcribed. I have an opportunity to review and amend a transcript.
I understand that I can see the finished research document.
I have had time to consider everything and I give my consent to be a part of this project.

Participant Name: ..............................................................

Participant Signature: ........................................ Date: ..............

Participant contact details: .............................................................

Researcher Name: ....Phangane Keovilay..............................

Researcher Signature: ................................................ Date: ..............

UREFC REGISTRATION NUMBER: 2014-1075

This study has been approved by the UNITEC Research Ethics Committee from 21.8.14 to 21.8.15. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREFC Secretary (ph: 09 815-4321 ext 6162). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Appendix 5 Organisational Consent Form

Organisational Consent

I, Bounthanom VILAYHONG, General Manager of Meuang Vang Development Co., Limited gives consent for Phaivone KEOVILAY to undertake research in this organisation as discussed with the researcher.

The consent is subject to approval of research ethics application by the Unitec Research Ethics Committee and a copy of the approval letter being forwarded to the organisation as soon as possible.

Signature: Bounthanom VILAIHONG

Date: 05 AUG 2014
June 2, 2014
Phaivone Keovilay
Unitec Institute of Technology
Auckland
New Zealand

Dear Mr. Keovilay,

Re: Confirmation of approval to conduct in-depth interviews on “Effective motivation practices that could enhance employee performance in the mining sector in Lao PDR”

I, Shaun Massey, Human Resources Manager of Phu Bia Mining Limited gives consent for Phaivone Keovilay to undertake research in this organisation as discussed with the researcher.

The consent is subject to approval of research ethics application by the Unitec Research Ethics Committee and a copy of the approval letter being forwarded to the organisation as soon as possible.

Yours sincerely,

[Signature]

Shaun Massey
HR & Training Manager - Phu Bia Mining