

A STUDY ON MOTIVATION HAS THE STRATEGY TO ATTRACT AND RETAINING THE EMPLOYEES IN ANCILLARY INDUSTRIES OF BHEL, TIRUCHIRAPPALLI

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ABSTRACT

In the present day context of unpredictability in the fast changing economic and market scenario, the organizations around the world have to demonstrate excellence in performance. In fact, with the passage of time, the work environment is changing from non- competitive nature to more and more competitiveness in all aspects. It is not possible to run organizations effectively without the support from employees. Employees are the most valuable asset for any organization. Identification of employees' needs and motivation become the primary focus of managers. Based on primary and secondary data. For this study, the ancillary industries associated with the BHEL, Trichy is selected as the study area. The employees of different cadre in the ancillary industries of BHEL at Trichy are treated as the population of the study. Out of 560 ancillary industries, ten major players are considered for the study. About 115 Employees from different levels of management categories are taken in to account as respondents from each ancillary industry of BHEL, Trichy. Since the respondents are chosen from different strata, stratified sampling technique is used to carry out the research. The findings of the study highlight that marital status, age; job position and work experience are the most significant demographic factors affecting the level of motivation among the hotel employees. It also demonstrates that working hours, career development, involvements in decision making and other activities, reward and recognition and workload are the most significant factors in predicting the level of motivation of ancillary industry of BHEL, Trichy.

INTRODUCTION

In the present day context of unpredictability in the fast changing economic and market scenario, the organizations around the world have to demonstrate excellence in performance. In fact, with the passage of time, the work environment is changing from non- competitive nature to more and more competitiveness in all aspects. The expectations of employees are going day by day, calling upon the employers to respond to their needs for offering a challenging job, a challenging career and a challenging work environment. This ultimately leads towards a challenging task of attraction and retention of employees. Therefore, there is a need for attraction and retention of talent by formulating new human resource strategies from time-to –time to ensure a sustained competitive advantage. This requires a systematic approach towards attraction and retention of employees in the organization. As the people in any organization are different from others and they are unique and non imitable, they reflect the cutting edge of the organization. It is up to the organization how the people are nurtured, developed and retained in the organization. Perhaps, it would not be difficult to attract people in an organization. The difficulty would be to engage them appropriately and retain them for a long term. Here, the organization has to prepare for various challenges all the time. The challenge is to ensure appropriate engagement and development of the employees, harnessing their fullest potentialities. The challenge is to retain them in organization for long term. It is essential to understand in this context as to why retention is a challenging job. Understandably, this is due to various factors that attraction and retention is a challenge. The probable factors may be due to the demographic conditions and socio-cultural expectations and changes. The factors may be on account of the changes in the world of work. Motivation is considered to be a strategy to attract and retaining the employee in organisation. The various motivation factors are highly influence the employee to give the greater output.

LITERATURE REVIEW

It is not possible to run organizations effectively without the support from employees. Employees are the most valuable asset for any organization. Identification of employees' needs and motivation become the primary focus of managers (Bedeian, 1993). According to Maslow (1943) people constantly desire next circumstances which they do not yet have. Once lower need has been satisfied, people try to achieve the next level. Therefore, lower need no longer acts as a motivation factor. The need of the next higher level in the hierarchy has become the motivation factor. People search ways to achieve the demand of next level. Maslow has divided five levels of needs ascending from the lowest to the highest level of needs: physiological needs, safety needs, social needs, esteem needs, and need for self-actualization. Physiological needs, safety needs, social needs are considered as lower order needs and esteem needs and self-actualization are considered as higher order needs. Physiological needs satisfy the basic human needs such as air, food, water, shelter. Safety needs are the need for protection and security. Workplace benefits such as medical allowances, job security, transportation, accommodation can be considered as safety needs. Social needs are the needs of people for family, belongingness, love and friendship. It is important for employee to build a pleasant relationship at the workplace with supervisors, co workers and subordinates. In the stage of esteem need, employee feels the sense of importance, confidence and competence. Achievement, recognition, status etc are esteem needs of employees at the workplace. Self actualization is the last stage in the hierarchy need of motivation. Self-development, creativity, challenge at work are motivation factors at this stage.

