Chapter-VII
Motivation Approach in Human Resource Management and Productivity
CHAPTER - 7

MOTIVATIONAL APPROACH IN HUMAN RESOURCE MANAGEMENT & PRODUCTIVITY

7.0 MOTIVATION AND ITS APPROACH

Human motivation has a complex origin. Part of it is in the subconscious state, not easily observed or measured. It is unstable varying internally within the man. It is inter-variable with the environmental shifts. It is partly emotional and only partly logical. The emotional component itself is a changing compound of multiple strands in the emotional package, varying in nature and intensity. The group influence on the individuals distorts the link-line between desire (need) as input through the intervening variable, namely, activity or behaviour to the output, that is, performance toward the enterprise objective.

In the context of management of enterprise, what is important is to modify employees behaviour so as to direct it (most effectively) toward enterprise objective.

7.0.1 CONCEPT OF MOTIVATION

The concept of motivation has only recently been studied as a unique or distinct psychological process. In psychology it has been difficult to separate behaviour referred to as motivation from the emotional, perceptual learning and thinking processes.

Industrial psychologists have been somewhat more definitive. Vroom a well-known industrial psychologist defines
motivation as "a process governing choices, made by persons or lower organisms among alternative of motivated behaviour contain phrases like "workers make choices" or "individuals take voluntary action". Choice behaviours subsume many activities of individuals regarding their relationship with work. In industry, employee choice behaviours refer to decisions directed towards the following:

- Occupational preference
- Occupational choice,
- Organizational choice,
- Job attendance,
- Job performance,
- Self training,
- Creativity,
- Spontaneity, and
- Job termination.

Thus, psychologists view motivation as the force that impels or incites all living organisms to action. Three elements - needs, drives and goals interact in motivation. The needs of the man are numerous. He wants not only food, clothing and shelter but also status and recognition among his fellow men and society. Drives are the intra organic activities for a particular type of behaviour. Drives move one towards the goal. The goal may be food and drink or the social interaction. It can be almost anything that will alleviate the need of the man. Motivation in an organization is the willingness of an employee to respond to organizational requirements. The more positive the individual's motivation towards the organization, the more effective is his performance. Thus, motivation is the complex of forces starting and keeping a person
at work in an organization. In algebraic terms, if \( P \) stands for productivity, \( C \) capacity for work and \( M \) willingness for work.

\[ P = C \times M \text{ (and not } P = C + M) \]

Thus, motivation may be compared to an injection of a doctor that activities a patient; similarly motivation increases the will of the worker to raise productivity. The oft quoted words of Clearance Francis, former Chairman of the 'General Foods Corporation' of USA show the importance of motivation for a worker. "You can buy a man's time, you can buy a man's physical presence at a given place but you cannot buy his enthusiasm, initiative or loyalty".

### 7.1 CONCEPT OF WELFARE

Due to the rapid industrialization, employees have assumed as place of utmost importance in an organization. Naturally the employers provide better facilities to the employees so that they can give their best to the organization & help in achieving the organizational goals. They provide various welfare facilities to the employees & take care of their whole development along with various educational, psychological & mental well being of the employees.

Employee welfare is in the interest not only of the employee but also of the society as a whole. For the employee, welfare measured help to contact the negative effect of the factory system. These measures enable the employee & his family to lead a good life. Welfare facilities like housing, medical & children's education, recreation etc. help to improve the family life of productivity of
labor. Employee welfare is also in the larger interest of the society as a whole. The health, happiness & efficiency of each individual represents the general well being of all. Well-housed, well-fed & well looked after labor is not just an asset to the employer but also serves to raise the standards of industry & labor in the country.

Employers provide better welfare facilities to the employees so that they can take care of the physical, mental & psychological well being of the employees. Accordingly to an I.L.O. report 'workout' welfare may be understood as including such services facilities & amenities which may be established in, or in the vicinity an undertaking for employees to perform their work in health & congenial surroundings & to avail of facilities which improve their health & bring-high morale. Welfare measures are in addition to regular wages & other economic benefits available to employees under legal provision & collective bargaining. Welfare measures may be provided not only by employees but also by the govt., trade unions and other agencies too. The basic purpose of employee welfare is to improve the lot of the working class & thereby make a worker a good employee and a happy citizen. Employee welfare is thus an essential part of social welfare.

