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Employee Motivation – A tool for Organizational Success

Author: Zenit Raval[1]; Dushyant Tanna[2]; Dhwani Raval[3]

Affiliation: Marketing and Sales Engineer, Rajoo Engineering, India [1]; Assistant Professor, Dept. of Mathematics, Marwadi Engineering College, India [2]; VIT university, India[3]

E-mail: zenith.raval@gmail.com[1]; dtanna.vmgbr@gmail.com[2]; r.dhwani@yahoo.com[3]

ABSTRACT

Employee Motivation has been a concern for most of the companies over past few decades. Here we talk about the factors affecting the well behavior of employee and how they are affecting the output in terms of profit, sales growth, and long term public relationships. Multi-National Companies have put their feet in the race of various ways of doing this task. They always find different ways of giving enormous benefits to employee be it wages or other facilities like rented accommodation, comfortable transportation or holiday trips. Some of the foreign countries have reduced the number of working hours to 37.5 fixed for 5 days a week. This paper will throw some light on factors that affect employee motivation.

General Terms

Employee Motivation, Data Analysis, Simple Percentile Average, Combined Mean, Sample, Population

Keywords

Null Hypothesis, Alternate Hypothesis, Chi-Square Test

1. INTRODUCTION

Employee motivation is one of the major issues faced by every organization. It is the major task of every manager to motivate his subordinates or to create the 'will to work' among the subordinates. It should also be remembered that a worker may be immensely capable of doing some work; nothing can be achieved if he is not willing to work. A manager has to make appropriate use of motivation to enthuse the employees to follow them. Hence this studies also focusing on the employee motivation among the employees of Hyderabad Industries Ltd. The data needed for the study has been collected from the employees through questionnaires and through direct interviews

2. DETERMINANTS OF MOTIVATION

Traditionally it is believed that employees are motivated by the opportunity to make as much money as possible and will act rationally to maximize their earnings. The assumption is that money, because what it can buy is the most important motivator of all people. If this is so, why do some employees oppose the introduction of piece rate plans and others refuse to take overtime. Obviously in place of the above monistic approach (men motivated by money alone) a pluralistic explanation is required. According to the pluralistic approach men work to fulfill variety of needs. Three types of forces generally influence human behavior: (1) Forces operating within the individual (2) forces operating within the organization and (3) forces operating in the environment.

Individual:

Human needs are both numerous and complex. Some of these needs cannot be described and identified because people hide their real needs under the cover of socially accepted behavior. Further, each person is different and variety of items may prove to be motivating depending upon the needs of the individual, the situation the individual is in and what rewards the individual expects for the work done. It is the duty of the manager to match individual needs and expectations to the type of rewards available in the job setting.

Organization:

The climate in the organization must be conducive to human performance. Climate plays an important part in determining worker's motivation. The climate in an organization is determined by a number of variables such as its leadership styles, autonomy enjoyed by members, growth prospects, emotional support from members, reward structure etc.

Environment:

A worker does not live in two separate worlds, one inside the factory and the other outside it. The troubles and pleasures of off the job life cannot be put aside when reporting for work in the morning nor can factory matters be dropped when returning home after work. On the job experiences and off the job experiences are inextricably interwoven and cannot be separated in to water tight compartments. Culture, norms, customs, images and attributes accorded by society to particular jobs, professionals and

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occupation and the worker's home life – all play a strong motivation role. An individual may prefer to do the job of an officer (because it has social status and gives a lot of power) rather than serve as a college teacher (powerless position). In other words factor such as social status and social acceptance play an important role in shaping the motivations of people.

3. DEFINITIONS OF MOTIVATION TYPESET TEXT

3.1 Creech

Motivation is typically defined by psychologists as a stimulation that causes the creation of aroused, sustained and directed behavior. This behavior in turn leads individuals to work and perform towards goal achievement. Several authors had also studied on the principal concept behind motivation.

3.2 Kreitner

Motivation is psychological process that results to a directional and purposeful behavior. Motivation is also defined as the tendency to behave in an appropriate manner to attain certain needs.