Hygiene two factors theory of motivation were developed by Frederick Herzberg in 1959. This theory has close relations with Maslow's theory. Herzberg (1959) has emphasized two factors of motivation Hygiene factors and Motivation factors. According to Herzberg (1959) motivation factors are achievement, recognition, responsibility, advancement and growth. Hygiene factors are company policy, supervision, relationship, working conditions and salary. Hygiene factors are considered as job dissatisfaction factors. According to this theory, hygiene factors do not create much satisfaction to employees even though these.

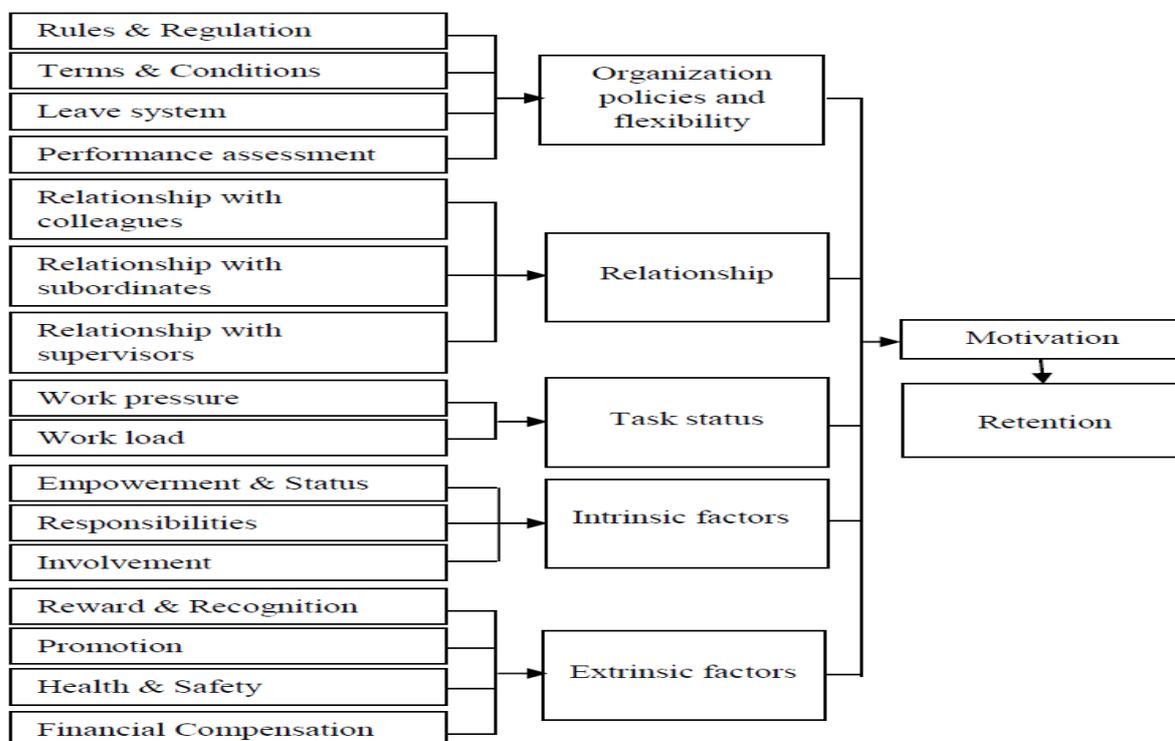


Figure 2: Conceptual framework of the study

Factors are present at the workplace. Herzberg considers motivation factors as job satisfaction factors. Nowadays, employees expect more from the organisation. Financial and non financial benefits are not sufficient for most of the employees. Employees expect recognition of their effort, more responsibility, challenging work etc, rather than financial and non financial benefits.