7.1.1 HUMAN RESOURCE MANAGEMENT

As a subject of study has received a wide spread support from both the academic and business segment of people of India. HRM deals with the management of people in the organization for achieving the organizational goals and objectives. However, these goals are better achieved if the personnel policies and procedures are well connected and mainly contribute in that direction. This is
so because if these are laid strategically, it will promote the employee satisfaction, which is foremost for any organization. Hence, like every corporate BEL Ghaziabad has also laid the welfare policies for its employees, since to satisfy them would mean paving the way, in tum, for the fruit of productivity in the organization.

**Knowing of the head of the welfare department**

Though the question is very general to which the Researcher had expected a 100% positive response from the employees, yet, after analyzing the responses available, he was surprised to make out that 5% of the employee-strength of BEL Ghaziabad was confused between the Head of the Welfare department and the Head of the Personal & Adjudication division! It clearly points to some communication gap among different divisions.

**Awareness amongst the employees about the Head of the Welfare Department.**

![Figure 7.1](image)
Awareness of all the Welfare Policies in BEL Ghaziabad

From this question the Researcher wanted to analyze as to how much the employees are really aware of all the existing welfare policies of BEL Ghaziabad. The Researcher received a positive response of 88% which is appreciated. All the employees can make use of all the policies, as they are fully aware of them. The segment of 12% employees also takes the benefit if these policies. Only they are not aware of all of the policies they use.

Level of Awareness of the employees amongst Welfare Policies

Fig. 7.2

Due to the importance of employees in the organization the welfare aspect has become the main subject of concern for the
employers. So for procuring and retaining the employees the best facilities are provided to them for the higher productivity and to gain loyalty and raise their morale. Through the welfare department in BEL Ghaziabad has come up with several statutory as well as non-statutory benefits. So the basic concern of the study is that if the employees are really aware of the welfare aspect, which is linked with their social, psychological and physical well-being. It however, largely depends on the welfare department of an organization to make the employees aware and realize about its working procedure and its relevance.

So with this objective the survey was done with at least 100 employees of a few selected divisions of BEL Ghaziabad, in order to gather information of the awareness among the employees regarding the different welfare policies, and to analyze their perception and level of satisfaction with these welfare policies. This research was carried out on a random basis so as to provide relevant information to the management about the views; recommendations of the employees of different cadres so as to provide necessary information to the management in fulfilling the organizational objectives and take corrective and effective steps towards it.

7.1.2 PERSONNEL AND ADMINISTRATION DIVISION OF BEL GHAZIABAD.

The Personnel & Administration is one of the numerous divisions in the BEL Ghaziabad. The head of this division works with the support of several officers and staff members, of the different departments. The other departments under the Division are:
Establishment
Welfare
Industrial Relations

7.1.3 ESTABLISHMENT DEPARTMENT

This department is the backbone of the company. All the policies of the company are being framed here. There are four Personnel Officers and other staff members, working under the direct supervision of a Manager. The formulation of several policies in the form of Office Orders and their sanctioning, are being carried out in this particular department. The different jobs undertaken in this Department are:

1. Recruitment
2. Induction
3. Transfer
4. Loans and Advances
5. Wages and Salary Administration
6. Confirmation of Jobs
7. Retirement/Voluntary Retirement/Dismissal
8. Intra and Inter Unit Transfer
9. Multipurpose Advances / Scooter / Motor Cycle / Car Advances
10. Performance Appraisal
11. Maintaining Statistics
12. Increment
13. Annual merit
14. Forwarding of Application for outside Jobs
15. Resignation
7.1.3.1 THE WELFARE DEPARTMENT

BEL Ghaziabad provides several welfare measures related to the physical, social and psychological being of the employees. According to the management, the welfare activities are the investment, which bring a social security among the workers, a responsible feeling towards their organization, and an intensified morale in them as well as a trust upon themselves and on their organization so that, the workers can work with their maximum efforts and can give the maximum output to the organization. Having the idea of "Welfare Activities as an investment to increase workers efficiency and effectiveness", several welfare facilities have been provided to the employees.