3.3 Hersberg

He had classified motivation into two factors. These two factors are motivators and hygiene's. Intrinsic or motivator factors pertain to recognition, achievement and attainment of job satisfaction. Alternatively, extrinsic or hygiene refer to job security and payment.

3.4 Halle

He noted that business coaching has a number of significant purposes in the organization, particularly in relation to transformation and enhancement. For instance, this technique helps in motivating the employees, especially when problems or issues arise. Through business coaches, the essence of teamwork is emphasized. Moreover, by providing polite criticisms to the employees, they are able to realize their weak points, resulting to developed and more efficient worker.

4. RESEARCH OBJECTIVES

- To study the staff's motivation level toward their job in the company.
- To find out whether the employees are fairly paid as compared to the work they do.
- To ensure whether employees are motivated to meet new challenges.
- To find out which are the important tools that motivates the employee
- To find out whether employees are rewarded for their work?
- To find out whether there is any significant level of relationship between personal factors of the employees (Working, Recognition, Informal Workgroup, Career Growth, Open Communication) and the motivation level.

5. RESEARCH PROBLEM

The Research Problem is to find out the essence of human resource of the industry and to analyse how the human resource is concern in all the aspects of industry working and its development. The research also undertakes the finding of factors affecting the employee motivation at company.

6. HYPOTHESIS

Ho (Null): There is a no significant relationship between the work experience and fringe benefits.

Ha (Alternate): There is significant relationship between the work experience and fringe benefits.

Ho (Null): There is a no significant relationship between the organizational structure (Working Environment, Recognition, Informal Workgroup, Career Growth, Open Communication) And the level of motivation

Ha (Alternate): There is significant relationship between the organizational structure (Working Environment, Recognition, Informal Workgroup, Career Growth, Open Communication) And the level of motivation

7. RESEARCH METHODOLOGY

7.1 POPULATION (N)

The total element of the universe from which sample is selected for the purpose of study is known as the population.

The population type includes executives, Assistant managers, managers and head of various departments.

The population here is 200.

7.2 SAMPLE (n)

All the items considered in any field of enquiry constitutes of a universe for a population.

In this research only a few items can be selected from the population for our study purpose. The items selected constitute what is technically called as sample.

The population type includes executives, Assistant managers, managers and head of various departments. Here our sample size is 50.

7.3 COLLECTION OF DATA

The data source: Primary and secondary

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The research approach: Survey method

The research instrument: Questionnaire Method (Primary source)

Secondary sources: journals, magazines, articles

The respondents: Executives, Assistant managers, managers and head of various departments

Ha (Alternate): There is significant relationship between the organizational structure (Working Environment, Recognition, Informal Workgroup, Career Growth, Open Communication) And the level of motivation

8. DATA ANALYSIS AND INTERPRETATION

8.1 Simple Percentage Analysis

Here the simple percentage analysis is used for calculating the percentage of motivation level in the total respondents.

8.2 Employee Motivation comparison Using Combined Mean:

Combined mean was calculated to find out level of Motivation of employee for different factors.

$$Combined\ Mean\ \bar{Z} = \frac{n_x \bar{x} + n_y \bar{y}}{n_x + n_y}$$

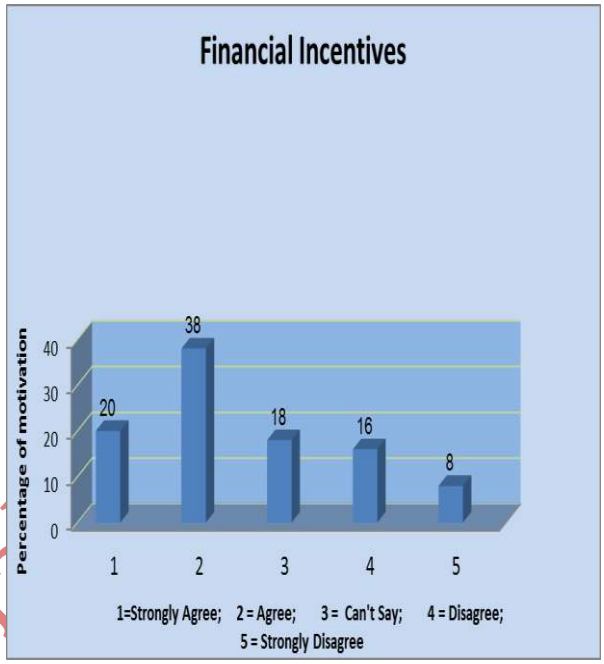
Where $\bar{x}, \bar{y}$: $mean$,

n_x, n_y: $number\ of\ respondent$

Simple Percentage Table – 1:

The following table gives us the evidence about the financial incentives within company where employee was asked to rate among the five parameters, in order to judge the level of employee motivation within the organization.