The heart of motivation is to give people what they really want from the work. The more you are able to provide what they want, the more you should expect what you really want, namely: productivity, quality, and service (Dell, 1988). Omotayo et al (2014) indicate that salary and promotion have positive significant implications on employee retention. Further, authors mentioned that awards and relationships have negative impact on employee job satisfaction at workplace. Aguenza & Som (2012) suggested that employers should focus on issues and relationships with the employee in order to perform organization function effectively. Further Aguenza & Som (2012) mentioned that employee value proposition, reward system, performance feedback, flexibility, and building a culture of engagement will help to improve the performance of the employee. Urdziková & Kiss (2009) highlighted that improvement in motivation lead to increases the efficiency of the organization goals. Some of the organisations retain their employees due to company brand, caring and transparent, training and development, structured career planning process, global career opportunities, work ethics, challenging work assignments and freedom to work (Sandhya & Kumar, 2011). Samuel & Chipunza (2009) identified that reward and recognition have significantly influence on employee retention in private sector and salary package significantly influence on public sector employees. Lindner (1998) indicates that interesting work and good pay are the key factors to motivate employees. The author has further mentioned that full appreciation of the work done by employee, job security, good working conditions, promotions and growth in the organization, feeling of being in on things, personal loyalty to employees, tactful discipline, and sympathetic help with personal problems are motivational factors along with those two key factors. Conerly (2013) mentioned that high pay, recognition and responsibility, flexibility, benefits and look for stressors are some of the retention strategies which organisation should have. Ogaboh & Ushie (2010) revealed that management should focus on salary, promotion, leave benefit, career development and working hours in order to retain hotel employee. Further, authors mentioned that inflexible working hour impact on workers turnover in the hotel and guest house sector. Rao (2012) suggests some of the retention strategies which organisation needs to follow. Those are clear communication, stress free work environment, time, training, career growth, work life 6

balance, flexible working hours, granting compassionate and urgency leave. Sajjad et al (2013) suggest that motivation factors such as employee relationship, responsibility, behaviour and attitude and team work contribute to decrease employee's intention to quit organization. Reddy (2010) found that employee turnover costs companies 30 to 50% of the annual salary of entry-level employees, 150% of middle-level employees, and up to 400% for upper level, specialized employees. Bernard & Appolonius (2014) assess the relationship between motivation and retention of academic staff and found that there is a strong positive relationship between motivation and employee retention. The conceptual framework in figure 2 was developed based on the literature review and the experiences of the researchers. The conceptual framework highlights that organisation policies and flexibility, relationships, task status, intrinsic factors and extrinsic factors are the significant influencing factors of motivation at the workplace.

STATEMENT OF THE PROBLEM

With the challenges that every organization are now facing or will face in the immediate future, organizations must realize that the right people will not simply come to their organizations, and that the right people must be proactively sought by those organizations with their recruitment strategy. Organizational leaders must develop a learning organization that will continue to allow the employee to develop self, deploy a performance management system that is fair, transparent and allow for continuing coaching and feedback, create an environment that allows for leadership development through succession planning, and use all means to retain employees. Business practices such as work design, incentives, flexibility, training, and direction setting are seen as antecedents of employee involvement which then lead to organizational commitment, job satisfaction and turnover intentions, which positively influence employees' perceptions of the attractiveness of an organization

and their consequent likelihood to remain committed to such, but more research needs to actually measure whether this occurs across sectors, industries and employers.

OBJECTIVES OF THE STUDY

1. To know the socio demographic profile of the employees of the Ancillary industries of BHEL at Trichy.
2. To identify the motivation strategies that helps to attract and retain the employees in the organization.
3. To analyze the challenges faced by the organization to attract and retain the employees.
4. To measure the employees perception on motivation, expectation and Involvement towards the organization.
5. To evaluate the employees job satisfaction and Commitment towards the organization.
6. To measure the retention and productivity of the employees in the ancillary industries of BHEL, Trichy.

RESEARCH METHODOLOGY

This is an empirical survey, based on primary and secondary data. For this study, the ancillary industries associated with the BHEL, Trichy is selected as the study area. The present research takes the employees of different levels of management as the respondents to carry out the study.

$MOT = f(GEN, MST, AGE, QUA, POS, WXP, OUJ, FLX, WHR, FAC, CRD, RER, PRO, WPR, WKL, EMS, HAS, PRA, RIR, TRD, FCO, RCL, RSU, INV)$

Where,

MOT = Motivation. GEN = Gender, MST = Marital status, AGE = Age, QUA = Qualification, POS = Position, WXP = Work experience at present hotel, OUJ = Looking for a new job, FLX = Flexibility, WHR = Working hours, FAC = Facilities, CRD = Career development, RER = Reward & Recognition, PRO = Promotion, WPR = Work pressure, WKL = Workload, EMS = Empowerment & Status, HAS = Health & Safety, PRA = Performance assessment, RIR = Rights & Responsibilities, TRD = Training & Development, FCO = Financial Compensation, RCL = Relationship with colleagues, RSU = Relationship with supervisors, INV = Involvement in decision and other activities

