CHAPTER – 2

REVIEW OF LITERATURE
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2.1 INTRODUCTION

A great amount of world wide wealth occurs in the form of human capital. Therefore, managing human resources plays a crucial role in a process of increasing the company’s effectiveness. The most important function of Human Resource Management is motivation. The importance of motivating people at work is noticed at all levels of the organization. The various literature on the subject of motivation shows that there are several ways to motivate employees. In the present study, the factors of motivation have been classified as Monetary Factors and Non-Monetary Factors. Researches have put much effort to identify the best motivators.

This chapter portrays the review of literatures related to the present study on Employees’ Motivational Factors. Both foreign and Indian research studies had been collected, reviewed and presented in this chapter. The literatures have been grouped under the following segments:

I Monetary Factors
II Non-monetary Factors
III Organisational Effectiveness

2.2 MONETARY FACTORS

The monetary motivational factors are connected directly with money or measurable in monetary worth which is provided for better performance. These factors are extremely attractive to employees as they get the benefits quickly and in
concrete terms. This part of review of literature which pertains to the monetary factors of motivation is further segmented as:

i) Emoluments

ii) Fringe benefits

iii) Rewards

2.2.1 Emoluments

Emoluments are compensations an individual receives in exchange for performing an organizational task. It includes direct financial compensation and indirect financial compensation. The objective of the emoluments is to create a system of rewards that is equitable to the employer and the employee alike. It should be adequate, equitable, balanced, cost effective, secure, incentive providing and acceptable to the employees. The various literature reviews on emoluments can be viewed as follows:

Laura Leete (2000), on his study examined the relationship between wage dispersion method and employee motivation. The study found some difference in the distribution of wages between employees of the different types of organization and concluded that non-profit organization exhibited wage equality as the motivational strategy for the employees.

The study of Orvill Adams (2000) intended to provide an overview on the effect of pay and non pay incentives on workforce’s performance. The study identified pay, direct financial benefits, indirect financial benefits, financial and non-financial incentives are the factors of motivation and concluded that financial incentives were used as an aid for recruitment and retention of employees.
Shun Linda Wang (2003) in an innovative study focused on the effectiveness of the incentives package on employee motivation and performance level of the employees working in construction based organizations. On analysis, it was found that incentive based bonus increased employee’s motivation level and aligns action to achieve goals.

Sara L. Rynes (2004), on his empirical study found that pay had a strong motivational potential among the employees of non-government and unorganized organization. The study proved that the effectiveness of motivation factor depends on the way it is actually administered in practice and suggested to take any pay complains seriously.

Dongho Kim (2006), through his study, identified good wages as the top motivation factor over 40 years. He re-emphasized on some necessary component of employee motivation and to understand the motivational factors by the managers. It was found that the employee changes their priority on the motivational factors over time and he suggested to identify employee inputs and value it before any motivation program is implemented.

Akanbi (2008), through his study investigated the influence of intrinsic and extrinsic factors of motivation on the performance level of the employees. On analysis, it was found that with an increase in the external motivation factor, namely salary, a corresponding increase was found in the workers’ performance level.

Navdeep Kumkar (2011), through his study found that highly motivated and satisfied employees were the core strength for the success of every organization. The study focused on the influence of motivational factors, namely salary, facilities and promotion on the employees’ satisfaction level in the organization. On analysis, it
was found that among the three variables, salary was found to be the most influencing factor of motivation on employees’ performance level.

Farhad Ebrahim Abadi (2011), on his study focused on the influencing factors of motivation based on revisiting expectancy theory on the employees of National Iranian Oil Products Distribution Company in Isfahan and Kurdistan. It was found that when an employee performs well, would expects Good pay, Monetary bonuses and Pay increase and the motivation of employees decreases if they do not receive theses extrinsic rewards.

Malik Muhammad Shabiq (2011), through his study found that salary was a very important factor for employee motivation as compared to other variables like promotions, full appreciation of work done, job security, good working conditions and personal loyalty. His study on employees working in different banks found good salary could able to retain high performance employees, get maximum employee performance and satisfy legal standards.

Faheem Ghazanfar (2011) using a theoretical framework based on Expectancy Theory, examined the relationship between satisfaction of employees with compensation and work motivation in Pakistan. The factors like fixed pay, flexible pay and benefits were examined. The study revealed that flexible pay did not work as a motivational factor in the jobs.

Muhammad Arshad, Mohammad Safdar & Qamar-u-Din (2012), from their study presumed that better paid employees were more satisfied and highly motivated. A study conducted on the employees motivation in Islamabad, proved that a good combination of positive factors with good salary would increase the motivation level of the work force.
Dr. Okan (2012), on his study on Universality of factors motivating employees, examined the various factors like fair wages, promotion policies, working environment that affected the motivation level of the employees working in the banking sector, Cyprus. The study found that fair remuneration and other monetary benefits included in the emolument offered were proved to be the most influencing factors in employee motivation.