Financial Incentives	Frequency	Percentage
Strongly Agree	10	20
Agree	19	38
Neutral	9	18
Disagree	8	16
Strongly disagree	4	8
Total	50	100



Interpretation:

Majority of respondent (58%) agree that there are financial Incentives within the company and rest (42%) were neutral or disagree.

Simple Percentage Table – 2:

The following table gives us the evidence about the retirement benefits within company where employee was asked to rate among the five parameters, in order to judge the level of employee motivation within the organization.

Retirement Benefit	Frequency	Percentage
Strongly Agree	6	12
Agree	14	28
Neutral	24	48
Disagree	6	12
Strongly disagree	0	0
Total	50	100

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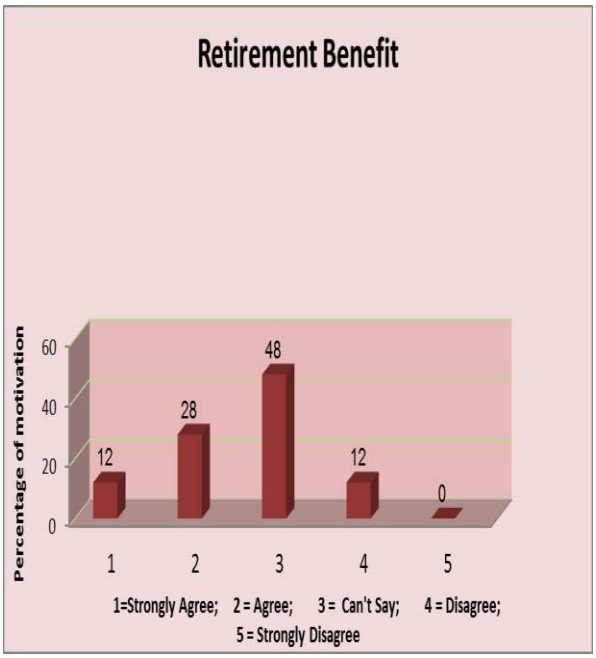


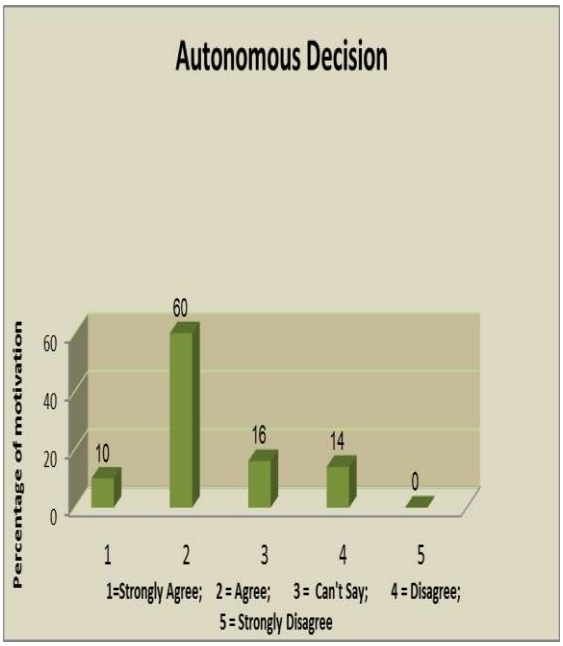
Interpretation:

Majority of respondent (40%) agree that there are better retirements benefits within the company and rest (60%) were neutral or disagree.

Simple Percentage Table – 3:

The following table gives us the evidence about the autonomous decision within company where employee was asked to rate among the five parameters, in order to judge the level of employee motivation within the organization.