Thus,

$MOT = \beta_1GEN + \beta_2MST + \beta_3AGE + \beta_4QUA + \beta_5POS + \beta_6WXP + \beta_7OUJ + \beta_8FLX + \beta_9WHR + \beta_{10}FAC + \beta_{11}CRD + \beta_{12}RER + \beta_{13}PRO + \beta_{14}WPR + \beta_{15}WKL + \beta_{16}EMS + \beta_{17}HAS + \beta_{18}PRA + \beta_{19}RIR + \beta_{20}TRD + \beta_{21}FCO + \beta_{22}RCL + \beta_{23}RSU + \beta_{24}INV + e$

POPULATION AND SAMPLES

The employees of different cadre in the ancillary industries of BHEL at Trichy are treated as the population of the study. Out of 560 ancillary industries, ten major players are considered for the study. About 115 Employees from different levels of management categories are taken in to account as respondents from each ancillary industry of BHEL, Trichy. Since the respondents are chosen from different strata, stratified sampling technique is used to carry out the research.

DATA ANALYSIS

Out of 115 employees, 81.73 percent of the respondents were male and 18.27 percent were females. Majority of the respondents (71.304%) are unmarried. Age distribution indicates that a larger number (64.34%) of respondents belong to the age limit between 20 to 25 years. Only 1.73 percent of employees were below 20 years and 11.34 percent employees were above 30 years. The mean age of the sample was 23.96 years. The survey reveals that 80.86 percent of employees are having less than one year of experience at their present organization. Seventy percent of the employees were having the secondary level education and 5.21 percent were having only the primary level education. Diploma holders in the sample were 20.86 percent and 4.34 percent were graduates. Cronbach's Alpha value of 0.8621 indicates that the questionnaire used for the study is highly reliable

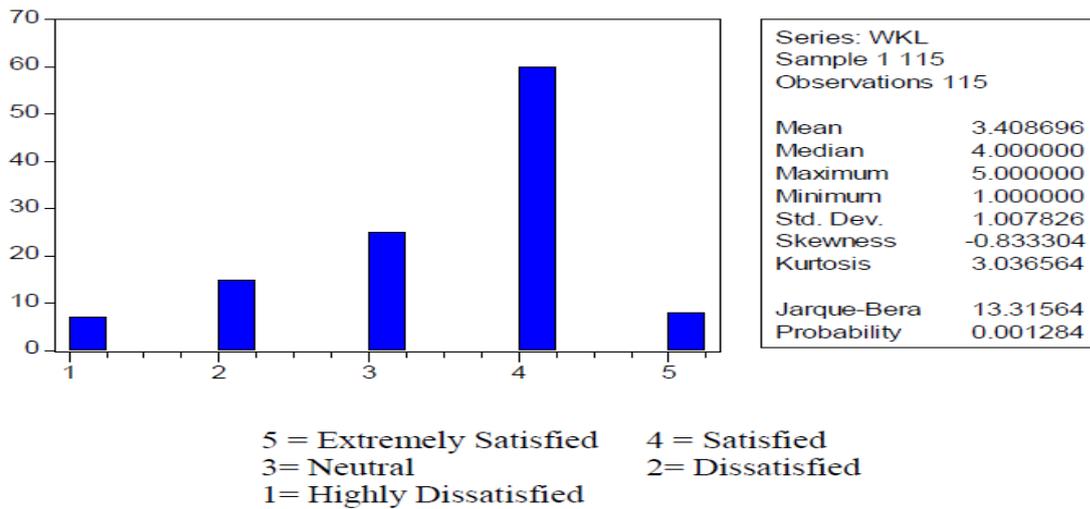


Figure 3: Opinion of employees on their workload

Figure 3 represents the opinion of the respondents on their workload at present organisation. The figure shows that 62 percent of the employees are satisfied on their assigned workload. Seven percent are highly dissatisfied and 25 percent are neutral. Skewness value of -0.48 indicates that the satisfaction level of majority of the employees are below the average level.