According to the study of Dr. Muhammad Naseer Ud Din (2012), the motivation holds a pivotal role in the teaching and learning process. Among the factors, namely, Economic Status, Relationship with colleagues, Examination stress, Appreciation and anxiety, Reward and incentives, it is found that financial incentives and economic status had more effect on teachers’ motivation level.

Prathyay Pratim Datta (2013), in an innovative study proved that motivation and satisfaction of employees were the two key factors for the adequate productivity of any organization. On a cross-section study of the employees working in four corporate hospitals, factors like increment and promotions, accidental compensations and medical allowance provided by the organization were found to be the motivating factors for the employees.

Sarang. S. Bhola (2013), on the study of comparative assessment of employees’ perception towards motivational practices, found that individual financial incentives and salary increment were the most important factors for the employees’ satisfaction and motivation. The study suggested that the companies should pay more attention on individual financial incentive programs to attract their employees.
Renu Sharma (2013) on her study analyzed the impact of different components of compensation on motivation level of employees. The study classified the compensation into five components, namely Basic salary, short–term incentives, long term incentives, benefits and services, and finally perquisites. It was found that short term and long term incentives found to motivate the employees and concluded that the compensation package should include benefits other than performance link pay.

The above literature review related to emoluments concludes that the compensation the employees receive has a direct effect on their motivation level. Good salary was found to be the top motivating factor over 40 years. Studies had pointed out some differences found in the dispersion of compensation between employees of different types of organization. Performance based bonus and monetary benefits had aligned the action of employees to achieve their goals. A good compensation package can attract the future potential employees and make the recruitment process easier.

2.2.2 Fringe Benefits

Fringe benefits, referred to the benefits and services which an employee enjoys in addition to the salary or wages they receive. They are the substantial part of the salary administration. The purpose of such benefits is offered to retain employees in the organization and keeping absenteeism and attrition rate low. Fringe benefits include pension, paid vacation, health insurance, children educational allowance, housing facilities, subsidized lunch, transportation facilities, child care, etc. The various reviews of literature pertaining to fringe benefits are discussed below.
Muhammad Wasim Bhatti (2008), through his study designed an Imperative Motivational Factor Framework (IMFF) to identify the core motivational factors of employees. The design narrowed down the factors that could motivate the employees and identified that perquisites and health/life insurance benefits as the most influencing motivational factor for the employees.

According to Laikun Kong (2008), employee benefits included child care, retirement plan, social security, paid holidays, etc. The study investigated whether the fringe benefits to be made mandatory or not among the employees of food manufacturing factories. The study concluded that employers should not only provide mandatory benefits, but also improve fringe benefits that would increase the productivity.

Jooyoung Kwak (2009), through his study examined the effectiveness of fringe benefits in the compensation package and analyzed if the fringe benefits had any positive association with the performance level of the employees in a Korean firm. On analysis, it was found that employees welcomed the fringe benefits which included retirement benefits the most.

Said Kingir and Muammer Mesci (2010), on their study found social facilities like housing, transportation, medical benefits, etc., as the most influencing factors of motivation on the performance level of the employees. The study on the employees working in 20 five star hotels in Mugla city, Turkey, found that employees gave more importance and preference to material rewards rather than non-material rewards.

Nadia Sajjad Hafiza (2011) on her study examined the effect of intrinsic rewards like empowerment, challenging work, appreciation and extrinsic rewards
like pay, fringe benefits, bonus and promotion on employee motivation. The study proved that the employees valued the extrinsic rewards mainly the fringe benefits the most.

Waqas Khan (2012), on his study focused on the effects of different components of motivation on employees. According to the study, the compensation was divided into three basic components, namely fixed pay, flexible pay and benefits. On analysis, it was found that the valance benefit component of compensation which includes vacations, severance pay, medical insurance, retirement benefits etc., had more effect on employee motivation.

The above review concluded that fringe benefits have a higher relationship with employee satisfaction on their compensation package as compared to mandatory benefits. When employees get more fringe benefits, their commitment towards the organisation tends to increase. The studies proved that employees gave more importance and preference to the material benefits which are additionally included in their compensation package. The fringe benefits, raise the standard of living of the employees and contribute to enrich the quality of work life.