There are two types of welfare measures adopted by the Bharat Electronics Limited, Ghaziabad. These are:

A. STATUTORY:

These are the policies that have to be followed as per the acts being laid down for the Employees' welfare. So these are the legally enforced policies, which if not followed accordingly, can lead to penal action against the head players of the company i.e. the Management. These include:

(a) Canteen facility
(b) Crèche facility
(c) Medical facility
(d) Maternity facility
(e) SC/ST concessions
(f) Contract labor  
(g) DRFA facility  
(h) LWFA facility  
(i) Accident benefits  
(j) Safety facility

Canteen Grievances

To know the awareness of the employees about the canteen grievances about Supervisors, Canteen management committee, Welfare Department etc. Surprisingly 68% employees are not aware of the fact as to whom to contact initially for canteen grievances. Only 32% of the employees could give the exact answer.

Awareness about Canteen Grievances

Fig. 7.3
Awareness of about child to be kept in Creche

(i) 4 yrs  (ii) 6 yrs  (iii) 8 yrs  (iv) 5 yrs

This question was also very general for which the positive response was 86%. Most of the employees knew that the exact age limit of child should be 6 years to be kept in creche whereas a mere 14% of the employees did not know the exact age for the child eligible to be kept in creche.

Awareness About Age Limit of Child to be kept in Creche

Fig. 7.4

Awareness of availability of Annual Medical Treatment Allowances

In this question the Researcher got a 100% response from all employees and they are aware of the fact the annual monetary allowance
for medical treatment is available. All the employees both Executive and Non-Executive avail this amount annually.

**Awareness About MTA**

![Diagram of Awareness About MTA](image)

**Fig. 7.5**

**More Beneficial Welfare Policies**

Which of the welfare policies is more beneficial:

1. Medical Advance  
2. N.S.S.  
3. Labour Welfare Fund  
4. If any other, please specify

This being an objective question was easier for the respondents to answer. So the respondents have attempted to answer the best among them in terms of benefits even if each benefit is varying in nature and in terms of facilities etc.
As many as 86% employees opted for medical advance scheme, 6% opted for NSS & only 4% employees preferred LWF while another 4% employees recommended several other (i.e. Miscellaneous) policies.

**Awareness about More Beneficial Welfare Policy**

![Pie Chart]

**Fig. 7.6**

As for other items in the list of statutory welfare measures, such as – Maternity facility, SC/ST concessions etc. and problems pertaining to them very well and are properly attended to as and when they arise, as per the statutes. They do not merit any separate investigation.

**B. NON-STATUTORY:**

These facilities are at the Management's own discretion. These are:
(a) Workers' education facility
(b) Family Welfare schemes
(c) N.S.S. benefit
(d) Children's Personality Development Programme
(e) Sports and Cultural activities
(f) Transport facility
(g) Service benefits
(h) New Year Gifts
(i) Issue of Scrap Wood packing cabs, drums etc.
(j) Partial subsidy for get-togethers
(k) Issue of steel tumblers
(l) Vishwakarma Puja
(m) medical advance facility
(n) Bereavement facility
(o) Scholarship scheme for employees' children
(p) Air ticket / Foreign / Domestic / Railway tickets / Visa / Passport facility

Awareness of Statutory and Non-Statutory Policies

This Question was put-up to check the awareness of the employees when they could or could not make out the difference between the offered statutory as well as non-statutory welfare policies. This aimed at making the employees aware of it & also to bring to their knowledge about the facilities that management provides to them. A good percentage (87%) was found to be well aware of this difference. Only 13% betrayed the lack of such awareness.
However when they were asked specific questions about their awareness about the reimbursement in cases of Hepatitis A or B, their response was quite poor.

Awareness about statutory and non-statutory Welfare Policy

![Pie chart]

Fig. 7.7

Awareness about the Vaccination of Hepatitis ‘A’ and Hepatitis ‘B’

For the question the Researcher got around 90% negative response and only 10% positive. Most of the employees are not aware of the fact that vaccination of Hepatitis ‘A’ & Hepatitis ‘B’ are reimbursable only in those cases where an employee undergoes dialysis, where the
parent is infected with the disease, and that the vaccination of Hepatitis 'A' Hepatitis 'B' for children of the concerned parent are reimbursable.