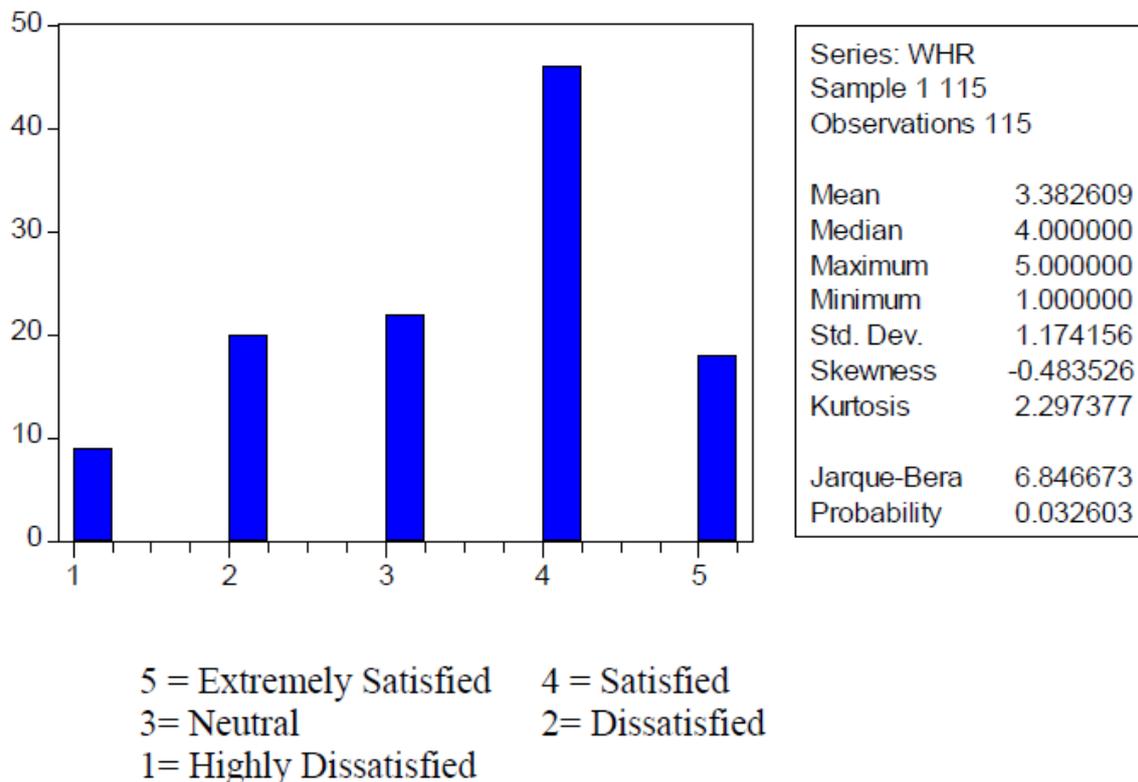


Figure 4: Opinion of employee on their working hours

Figure 4 reveals that 47 percent of the employees are satisfied about the working hours and 21 percent are dissatisfied on their working hours. However, the Skewness value is -0.084.

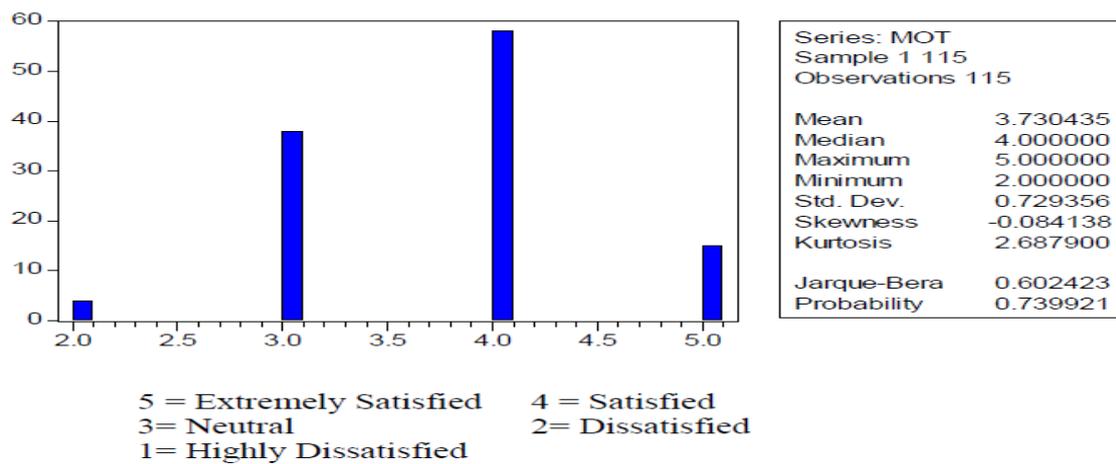


Figure 5: Opinion of employee on their level of motivation

Figure 5: Opinion of employee on their level of motivation

Figure 5 represents the opinion of employees on their level of motivation at their present organisation.