2.2.3 Rewards

A reward refers to anything that attracts an employee’s attention and stimulates him to work. It is an incentive scheme or a program to motivate individual or group performance. It is most frequently built on monetary rewards, but may also include a variety of non-monetary rewards and prizes. The reward plan is required to be properly communicated to the employees to encourage individual as well as group performance, in order to provide feedback and encourage redirection. The literature review pertaining to rewards is discussed below.
Roshan Levina Roberts (2005), on his study investigated the impact of rewards and recognition on employee motivation and explored that the factor rewards had great impact on the employees. The study on the employees working in insurance companies in Western Cape proved that the motivational level of the employee changes correspondingly with the alteration made on the reward and recognition.

Victoria Okojie (2009), focused on the various factors that influenced employee motivation in the National Library of Nigeria and also tried to find the impact of reward policies on the employees’ satisfaction level. On analysis, the study concluded that an effective and efficient reward policy would greatly enhance employee motivation, which in turn leads to greater productivity.

Anna Axelsoon and Sandra Bokedal (2009), conducted a study on understanding the reward system on motivating the employees among different generations. The study on the employees working in Volvo Car Corporation, concluded that the managers were not directly motivated by the reward system and the factors like challenging work and non-monetary rewards had impact on getting better results on the performance level.

Nandanwar. M.V and Surnis S.V (2010) on their study found salary might retain good employees, but an effective reward encourages the employees to improve their work efficiency and getting their best result. According to them, more monetary rewards could lead to more differences among employees and might have a negative impact on motivation level.

Fan Wu (2010), on his study investigated the incentive schemes which could motivate the employees to contribute to the improvement of the organization. Three
incentive schemes, namely public honour, a bonus at 60% of monetary pay and no rewards were used as the motivational factors. The study proved that the public honour motivated in a higher level of contribution than the bonus and concluded that bonus payment actually elicited a lower effort than no reward or public honour.

Tor Erikson (2010), investigated the effect of Respect – a symbolic reward as substitute to other monetary incentives and its influence on the organizational profit. It was found that the employees liked to be praised for their efforts and it constituted as an incentive device that supported to establish a relational contract between them.

Ong Tze San and Yip Mei Theen (2012) through their study on the insurance company and agency company in Malaysia, found that an appropriate reward system was essential for every organization to achieve its goal irrespective of the company’s size, role and position in the industry. The study concluded that the reward system increased the company’s financial and non-financial performance level and enhanced its reputation.

Christine Bradler (2013) in an innovative study, focused on the effect of public recognition on employee motivation and experimented whether recognition should be given to all employees or only according to their performance. The study concluded that recognition as a cost-effective motivation tool that increases the average effort to high performance level of the employees.

The above literature review on rewards concludes that the effective reward policies would greatly enhance the motivational level of the employees which in turn leads to increased productivity. Studies had provided that implementation of
reward system is essential for achieving the company’s goal, regardless of the organization’s size or their role and purpose in the industry.

From the above different literature review on Monetary Factors, it is concluded that money is still the most crucial motivating factor for employee that makes them perform well in the company. It is the factor which is indispensable for life and which is needed to satisfy basic needs of survival and security. Studies have pointed out that there was a significant improvement in the employees’ response rate with increased monetary incentives and helped the organizations to maintain positive motivational environment.

2.3 NON-MONETARY FACTORS

The Non-Monetary factors are the motivators which are not connected with monetary rewards. It is the non-financial incentives which are psychic rewards or the factors of enhanced position that can be secured in the working organization. The emphasis of non-monetary factors is to provide psychological and emotional satisfaction rather than financial satisfaction. The review of literature pertaining to the non-monetary factors of motivation are further segmented as follows:

i) Working Environment
ii) Performance Appraisal
iii) Training and Development
iv) Job Rotation
v) Career Development
vi) Employee Participation
vii) Promotion Policies
viii) Job Autonomy
2.3.1 Work Environment

Work Environment refers to the surrounding conditions in which an employee operates. It can be composed of physical conditions and also related to factors such as work procedure or process. It involves social interactions at the workplace, including interaction and relationship with peers, subordinates and managers. A good work environment is marked by attitudes such as trust between employees and management, fairness for everyone, and a sensible work load with challenging yet achievable goals. Workplace environment plays a vital role in motivating employees to perform their assigned work. The literature review pertaining to work environment is discussed below.

Catherine R. Curtis & Denver E Severt (2009) carried out a study at branded chain restaurants in Florida, found that good working condition was ranked as the top motivation factor among the other factors like promotion, career development, good salary, monetary incentives, etc. The study suggested that the organizations should focus more on their systems and policies to promote the motivation and organizational commitment.

Ivana Kurdratova (2009) carried out a study among social workers in various organization to identify the hierarchy of hygiene factors in motivating them. The factors included work itself, personal growth relationship with co-workers, and clarity in vision. It was found that a good relationship with co-workers and clarity in vision and responsibility as the most influencing factor of motivation.