Awareness about Vaccination

![Pie Chart](image)

Fig. 7.8

7.1.3.2 INDUSTRIAL RELATIONS DEPARTMENT

The Function of Industrial Department is to help in maintaining a smooth and harmonious relationship between the management and the union, within the organization. As per the Trade Unions Act of 1926, a minimum of 7 members can collectively from a union, which should be registered in the office of a Registrar of that particular state? The jobs of this department are as under:

1. To maintain harmonious relations
2. Dealing with the unions
3. Taking disciplinary action
4. Grievance handling
5. Encouraging workers' participation in management
6. Strikes, lockouts - avoidance
7. Implementation of labor laws
8. Control of absenteeism
9. Maintaining general discipline
10. Carrying out negotiations and collective bargaining

Conciliation

Criteria for the formation of the trade unions

All the trade unions of BEL Ghaziabad have to contend the elections and whichever union gets more than 50% votes of the employees. It stands as the SOLE BARGAINER within the organization. In case no union gets more than 50% votes, the first two trade unions getting highest number of votes are elected as NEGOTIATING TRADE UNIONS (NTU’S). The first election in BEL Ghaziabad Occurred in 1989 and since then, after every 2 years, an election is held.

There are 5 trade unions presently working in BEL Ghaziabad. these are:

1. BHARAT ELECTRONICS EMPLOYEES' UNION (CITU)
2. BHARAT ELECTRONICS LIMITED MAZDOOR UNION (BMS)
3. BHARAT ELECTRONICS LIMITED SHRAMIKA TRADE UNION (INTUC)
4. BHARAT ELECTRONICS WORKERS' UNION (HMS)
5. BHARAT ELECTRONICS PRODUCTION CARMIC UNION (AITUC)

All these unions are linked to the Central Labor Federations, which are in turn linked to the political parties. So, all the issues either at corporate level or at unit level are to be discussed with them.

MEDICAL INSPECTION ROOM

The BEL Ghaziabad has its own hospital built within the premises of the company where the panel doctor comes on regular visits for the check-up of the employees. The MI room consists of a chief medical officer, two doctors and nurses/compounders.

M.I. FACILITIES

This being a subjective question so most of the employees i.e. 80% of the sample are fully satisfied with the facilities provided in the M.I. room & they do not want any additional facility provided in the M.I. room while 20% of the employees want some improvement in the M.I. Room. Likewise they want in addition a Homeopathic & an Ayurvedic doctor along with their Allopathic counterparts.
Level of Satisfaction of Employees

As per the Factories ACT, 1948, BEL is having a well-maintained first aid rule. For the minor injuries, the doctors provide the first aid while, if any employee gets injured, he is brought to the MI room. However, in case an employee meets with a major accident in a company while doing his work or otherwise, he can be taken to the hospital outside the company which BEL recognized for such cases.

In addition to the above facility, there is a provision for a thorough health check-up of all the factory employees without discrimination. There is an ambulance in the company which is used in case of emergency inside the BEL premises.
The company itself reimburses all the expenses incurred on the medical treatment of the employees. Each employee gets a sum of Rs. 500/- annually, to avail the facility of MI room. The company has also employed a specialist panel of 230 and above doctors in most of the facility for its employees.

7.2 INCENTIVES

An 'incentive' or 'reward' can be anything that attracts an employee's attention and stimulates him to work. In the words of Burack and Smith, "An incentive scheme is a plan or programmes to motivate individual or group performance. An incentive programme is most frequently built on monetary rewards (incentive pay or monetary bonus), but may also include a variety of non-monetary rewards or prizes."

The use of incentives assumes that people's actions are related to their skills and ability to achieve important longer-run goals. Even though many organizations, by choice, or tradition or contract, allocate rewards on non-performance criteria, rewards should be regarded as a "pay off" for performance.

An Incentive Plan has the following important features:

1. An incentive plan may consist of both 'monetary' and 'non-monetary' elements. Mixed elements can provide the diversity needed to match the needs of individual employees.
2. The timing accuracy and frequency of incentives are the very basis of a successful incentive plan.

