

**Midocean University
College of Management
MBA Program**

Research Proposal

**Examining the Influence of Financial and Leadership-Driven
Motivation on Operational Efficiency Indicators:
Evidence from an Injection Molding Factory in Saudi Arabia**

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Chapter 1: Introduction

1.1 Introduction

In today's manufacturing environment, operational efficiency plays a key role in overall performance and sustainability. Companies are continuously working to improve productivity, reduce waste, and optimize machine utilization. In injection molding, this is reflected through indicators such as scrap rate, Overall Equipment Effectiveness (OEE), and downtime.

Despite ongoing investments in machinery and process improvements, performance variation still occurs under similar operating conditions. This indicates that performance is not driven by technical factors alone, but also by human-related aspects, particularly employee motivation.

Employee motivation affects how individuals handle production challenges, maintain consistency, and contribute to quality outcomes. It is influenced by financial factors such as salary and incentives, as well as leadership-related factors like supervision, communication, recognition, and fairness.

However, it remains unclear which of these factors has a more consistent impact on operational efficiency. This study examines the relationship between motivation dimensions and operational performance within an injection molding production environment.

1.2 Problem Statement

Manufacturing companies aim to improve operational efficiency by reducing scrap, increasing OEE, and minimizing downtime through technical improvements. However, performance differences still appear across teams and shifts under similar operating conditions.

This suggests that non-technical factors, especially employee motivation, play an important role in influencing performance. While financial incentives are commonly used, their impact is not always consistent. In contrast, leadership-related factors such as supervision, recognition, and communication may have a stronger influence on employee performance.

Additionally, research linking motivation to operational efficiency in the injection molding industry—particularly in Saudi Arabia—is limited.

Accordingly, this study examines how financial and leadership-driven motivation affect operational efficiency and identifies which dimension has a greater impact on performance variation.

1.3 Importance of the Study

Scientific Importance:

This study contributes to existing knowledge by examining motivation as a multi-dimensional concept and linking it to measurable operational performance within a manufacturing environment.

Practical Importance:

The study provides practical insights for production managers by identifying key motivational factors that influence scrap rate, OEE, and downtime, supporting better operational decisions.

1.4 Objectives of the Study

General Objective:

To examine the influence of financial and leadership-driven motivation on operational efficiency within the manufacturing environment.

Specific Objectives:

1. To provide practical recommendations for improving operational efficiency through targeted motivational strategies.
2. To identify patterns and trends in operational efficiency indicators (scrap rate, OEE, and downtime) over time.
3. To examine how differences in employee motivation explain performance variation under similar production conditions.
4. To assess employee motivation across financial and leadership-driven dimensions within the production environment.

1.5 Research Questions

1. What is the level of employee motivation across financial and leadership-driven dimensions within the production environment?
2. What patterns and trends can be observed in operational efficiency indicators (scrap rate, OEE, and downtime) over time?
3. To what extent do financial and leadership-driven motivation influence operational efficiency indicators?
4. How do employees perceive the effectiveness of financial incentives compared to leadership practices in improving their performance?
5. How can variations in operational performance under similar production conditions be explained by differences in employee motivation?

1.6 Hypotheses

Main Hypothesis

H1: Employee motivation dimensions (financial and leadership-driven) have a significant impact on operational efficiency indicators (scrap rate, OEE, and downtime) in manufacturing environments.

Sub-Hypotheses

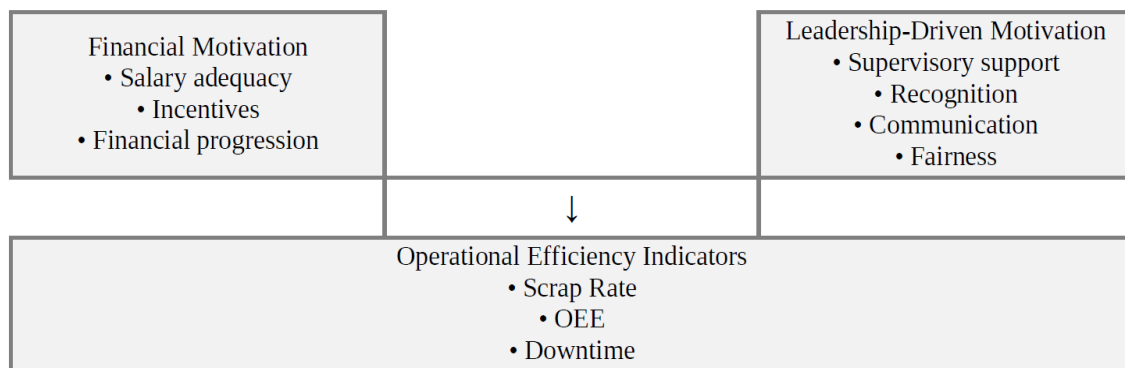
H1a: Leadership-driven motivation has a more consistent and sustainable impact on operational efficiency compared to financial motivation.

H1b: Lower levels of financial motivation are associated with higher scrap rates and increased downtime.

H1c: Higher levels of leadership-driven motivation are associated with improved operational efficiency, reflected in higher OEE and reduced downtime.

1.7 Conceptual Model

The conceptual framework of this study examines the influence of employee motivation dimensions on operational efficiency outcomes. Employee motivation is treated as a multidimensional construct consisting of two independent dimensions: financial motivation and leadership-driven motivation. Operational efficiency is represented through three dependent indicators: scrap rate, Overall Equipment Effectiveness (OEE), and downtime.



1.8 Theoretical Foundations

This study is based on basic motivation concepts that explain how employee behavior is affected by different factors. Motivation is mainly seen through financial factors, such as salary and incentives, and leadership-related factors, such as supervision, communication, and recognition.

1.9 Research Methodology

This study uses a quantitative approach to examine the relationship between employee motivation and operational efficiency.

Data will be collected from two sources. First, operational data from the injection molding production factory (2023–2025), including scrap rate, OEE, and downtime.

Second, data will be collected through a structured questionnaire distributed to a selected sample of employees using a simple Likert scale (1-3)

Combining operational data and employee responses will help provide a clear understanding of how motivation affects performance.

1.10 Population and Sample

The study population consists of employees working in the injection molding production environment. The sample includes approximately 50 employees representing operators, technicians, supervisors, and a limited number of engineers.

1.11 Data Collection Tool

Data will be collected using two main sources:

1. A structured questionnaire designed to measure employee motivation across financial and leadership dimensions. The questionnaire will use a simplified Likert scale (1–3) and will be distributed electronically using a QR code.
2. Operational production data obtained from the injection molding factory covering the period from 2023 to 2025. This includes key performance indicators such as scrap rate, Overall Equipment Effectiveness (OEE), and downtime.

1.12 Statistical Analysis Methods

The study will use descriptive analysis to evaluate motivation levels and operational performance.

In addition, relationship analysis will be used to examine how motivation affects performance indicators and to compare the impact of different motivation dimensions.

1.13 Study Limitations

The study is limited to a single injection molding factory, which may affect generalizability. The sample size is limited to approximately 50 employees, and the study focuses on selected motivation dimensions and operational indicators.

1.14 References

Maslow, A. (1943). A Theory of Human Motivation.
Herzberg, F. (1959). The Motivation to Work.