Maznak Wan Omar (2010) conducted a study to identify the factors which lead to the employees' loyalty towards their organization. On analysis it was found that developing a good working condition and co-operation among peer were the
vital factors in the workplace. The study suggested the organization to take action to avoid conflict among the co-workers to reduce stress in the organisation.

Mohamed Javed Kalburgi (2010), on his study found that highly supportive supervisor, interpersonal relationship and grievances handling method of the organization motivated the employees to give high productivity. The study concluded that less rigidity in rules and good communication system would reduce the setback in the organizational growth and increase the productivity level.

G. Balachandrar and Dr. K. Subramanian (2010) from their study found Job Situation which included good working condition, training and recognition proved to motivate the employees in the accomplishment of organizational objectives. The study on the employees working in an insurance company in Kanyakumari District, Tamil Nadu, concluded that any changes made in the job situation variable would have a similar effect on the motivation level of the employees.

Anupama (2011), on her study focused on the reasons for difference in the satisfaction level of the employees and examined the role of organization’s climate as predictors of the companies’ satisfaction. The study on BPO companies proved that the organizational climate by and large had a positive impact on the employees’ perception.

Rizwan Qaiser Danish (2011) in her study, scrutinizes the impact of the employees’ opportunity, job involvement, working environment and incentives on employees’ commitment towards the organization. The study conducted at the private and public sector organizations of Gujranwala and Sialkot region, found that the working environment had a strong and positive relationship with the employees’ work commitment.
The study of Rajeswari Devadas (2011), focused on the various motivational practices adopted in the organization based on the findings of different integrative literature reviews. Theoretical and editorial literature confirmed that broader environmental factor was the key variable influencing employee motivation. The study suggested that regional, local and facility level analysis should be adopted to design a suitable environment reform program in achieving the organizational goals.

Dr. K. Chandrasekar (2011), on his study on employees working in a public sector organization analyzed on the impact of workplace affecting the employees’ performance level. The author concluded that managers/supervisors should need to be cordial while working with the whole gamut of work force to get better results.

Amna Waheed (2011), on her study examined the motivational factors of the employees in the retail sector and explored their level of job satisfaction using Herzberg’s Motivation – Hygiene Theory. The study proved that the Hygiene factors, namely good working condition was considered to be the most influencing factor of motivation.

Awosusi (2011), through her study, examined the motivational factors and job performance among the nurses in the Ekiti State, Nigeria and assessed the impact of the working environment on the motivation level. It was found that poor working conditions and role of supervisors had a negative impact on the performance level of the employees.

According to Dr. Muhammad Abdul Malik (2011), effective human resource practices are the cardinal and substantial for the survival of any business entity. The study examined the effect of non-monetary benefits like security, non-monetary incentives, tangible non-monetary incentives, relationship with peers on
the motivation level of the sales force of soft drink industry. The result of the correlation analysis revealed that the Security level in the organization and relationship with peers were prioritized.

Daljeet Singh Wadhwa (2011), on his study focused on the relationship between behavioral factor, environment factor and organization factor on the motivation level of the employees working in cement industry in Chhattisgarh. On comparing the three variables, it was found that a pleasant work environment would increase the motivation level of the employees.

Aworemi and Joshua Remi (2011), on their study sought to describe the ranked importance of motivational factors like job security, personal loyalty to employees, interesting work, good working condition, promotions and full appreciation of work done. The study resulted that good working condition includes good physical condition, good working relationship with superior, little tension on the job and freedom to adopt own approach was considered as the best motivating factor.

Mohammad Kamal Hossain (2012), in a case study conducted on KFC UK Ltd., found that non-financial factors significantly had a higher impact on the employees’ performance level than pay and other benefits. Among the different factors, conducive and interesting work environment had significant impact on the performance level of the employees.

The study of Chandranshu Sinha (2012) on middle level managers of two heavy engineering industries, examined three groups of factors, namely competence and relationship oriented factor, socialistic and futuristic oriented factor, and developmental and reward oriented factor as the motivational strategy. The result
indicated that the factors like organizational culture and good communication strategy motivated the employees in the organization.

According to Gulten Yurtseven and Ali Halici (2012) physical working conditions and low-status position were the most common reasons that caused problems in service industries and he focused on the important factor that affects the working environment. The study found the factors like getting on well with their colleagues, and experiencing a positive and supporting attitude from their superiors had influenced the motivational level of the employees.

According to Prakash Rao and Jay Prakash (2012), perceived organizational support was the main factor of motivation for the employees working in the construction industry. The study on civil construction company proved that employees were not motivated solely by money, but with the supervisors support and encouragement.