About 41 percent of the employees revealed that the level of motivation at their present organisation is at the average or below the average.

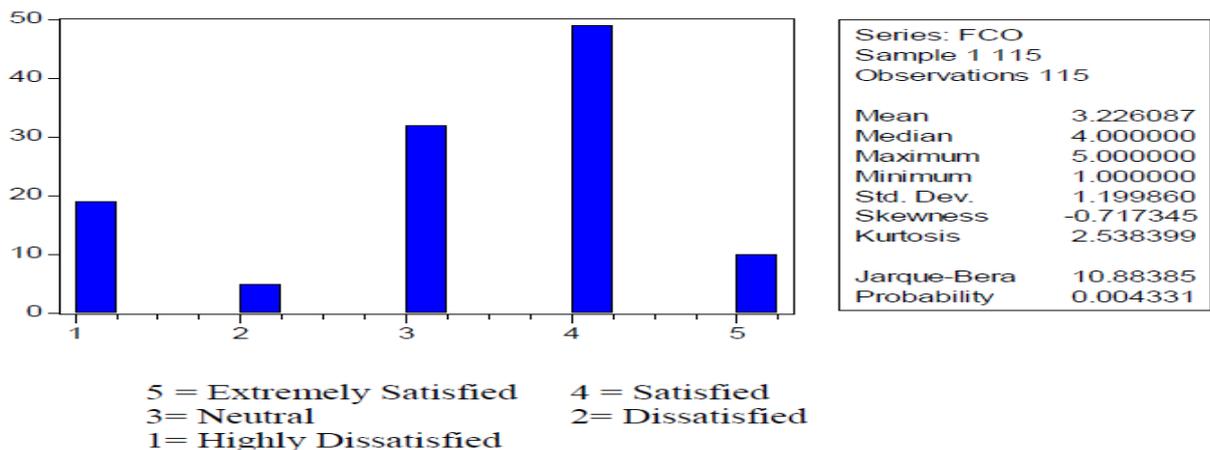


Figure 6: Opinion of employee on their financial compensation

Figure 6 represents the opinion of the employees on their financial compensation. As per the graph, 42 percent of the employees are highly satisfied on the financial compensation including bonus and allowance provided by the organisation. Opinion of 30 percent of the employees is neutral.

Table 1 shows the estimated coefficients and their probably values of the logit model.

* Significant at 0.05 significance level ** Significant at 0.10 significance level

Marital status (MST), Age (AGE), Position (POS), Working experience at present hotel (WXP), Working hours (WHR), Career development (CRD), Reward & Recognition (RER), Workload (WKL) and Involvement in decision and other activities (INV) are statistically significant as their *p* values are less than 0.05. Facilities (FAC) and Performance assessment policy (PRA) are also

statistically significant at 0.10 significant level. However, Gender (GEN), Qualification (QUA), Looking for a new job (OUJ), Flexibility (FLX) , Promotion (PRO), Work pressure (WPR), Empowerment & Status (EMS), Health and Safety 11

Table 1: Estimated confidents and their probability values

Variable	Coefficient	Prob. Value
GEN	0.775850	0.2170
MST	-1.756597*	0.0359
AGE	0.235350*	0.0000
QUA	0.072611	0.8863
POS	1.083923*	0.0031
WXP	-0.040102*	0.0223
OUJ	0.351234	0.1720
FLX	0.528938	0.2600
WHR	-0.614452*	0.0374
FAC	-0.453033**	0.0956
CRD	0.874176*	0.0298
RER	0.266551*	0.0490
PRO	-0.469531	0.1507
WPR	0.393958	0.4103
WKL	-0.217870*	0.0359
EMS	-0.507274	0.3021
HAS	-0.674506	0.1244
PRA	0.934360**	0.0716
RIR	0.343580	0.5395
TRD	0.419691	0.3983
FCO	-0.076565	0.7791
RCL	-0.255315	0.5720
RSU	-0.671952	0.1629
INV	1.253917*	0.0198

(HAS), Rights & Responsibilities (RIR), Training & Development (TRD), Financial compensation (FCO), Relationship with colleagues (RCL), and Relationship with supervisors (RSU) are not statistically significant at 0.05 significance level. Based on the output in Table 1, the following equation can be estimated.