Autonomous Decision	Frequency	Percentage
Strongly Agree	5	10
Agree	30	60
Neutral	8	16
Disagree	7	14
Strongly disagree	0	0
Total	50	100



Interpretation:

Majority of respondent (70%) agree that they generally believe in autonomous decision by him/herself within the company and rest (30%) were neutral or disagree.

Simple Percentage Table – 4:

The following table gives us the evidence about the training and development within company where employee was asked to rate among the five parameters, in order to judge the level of employee motivation within the organization.

Training & Development	Frequency	Percentage
Strongly Agree	9	18
Agree	35	70
Can't Say	5	10
Disagree	1	2
Strongly disagree	0	0
Total	50	100

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Interpretation:

Majority of respondent (88%) agree that there are provided training & development chances within the company and rest (12%) were neutral or disagree.

9. STATISTICAL ANALYSIS / HYPOTHESIS TESTING

CHI-SQUARE TEST:

Chi-square Test is applied to test the goodness of fit, to verify the distribution of observed data with assumed theoretical distribution. Therefore it is a measure to study the divergence of actual and expected frequencies: Karl Pearson's has developed a method to test the difference between the theoretical (hypothesis) and observed value.

Chi-Square Test, $X^2 = \sum(Oij - Eij)^2 / Eij$

Degree of freedom, ***df*** = (r - 1) (c -1)

Where,

Oij = Observed Frequency;

Eij = Expected Frequency;

R = Number of Rows;

C = Number of Columns;

Hypothesis 1:

Ho (Null): There is a no significant relationship between the work experience and fringe benefits.

Ha (Alternate): There is significant relationship between the work experience and fringe benefits.

Observed Frequency:

Particular	Medical	Pension	Accommodation	Other Monetary	Total
Under 2 Years	1	3	2	3	9
2 - 5 Years	6	2	6	2	16
Above 5 Years	8	6	5	6	25
Total	15	11	13	11	50

We can find out Expected Frequency using the formula of Eij,

$$Eij = \frac{\text{Row Total} * \text{Column Total}}{\text{Grand Total}}$$

For e.g. Eij = (15*9) / 50 = 2.70

Expected Frequency:

Particular	Medical	Pension	Accommodation	Other Monetary	Total
Under 2 Years	2.7	1.98	2.34	1.98	9
2 - 5 Years	4.8	3.52	4.16	3.52	16
Above 5Years	7.5	5.5	6.5	5.5	25
Total	15	11	13	11	50

Experience	Benefits	Oij	Eij	(Oij-Eij)	$(Oij-Eij)^2$	$(Oij-Eij)^2$ /

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						Eij
Under 2 years	Medical	1	2.7	1.7	2.89	1.0704
	Pension	3	1.98	1.02	1.0404	0.5255
	Accommodation	2	2.34	-0.34	0.1156	0.0494
	Other Monitory	3	1.98	1.02	1.0404	0.5255
2-5 Years	Medical	6	4.8	1.2	1.44	0.3
	Pension	2	3.52	-1.52	2.3104	0.6564
	Accommodation	6	4.16	1.84	3.3856	0.8138
	Other Monitory	2	3.52	-1.52	2.3104	0.6564
Above 5Years	Medical	8	7.5	0.5	0.25	0.0333
	Pension	6	5.5	0.5	0.25	0.0455
	Accommodation	5	6.5	-1.5	2.25	0.3462
	Other Monitory	6	5.5	0.5	0.25	0.0455
					X^2 (cal)=	5.0679

X^2 (cal) = 5.0679
df = (r - 1) (c - 1)
= (3-1) (4-1)
= 6
df = 6 and @ 5% significance level, X^2 (tab) = 12.592
X^2 (cal) < X^2 (tab)
Therefore, Hypothesis is accepted.
There is a no significance difference between the work experience and fringe benefits.