According to the Dr. S. Murugesan (2013), the Organizational Climate influenced the effective performance of the employees. The organizational climate factors include effective communication flow and conflict resolution had great influence on the perception of the employees. A study on Multinational companies in Chennai, indicated that the organizational climate had been positively correlated with the motivation and performance behaviour of the employees.

From the above literature review, it is found that a friendly and a good working environment plays an essential role in motivating the employees. The studies said that managers need to be cordial with the whole gamut of the work force to get better results. The studies have proved that poor working condition will have a
negative impact on the performance level of the employees. Employees preferred open communication system and timely feedback to them on their performance.

2.3.2 Performance Appraisal

Performance Appraisal refers to the assessment of an employee’s actual performance, behavior on the job and his/her potential for future performance. Appraisal has several objectives, but the main purposes are to assess training needs, to effect promotion and to give pay increase. Appraisal process proceeds in a set pattern and involved various steps and uses the appraisal data for different HR activities. Appraisal process helps in creating and maintaining a satisfactory level of performance of employees in their preset job and highlights employee needs and opportunities for personal growth and development. The literature review pertaining to performance appraisal is discussed below.

The study of Irfana Akram and Fizzah Malik (2010), focused on the effectiveness of the appraisal system adopted in the organization and examined its impact on employee motivation. The study conducted on the employees working in Universities proved that an ideal appraisal system encourages the employee in participation in setting the performance goal and motivated them in their improvement of the performance level.

The study of Dr. Kofi Osei Akuoko (2012) focused on the impact of performance appraisal system on employee motivation and also examined the effects of employee involvement and manager – subordinate relationship in the appraisal process. The study found that employee participation in setting up of appraisal objectives as the main source of motivation for the employees. The study concluded
that the outcome of appraisal process would help in sustaining the motivation and performance level of the employees.

Shaemi Barzoki Ali (2012), in his study at transport department and terminals in Esfahan province, Iran, investigates the influence of employees’ performance evaluation process on their intrinsic motivation. The analysis concluded that an effective and suitable evaluation process should provide necessary feedback to the employees and take action for inner motivation. The study indicated that the performance evaluation process of employees in an organization influenced the intrinsic motivation of the employees.

The review related to performance appraisal clearly pointed out that performance appraisal can be used as fuel to motivate the employees and can reinforce the desired behaviour and competence of the employees. An ideal appraisal system encourages the employee in participation in setting up the appraisal goal and objectives of the organization and motivated them in their improvement of performance level. The review suggests that the most accurate and fair assessment of the employees can be made through appraisal process which in turn motivated the employees.

2.3.3 Training and Development

Training and development activities are designed to impart specific skills, abilities and knowledge to employees. A program of training and development is important as it lends stability and flexibility to an organization, besides contributing to its capacity to grow. It has become more common and continuous task in any organization for updating the skill and knowledge of the employees in accordance
with changing technology. The literature reviews on training and development are discussed below.

Suzanne. G Benson (2003) in an innovative study applies Maslow’s need Model to understand the challenges in motivating the employees in the rapidly changing industry in Chicago. According to the study, changes in the industry need for more training and the use of technology in training had heightened access, faster distribution, innovation and increased collaboration. The study concluded that a leader should adopt new technology that provides challenges and opportunity for meeting the present needs.

According to Vidya Gawali (2009), an organization can motivate their employees through Cross-Training technique, which makes them skilled in tasks outside the usual parameters of their job. It was found that the employees were interested to learn new skills, and Cross-Training created learning environment and provided a chance to recognize their hidden talents in another field.

Mohsin Nadeem (2010), in his study, proposed a model which focused on the impact of training on employee motivation and organizational productivity. The study substantiated the relationship between employee motivation and effective training. He concluded that training help employees to reduce their anxiety and frustration on the unknown work and helped them to gain skills and knowledge of handling the work more effectively.

The above stated review of literature concludes that training helps the employees to recognize their hidden talents and provides better understanding between employees of different department through cross-training program. Studies have proved that training reduced employees’ anxiety and fear of unknown work.
Training motivated the employees to learn new technologies and skills, which may lead to improve the organizational productivity. Finally, a trained employee will work in the organization for a longer period since they grow along with the organizational growth.

2.3.4 Job Rotation

Job Rotation is a management approach where employees are shifted between two or more assignments or jobs at regular intervals of time in order to expose them to different experiences and a wider variety of skills to enhance job satisfaction. It is a pre-planned approach with an objective to test the employee skills and competencies in order to place him/her at the right place. It reduces monotony of the job and revives the willingness to handle a job and the challenge involved in it with some excitement and zeal. The literature review pertaining to job rotation is discussed below.