MOT=0.7758499436GEN-

1.756597034MST+0.2353496992AGE+0.07261110062QUA+1.083922877POS-

0.04010165913WXP+0.3512336602OUJ+0.5289382676FLX-0.6144516177WHR-

0.4530332211FAC+0.874175728CRD+0.2665505779RER-0.4695305499PRO+0.3939580721WPR-

0.217870187WKL-0.5072739715EMS-

0.6745061686HAS+0.934359522PRA+0.3435801347RIR+0.4196912867TRD-0.07656537279FCO-

0.25531489RCL-0.6719524945RSU+1.253916645INV

Threshold limits are;

MOT_2 = @CLOGISTIC(10.5377543-I_MOT)

MOT_3 = @CLOGISTIC(15.46483697-I_MOT) - @CLOGISTIC(10.5377543-I_MOT)

MOT_4 = @CLOGISTIC(19.03294774-I_MOT) - @CLOGISTIC(15.46483697-I_MOT)

MOT_5 = 1 - @CLOGISTIC(19.03294774-I_MOT)

Figure 7 depicts the histogram of the standardized residuals and the Jarque-Bera statistic. The value of the JB statistics is expected to be zero. Therefore,

H0: Residuals are normally distributed

H1: Residuals are not normally distributed

Since the JB statistics of the ordered Logit model is 1.542 and the p value is 0.462434, the null hypothesis is not rejected. Therefore, the residuals are normally distributed.

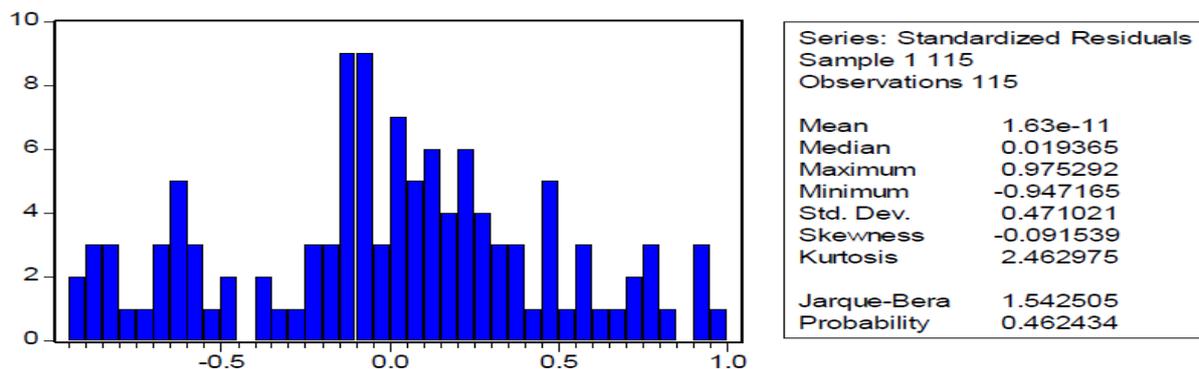


Figure 7: Histogram of the standardized residuals

CONCLUSION

The findings of the study highlight that marital status, age, job position and work experience are the most significant demographic factors affecting the level of motivation among the hotel employees. It also demonstrates that working hours, career development, involvements in decision making and other activities, reward and recognition and workload are the most significant factors in predicting the level of motivation of ancillary industries of BHEL at Trichy . The majority of the respondents have mentioned that the level of satisfaction on the motivation of organization flexibility and working hours are low. It suggests that management should give attention of the organization regulations, terms and conditions and the leave system. Employees want to realize the aspiration. However, every employee does not have the same needs. It is necessary to motivate employees different ways based on their needs. In order to motivate employees, the management must understand the current level of the needs of the employees. If an employee does not respond to economic incentive, the management should consider alternative sources of employee motivation. Management should develop strategies to satisfy these needs which will help to increase the level of satisfaction on motivation. The study found that financial compensation is not statistically significant

at 0.05 confidence level in predicting the level of motivation of hotel employees. This suggests that financial compensation does not impact much on their motivation. Management needs to consider non financial factors, such as, implement flexibility in terms of rules and regulations, terms and conditions, leave, concerned on employee career development, recognition, working hours, work pressure, right and responsibility. In addition to the attention on the above factors, the management can implement work life balancing programs, stress management workshops, family get together parties at the workplace in order to motivate and retain the employees.

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