Hypothesis 2:

Ho (Null): There is a no significant relationship between the organizational Structure (Working Environment, Recognition, Informal Workgroup, Career Growth, and Open Communication) and the level of motivation

Ha (Alternate): There is significant relationship between the organizational Structure (Working Environment, Recognition, Informal Workgroup, Career Growth, Open Communication) and the level of motivation

Observed Frequency:

Particular	Strongly Agree	Agree	Can't Say	Strongly Disagree	Total
Working Environment	18	29	2	1	50
Recognition	22	23	4	1	50
Informal Workgroup	18	29	2	1	50
Career Growth	14	28	6	2	50
Open Commu.	11	22	12	5	50
Total	83	131	26	10	250

We can find out Expected Frequency using the formula of Eij,

$$Eij = \frac{\text{Row Total} * \text{Column Total}}{\text{Grand Total}}$$

For e.g. Eij = (83*50) / 250 = 16.60

Expected Frequency:

Particular	Strongly Agree	Agree	Can't Say	Strongly Disagree	Total
Working Environment	16.6	26.2	5.2	2	50
Recognition	16.6	26.2	5.2	2	50
Informal Workgroup	16.6	26.2	5.2	2	50
Career Growth	16.6	26.2	5.2	2	50
Open Commu.	16.6	26.2	5.2	2	50
Total	83	131	26	10	250

Particular	Oij	Eij	(Oij-Eij)	$(Oij-Eij)^2$	$(Oij-Eij)^2$ / Eij

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Working Environment	18	16.6	1.4	1.96	0.1181
	29	26.2	2.8	7.84	0.2992
	2	5.2	-3.2	10.24	1.9692
	1	2	-1	1	0.5000
Recognition	22	16.6	5.4	29.16	1.7566
	23	26.2	-3.2	10.24	0.3908
	4	5.2	-1.2	1.44	0.2769
	1	2	-1	1	0.5000
Informal Workgroup	18	16.6	1.4	1.96	0.1181
	29	26.2	2.8	7.84	0.2992
	2	5.2	-3.2	10.24	1.9692
	1	2	-1	1	0.5000
CareerGrowth	14	16.6	-2.6	6.76	0.4072
	28	26.2	1.8	3.24	0.1237
	6	5.2	0.8	0.64	0.1231
	2	2	0	0	0.0000
OpenCommu.	11	16.6	-5.6	31.36	1.8892
	22	26.2	-4.2	17.64	0.6733
	12	5.2	6.8	46.24	8.8923
	5	2	3	9	4.5000
				$X^2_{(cal)}=$	25.3062

$X^2_{(cal)} = 25.3062$

df = (r - 1) (c - 1)

= (5-1) (4-1)

= 12

df = 12 and @ 5% significance level, $X^2_{(tab)} = 21.026$

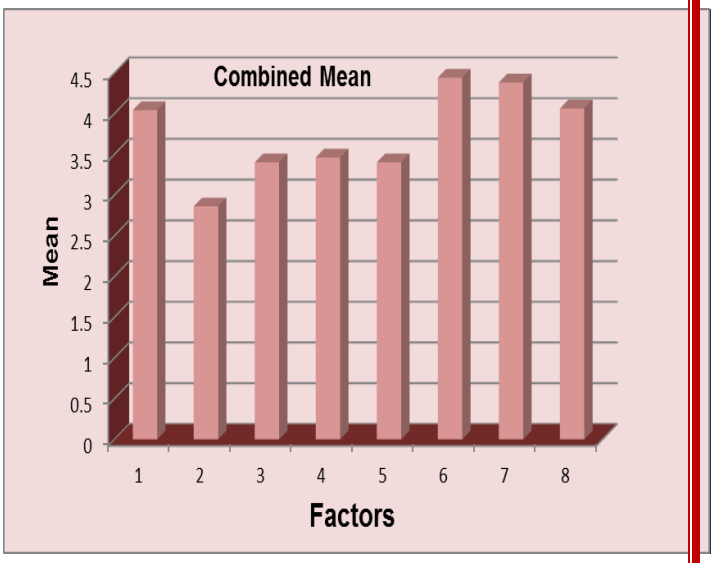
$X^2_{(cal)} > X^2_{(tab)}$

Therefore, Hypothesis is rejected. There is significant relationship between the organizational structure (Working Environment, Recognition, Informal Workgroup, Career Growth, and Open Communication) and the level of motivation

10. DESCRIPTIVE STATISTICAL TABLE (Combined Mean)

The Table below show the combined mean of the perceived value of employee motivation in relation with factors described. Higher the score, better the motivation of the particular factor.