The study of Dr. Kurtulus Kaymaz (2010) explained the effect of job rotation on motivation using five variables, namely Decreasing Monotony, Increasing Knowledge, Skill and Competency, Determining the Correct Job/Position, Preparation for Management and Development of Social Relations. The study conducted on automobile manufacturing companies found that by adopting job rotation practices, the motivation level of the employees would get increased and reduces monotony in work.

Brajesh Kumar Varma (2011), in his study found that Skill Variety through job rotation gave employees a greater sense of competence and confidence to perform different kinds of work in the organization. A study conducted on the motivation level of the employees of Colgate Palmolive Company found challenging
job, goal, participation in decision making, feedback, cohesive work group and other non-monetary factors were found as a stimulant for employee motivation.

Liu Yinhuva (2012), in an innovative study analyzed the value of job rotation on human capital. It was found that job rotation produces positive learning and increases the accumulation of human capital. The study concluded that job rotation could set up a good development platform for the employees through promotion and improving the reciprocal action among the employees.

Faizan Mohsan (2012), on his study on the impact of job rotation on employee commitment and job involvement, found that when employees were rotated to different job across various departments, their commitment level and job involvement was found to increase. He concluded that the job rotation practice improves employee’s problem solving ability and enables them to avail promotion opportunities after completion of the job rotation program.

S.R. Sarvani (2013), on her study on influence of job rotation on employee motivation and performance level, found that by implementing job rotation policies, a systematic plan could be designed to evaluate job performance of the employees and greater attention could be devoted to skill diversity to staff. The study found that job rotation could result in increased job satisfaction and motivation of employees.

The various reviews of literature on job rotation indicated that the skill variety and task significance which are inherent in job rotation gave employee a greater sense of competency with their team and peers. The studies proved that job rotation practice reduces stress and monotony in job and motivated the employees to be more content and satisfied in their work. The job rotation could set up a good
development platform for the employees through promotion and improving the reciprocal action amongst employees.

2.3.5 Career Development

Career Development is a process of managing employees’ work experience within or between organizations. It is an ongoing organized and formalized effort that recognizes people as a vital organizational resource. Career development consists of skills, education, experiences as well as behavioral modification and refinement techniques that allow individuals to work better and add value. An effective career development program provides substantial employee assistance in self-diagnosis of interest, aptitudes and capabilities. The literature review related to career development has been discussed below.

According to Sarah K.K.N. Mwanje (2010), Career advancement which gives a picture of future opportunities motivates for the development of skills of the employees. The study conducted on banks of Uganda, analyzed the nature of the career development program to be adopted and focused on its effect on motivation, proved that chances of advancement in the organizational hierarchy had a highly positive effect on motivation level of the employees.

Prashant Singh (2011) carried out a study to understand the importance of motivation in increasing personnel productivity and shed light on the factors of motivation which affects the employee’s work performance, loyalty and commitment. According to him, to increase personnel productivity, a specially tailored compensation plan with career advancement and development opportunity would be more effective.
From the above review, it is concluded that an employee would be motivated to work to achieve a worthwhile goal when they can see a link between their action and a worthwhile outcome for themselves. Career development is not about getting ahead, but rather about getting to be the best an employee can be and finding a better place in an organization. Career development deals with the fundamental nature of relationship of individual to their work and to their organization.

2.3.6 Employee Participation

Employee participation is the mental and emotional involvement of employees in group situations that encourages them to contribute to a group goal and share responsibility for them. It is the redistribution of power between management and employees in the direction of individual democracy. The participation may be at board level, collective bargaining, job enlargement, and job enrichment and suggestion scheme. The purpose is to enhance employee commitment to the organisation. The literature review pertaining to employee participation has been discussed below.

Radha Mohan Chebolu (2005) on her study focused on the fact that if the employees are given a sense of ownership and participation in the management, they prove better results like profit sharing and ESOPs’. PEPSICO adopted this strategy where decision making power permeated even to the shop floor level. The empowerment strategy enabled the team-based departments to become more enthusiastic, active and successful.

According to Mansoor Hamood Al-Harthy (2007), retention of employees cannot be achieved without motivation through involvement of employee in decision making. A study on premium Oman based Oil Company, concluded that although
money is the important influencing factor in a competitive market, non-monetary factors also played a major role in motivating the employee than the monetary factors.

According to Rizwan Qaiser Danish (2010), employee participation was the most preferred factor for employee motivation program. The study proved that the employees’ participation in the decision making process made them more enthusiastic towards their work. The study concluded that employee participation derived higher productivity through the utilization of potential of employees in the company.

According to Monka Mohanan (2012), employee engagement was the level of commitment and involvement of an employee towards their organizational goal. The study found that involvement of employees in decision making, challenging job with more responsibilities and team building activities were the factors which motivate their employees and make them engaged in the performance of their goal.

