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A REVIEW PAPER ON EMPLOYEE MOTIVATION – A KEY FACTOR TO RETAIN VALUABLE EMPLOYEES

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ABSTRACT

The objective of the study is identifying the role of motivation to retain the employees who are of the utmost value to the organizations. This paper also studies various motivational theories and its implications to retain employees. It also studies the purpose of retaining the employees as human resources are most valuable assets of every organization. Employee motivation is very difficult, especially when there is very strong competition in the field of the organization's business activities, concerning not only products but employees too. In today's highly competitive market, there is extensive evidence that organizations regardless of size, technological advances, market focus and other factors are facing retention challenges. Even when unemployment is high, organizations are particularly concerned about retaining their best employees..

Keywords- *Motivation, retention, competition, business, assets, employees.*

I. INTRODUCTION

EMPLOYEE MOTIVATION

Meaning and Definition:

Motivation has been derived from a word, 'motive' which means needs, wants, desires or drives within the individuals. It is the process to stimulate people to actions to attain the goals of the organisations. In the context of work goal, the psychological factors stimulate the people's behavior can be:

Desire for money, recognition, success, job satisfaction, team work etc.

Motivation is that which energizes, directs and sustains behavior.

Motivation can be also be defined as one's direction to behavior, or what causes a person to want to repeat a behavior and vice versa.

Employee motivation is a level of energy, commitment, and creativity which a company's workforce bring to their jobs. Whether the economy is prospering or falling, finding ways to motivate employees is always a managerial concern. Competing theories stress either incentives or employee involvement (empowerment).

Before proceeding it is important to enshrine the meaning of valuable employees.

Employees are a common and essential element of any organization, constitute its human resources, who, using their creative powers and work skills, create new values reflected in the growth and success of the organization. At the same time, however, they constitute a force that - due to improper management - may cause an adverse economic situation in the organization. Therefore it is very important for any organization to realize who its valuable employees are so that they can retain them for long for the prosperity of their business.

Importance of motivating the employees:

1. Motivating the employees is very important for any business. If the workforce is motivated, they can become highly productive which ultimately helps to achieve organizational goals.
2. Before motivating the employees, it should be understood by the management of the organization that what factors or forces actually motivates the employees to do better.
3. Motivation helps in both achieving organizational objective thereby retaining the best employees.
4. Every individual has different motivations factors. It can include everything from monetary incentives to rewards and recognitions that support work-life-balance. The opportunities are endless and rewards are substantial.
5. Not every program could be incentivize the workforce, employees become more motivated when they are identified and rewarded for the good work they do for the organisations.

6. Feedback plays an important role in employee motivation. It should be both ways, superiors should regularly give feedback to the subordinates working under them and subordinates should also ask for their own feedback from their superiors so that they can improve wherever required.
7. Meeting personal goals also helps employees to become motivated to perform better.
8. Motivation also helps the employees in job satisfaction.
9. Motivating the employees also helps in increasing the efficiency of the employees.
10. Goals of the organization can be reached if workforce is highly motivated.
11. If the employees are motivated they will develop a sense of belonging for their organization which will help in the growth of the organization.

Objectives of employees' motivation:

1. The purpose of motivation is to create condition in which people are willing to work with zeal, initiative, interest and enthusiasm with a high personal and group moral satisfaction with a sense of responsibility.
2. To increase loyalty against company.
3. For improving discipline and with pride and confidence in cohesive manner so that the goal of an organization is achieved effectively.
4. Motivational techniques are utilized in stimulating employee growth.
5. For achieving the desired set of production.

Theories of Motivation

Incentive Theories:

Intrinsic motivation (internal or inherent):it is the self-desire to seek out new challenges and new things to analyze one's capacity, to observe and to gain knowledge.

Extrinsic motivation (external):Extrinsic motivation refers to the performance of an activity in pursuit to attain a desired outcome and it is the opposite to intrinsic motivation. Extrinsic motivation comes from influences outside the individual.

Content Theories

It was one of the earliest theories of motivation. Content theories can also be referred to as the need theories, because the focus of this theory is on the importance of what motivates us (needs). In other words, they try to identify what our "needs" are and how they relate to motivation to fulfill those needs. Another definition could be defined by Pritchard and Ashwood, is the process used to allocate energy to maximize the satisfaction of needs.

Maslow's need hierarchy theory

This is a theory in psychology which was proposed by Abraham Maslow in his 1943 paper "A Theory of Human Motivation" in Psychological Review. Maslow subsequently extended the idea to include his observations of humans' inner curiosity.

Physiological needs

These are the physical requirements for the survival of human beings. If these requirements are not met, the human body cannot function properly and will ultimately fail. Physiological needs are thought to be the most important, hence they should be met first.

Safety needs

Once a person's physiological needs are met, their safety needs take precedence and dominate behavior. Security and Safety needs include:

- Financial security
- Personal security
- Health and well-beings

Social needs

After physiological and safety needs are fulfilled, the third level of human needs is interpersonal and involves feelings of belongingness.

Esteem needs

Once the social needs are met like friendship, love, care etc., employees want to achieve self-respect. Low self-esteem or an inferiority complex may result from imbalances during this level in the hierarchy thereby lacking in motivation.

Self-actualization needs

This level of need refers to what a person's full potential is and the realization of that potential. Maslow describes this level as the desire to accomplish everything that one can, to become the most that one can be.

HERZBERG'S TWO-FACTOR THEORY

Frederick Herzberg's two-factor theory concludes that certain factors in the workplace result in job satisfaction, but if absent, they don't lead to dissatisfaction but no satisfaction. The factors that motivate people can change over their lifetime, but "respect for me as a person" is one of the top motivating factors at any stage of life.

He distinguished between:

Motivators (e.g. challenging work, recognition, responsibility) which give positive satisfaction, and

Hygiene factors(e.g. status, job security, salary and fringe benefits) that do not motivate if present, but, if absent, result in demotivation.

EMPLOYEE RETENTION

Employee retention refers to the ability of an organization to retain its employees. Here we are talking about valuable employees who serve the organization with full dedication, hard work and resilience.

Why is it Necessary to Retain Valuable Employees?

Fitz-enz (1997) stated that the average company loses approximately \$1 million with every 10 managerial and professional employees who leave the organization. Combined with direct and indirect cost, the total cost of an valuable employee turnover is a minimum of one year's pay and benefit or a maximum of two years' pay and benefits. There is significant economic impact with an organization losing any of its valuable employees, especially given the knowledge that is lost with the employee's exit. This is the knowledge that is used to meet the needs of the organizations.

CONCLUSION

The subject of work motivation is serious, rather complex, and highly relevant nowadays. For a long time, theoreticians have been trying to understand its essence and create an adequate theory of it. On the other hand managers require a methodology and procedures for motivating employees as the success of organizations lies in the workforce and its satisfaction. In any case, great attention has been paid to motivation for decades, whereas a broad, but still open knowledge base has come to the surface. The need to point out the application of motivation is given mainly by the fact that the success of an organisation depends primarily on the satisfaction of its employees. Increasing the productivity of human resources is a challenging task and its solution lies in modern ways of people management. Purposeful formation, development and implementation of human resources require a systemically outlined human resource management on the basis of the goals and objectives of the organisation. Motivation to improve work performance is to a large extent a part of satisfaction itself.

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