Factor	Combined Mean	Remarks
Training & Development	4.04	Excellent
Autonomous Decision	2.86	average
Retirement Benefit	3.4	Good
Financial Benefit	3.46	Good
Job Security	3.4	Good
Roles & Responsibility	4.44	Excellent
Teamwork	4.38	Excellent
Growth Opportunity	4.06	Excellent



Interpretation:

The average employee motivation for total respondent is 3.755 which indicate that the employees are relatively

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motivated with the various services being catered by the company. It can be attributed to the fact that the company caters to the various needs of the employees. It also shows that employees are not motivated with the autonomous decision (mean - 2.86) compared to other areas. Similarly other areas must be taken care by the company like retirement benefit (mean – 3.4); revise the financial benefit structure (mean - 3.46) and Job Security should be modified (mean - 3.4). Total respondent shows that employees are more motivated with the growth and development opportunities provided by the company (mean - 4.06), teamwork (mean - 4.38), roles and responsibility (mean - 4.44), Training & Development provided by company for their particular job (mean - 4.04).

11. RECOMMENDATION AND SUGGESTIONS

- Benchmark rates of pay other companies in the same labour market. Analyse the industrial trends and according to the trends make revisions in the pay structure if you are lacking behind.
- Retention bonus should be offered. Retention packages could be designed to raise the salaries of the technologist and of those who became credential in specialty areas, or obtain additional education or take more responsibility.
- Implement grade and base pay structure, pay-for-performance management systems for annual increment and bonus distribution.
- Managers should be trained more effectively to coach and develop their teams.
- Implement Training Need Analysis and ask each of the head of department to act according to the guidelines given by HRD and send only those employees who require desired skills to improve competency for job.
- Outsource some of the training specially related to IT which need experienced IT trainer with practical exposure.
- Demonstrate to employees that the company value them and takes efforts to advance their career and will help them for their personal growth.
- A good employee/manager relationship is very useful for employee motivation hence so healthy relationship should be maintained.
- Implement 360 degree system so that from top to bottom everyone included giving feedback for an employee.
- Encourage line managers to 'observe people doing things right' And give positive feedback when people perform well.
- Conduct regular performance feedback to identify employee strength and weakness, and help them to improve in those areas which will lead to job advancement.
- Implement job rotation method so that everyone can get an opportunity to access other department and develop multi-tasking abilities.
- Provide well defined career paths, mentors and tuition remuneration for job related education.
- Provide a clear professional development plan for employees.

12. RESEARCH FINDINGS & CONCLUSION

Findings from Simple Percentage Analysis and Combined Mean

- The data regarding financial incentives states that there are 58% of employees motivated through financial Incentives while 42% employees are motivated through Non-financial Incentives.
- Minority of employees (40%) agree that there are better retirement benefits within the company and Majority of the Employees (60%) were neutral or disagree means in the organization retirement benefits are not sufficient.
- The data regarding autonomous decision states that there are (70%) of employees agree that they generally believe in autonomous decision means they don't want any interference in their departmental or own decision and rest (30%) were neutral or disagree.
- The data regarding training and development states that there are (88%) of employees agree that they are motivated through training provided to their current job and rest of (12%) are disagree or neutral.
- Employees are motivated through training & development with mean value of 4.04 is an excellent Level.
- Employees are motivated through autonomous decision with mean value of 2.86 is an average Level.
- Employees are motivated through retirement benefits with mean value of 3.4 is a good Level.
- Employees are motivated through financial benefits with mean value of 3.46 is a good Level.
- Employees are motivated through job security with mean value of 3.4 is a good Level.
- Employees are motivated through roles and responsibility with mean value of 4.44 is an excellent Level.
- Employees are motivated through teamwork with mean value of 4.38 is an excellent Level.
- Employees are motivated through Growth Opportunity with mean value of 4.06 is an excellent Level.

Findings from Chi-Square Analysis

- There is a no significance difference between the work experience and fringe benefits.
- There is significant relationship between the organizational structure (Working Env't, Recognition, Informal Workgroup, Career Growth, and Open Communication) and the level of motivation.

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