According to Dr. Navita Nathani and Jaspreet Kaur (2012), a satisfied employee would always encourage the level of service and quality, which in turn would affect customer satisfaction and retention. The study proved that there was no effect of employee perception towards compensation on employee motivation, since the employee gave more importance to other factor like participation in decision making than the compensation.

The literature reviews conclude that organization had recognized employee participation as a potent motivating force beyond money. Participation enables the team based department to become more enthusiastic, makes the employee more involved and enthusiastic towards their work in the organization. Studies have also
proved that employee participation derives higher productivity through the utilization of potential of employees in the company and contribute to the group goal and share responsibility.

2.3.7 Promotion Policies

Promotion refers to upward movement in present job leading to greater responsibility, higher status and better salary. It may be temporary or permanent depending upon the organizational requirement. Promotion is given on the basis of seniority or merit or a combination of both. It stimulates self-development and creates interest in the job. It recognizes employees’ performance and commitment and motivates him/her towards better performance. The literature review pertaining to promotion is discussed below.

Takahashi (2006), in a study investigated the relative strength of effects of wages and promotion incentives on employees’ motivation. The study of the Toyota group, proved that fair promotion was a more powerful motivator than wage level. According to him, promotion act as an incentive mechanism, provided employees value with higher positions. Employers expected equity in decisions related to promotion in order to maintain a high level of motivation.

According to Kaleem Ullah khan and Syed Umar Farooq (2010), the individual motivation of an employee plays a major role in achieving higher levels of satisfaction among the organization’s customers. Promotion, Recognition and Benefits explain significant variance in employee work motivation and among these variables, promotion was found to be the most important and influential variable in the organization on motivating their employees.
Ankita Srivastava (2013), on her study, found that promotion and expectations were rated as the top motivating factors. On investigating the employees working in the nationalized banks concluded that there should be effective promotion policies to retain the high performers in the organization and to increase their productivity level.

From the above literature review on promotion it is understood that prestige of higher position stimulated employees to work harder. Fair promotion policies found to be the powerful motivator than salary increment. Equality in the decision of promotion policies will maintain a high level of motivation among all employees. Finally, studies have proved that every organization identified promotion as the most influencing variable for motivating their employees.

2.3.8 Job Autonomy

Job Autonomy referred as the degree to which the individual employee is given substantial freedom, independence and discretion in carrying out a work such as scheduling work and determining the procedure to follow. It affects the employees in the form of developing self-confidence, attaching high values to job and increased use of their talents and would result in better performance in terms of greater productivity, faster response and loyal customers. The literature reviews pertaining to job autonomy are discussed below.

Claus W. Langfred and Neta A. Mobe (2004), through their study constructed a model explaining the relationship between task autonomy and performance. The study found that the performance benefits of task autonomy might be realized by increased motivation by capitalization of information mechanisms or by better alignment with task and organizational structures.
Hadi and Adnan Adil (2010) on their study analyzed the various job features in the banking sector that had been influencing the motivation level of the employees. Task identity was found to be the most important predictor of Job Satisfaction according to the analysis. The study concluded that skill variety, task significance and autonomy as some of the job characteristics which could make the job more challenging and meaning.

According to Kameliia Petrova (2011), the interplay of autonomy and motivation affects the output and division of labour. The study concludes that offering autonomous jobs to unmotivated workers will not necessarily stimulate them to be more motivated. The author says that where there is autonomy in the job, the effect of motivation on the wage washes out, while with no autonomy on the job, motivated people receive lower wages.

Nnenna E Ukandu (2011) conducted a study to identify and adopt strategies that could be used to improve the level of motivation of workers in the fast food industry. The study recommended empowerment and autonomy in the execution of the job and involvement in decision making as the strategies to be adopted to improve the level of employee motivation. Effective empowerment of employees can lead to higher levels of skill development, and better time management for managers.

Tanisf. M (2012) on his study focused on the relationship between intrinsic reward factor and examined the most influencing intrinsic factor like task significance, task involvement, task autonomy, recognition and opportunity to learn among the employees. The study found that the factors like task involvement, task
autonomy, and recognition were the most common factors that reflected on job satisfaction of the employees.

The above literature review pertaining to Job Autonomy pointed out that it had a direct influence on the performance level of the employees. Job Autonomy, which gives an individual the substantial freedom, independence and discretion in carrying out a task, expected to result in higher motivation. Effective empowerment of employees can lead to higher levels of responsiveness and innovation, higher levels of employee motivation, lower levels of stress for employees and better time management for managers.

2.4 ORGANISATIONAL EFFECTIVENESS

Employee motivation is one of the policies of managers to increase effectual job management amongst employees in organizations. A motivated employee is responsive of the defined goals and objectives he/she must achieve, therefore they direct their efforts in that direction. Motivation formulates an organization more successful because provoked employees are constantly looking for improved practices to do a work, so it is essential for organizations to persuade motivation of their employees. The literature reviews pertaining to the organisational effectiveness are discussed below.

D. A. Olaniyan and Lucas. B. Ojo (2008), on their study, focused on the relative importance of staff training and development in relation to organisational effectiveness. They concluded that training improves the drive, initiative and quality of the work, assist the employees to be more committed to achieving the goals and objectives of the organization.
According to Prof. Dr. Muhammed Ehsan Malik (2011), increased employee’s performance accelerates organisational effectiveness. His study focused on the impact of employees’ performance and motivation towards organisational effectiveness, particularly in telecommunications and banking industries. The study found that effective organisational environment promotes the effectiveness of the organisation. Moreover, as the employees get self-motivated, the organisational effectiveness moves in a positive way.

According to K. Sandhya and D. Pradeep kumar (2011), by maintaining higher employee retention rates the employer can motivate potentially talented employees to join the organization. Employee retention involved major aspects of motivational factors. The study concluded that motivation helps in maintaining the low attrition rate and less absenteeism, which in turn increases the organization image.

The study of Omankhanlen Alex Ehimare (2011), indicated that the impact of workforce heterogeneity on organizational effectiveness when moderated by workgroup contexts is minimal. According to him, there is no direct positive relationship between workforce heterogeneity and organizational effectiveness. The effects are likely to be determined by the strategies a firm pursues and by how organization respond to and manage diversity.

According to Lubna Rizvi (2012), organizations could achieve its goal only if the employees working in the organization were properly motivated. A study was conducted to examine the employee motivation in relation to employee commitment, culture and job security among employees and found that there was a significant relationship between employee commitment and motivation.
According to Sapne Sharm (2012), motivation plays an important role in building employee commitment and loyalty to the organization. The study found that all Socioeconomic Environment factors, Psycho-cultural Factors, Work Hygiene Factors, Adaptive Factors and Leader Member Relationship Factors were having an impact on the overall satisfaction, stimulating them to involve in their job with more interest and resulted in an increased work commitment level.

According to Idris Adamu Alhaji (2012), motivation contributes to the overall working culture in an organization. It is also found that the organizational commitment had attributed to the influence on organizational effectiveness through motivation. Increased commitment will result in efficiency and greater outputs which every organization desires, organizations should reward the hard working employees either financially or non-financially.

According to Singh Satyendra Kumar (2012), no single motivation strategy can motivate all the people in an organization. Based on secondary data, the study focused on the motivational strategy to be adopted by the organization to enhance the productivity in an organization. The study concluded that by adopting different motivational strategies based on the level of organizational hierarchy would accelerate the development of the organization.

Pankaj Chaudhary (2012) in his study measured the effects of employees’ motivation on the organizational performance. The compensation benefits, namely salary and incentives, performance feedback and fringe benefits were some of the motivational factors for the employees that provided better team work. The study concluded that motivated employees were more productive in terms as compared to less or non-motivated employees.
According to Maryam T. Abbah (2014), motivation is an intricate and sophisticated subject, where the managers should understand and deal with it more carefully to obtain organisational success. In his study, on employee motivation, the key to effective organisational, found that an internally satisfied, delighted and motivated employee is actually a productive employee in an organization, which contributes in efficiency and effectiveness of the organization, and leads to maximization of profit.

From the above review, it is understood that motivation makes the employees more committed towards the organisation and results in organisational effectiveness. Motivation strategies help the organisation to reduce employee absenteeism and maintain low attrition rate. Studies have proven that motivation helps in bringing out the managerial capabilities and potentiality of the employees. Motivation stimulates the employees to involve in their job with more interest and helps to achieve the organisational goals. Finally, motivation is the effective tool in bringing an effective change in the organisational culture.

2.5 SUMMARY

The review of research studies relating to employee motivation reveals the existence of impact of motivation on employee and organizational efficiency. Both monetary and non-monetary factors are considered as workplace motivators. Studies have stated that monetary and non-monetary factors vary in their role and appropriateness depending upon their types and career stage. The attitude, feeling and emotion of the employees towards these factors in the organization plays a vital role in determining the reward system of the organization. Monetary incentives constitute primary motivators, essential to fulfill needs and wants of the work force.
But non-monetary factors have gained more significance in some industries to enhance employees’ performance in the present tight economic scenario and more efficient in motivating the workforce. Further, studies have recommended that decision makers should take into consideration the individual difference while devising a suitable motivational program for their workforce.