3. The plan requires that it should be properly communicated to the employees to encourage individual performance, provide feedback and encourage redirection.

7.2.1 DETERMINANTS OF INCENTIVES

These features are contingencies, which affect the suitability and design of incentives to varying degrees. The effective use of incentives depends on three variable - the individual, work situation, and incentive plan.

Different people value things differently. Enlightened managers realize that all people do not attach the same value to monetary incentives, bonuses, prizes or trips. Employees view these things differently. Like spoilt children they sometimes develop the feeling that these benefits and services are their "right" - which is not really so.

Secondly the administration of these benefits and services is a fairly costly affair, involving large outlays of direct and indirect financial expenditure, and often involves a great deal of paper work.

Moreover with an increase in benefits and services, employees, particularly when they are not very productive, tend to stick to their jobs, and are not interested in changing them.
Lastly when a management becomes more concerned about the provision and administration of benefits and services, it often pays very little attention to other aspects of personnel programmes. Over emphasis on these benefits and services may often develop a concern among the employees for their future security rather than for their present productivity.

7.2.2 FINANCIAL INCENTIVES

Incentives consist of two types: (i) Financial incentives, and (ii) Non-financial incentives. In the light of the need hierarchy concept, in case of persons operating at the lower level, where the physiological needs are not yet fully satisfied, money can be a very powerful motivator of human conduct. However, as one rises higher in the management hierarchy and therefore in the need hierarchy, money may still be important in view of rising prices and inflation in India, but its importance diminishes and other non-financial incentives become more powerful.

There is no escaping the fact that it is necessary to have an adequate compensation programme which will attract and retain key people of superior caliber in the organization. Such a programme would also stimulate such persons to improve their performance. Monetary compensation can be used to reward significant achievements made by them.
7.3 FRINGE BENEFITS

Such extra benefits, in addition to the normal wage or salary compensation, paid to employees or provided for the benefit of employees, is referred to loosely as fringe benefits.

The term fringe benefits perhaps came into use in the 1950's and can be credited to the regional chairman of the National War Labor Board in the United States.

In the UK, the early years of the industrial revolution saw the inclusion of the fringe benefits by social-minded employers. In the beginning, they included items aimed at relieving distress caused by physical disabilities, sickness and insecurity on retirement. Thereafter, the items in the fringe benefits increased and even the question of profit-sharing came into the picture. In India also, fringe benefits started with gratuitous payments, made by social-minded employers until the Factories Act of 1881 and subsequent legislation provided for compulsory benefits.

The extent of fringe benefits' payments vary by countries. For example, they range from 13 to 14 percent in the UK and 22.8 percent in the USA to 42 percent in Italy. In India fringe benefits constituted 21.30 percent of the total wage bill of industry. They however varied according to industries. For example, it was comparatively low in the manufacturing sector. However, it must be remembered that fringe benefits do add to the labor cost of industry and must ultimately reflect on the selling price of the product payable by the consumers.
Objectives and Types of Fringe Benefits

The main objectives with which such fringe benefits are offered are with a view to:

(1) induce happier employer-employee relations;
(2) generate good morale in the employees;
(3) provide a psychologically satisfactory work environment;
(4) cater to the health and the safety of the employees;
(5) promote employee welfare;
(6) induce loyalty to the company; and
(7) meet the legal requirements.

Fringe Benefits and other Incentives

A random survey about the desirability and utility of the fringe benefits in BEL Ghaziabad resulted in an expected response as is clear from the ensuing figure.
As per the chart maximum good 75% respondents strongly agree and another 10% just agree with BEL over time, fringe benefits facility.

These employee fringe benefits may be a result of management's policy decisions made voluntarily or may be those forced upon it by governmental legislation or as a result of bargaining with the trade unions. Benefits such as provident fund, gratuity, maternity benefits and workmen's compensation are those made compulsory by government legislation. Facilities regarding health, recreation, etc. are often introduced voluntarily by management. Benefits such as overtime, paid holidays and housing are housing are often a resultant of trade union pressures.

7.4 IMPACT ON PRODUCTIVITY

BEL'S CURRENT SCENARIO

BEL has its nine manufacturing units, in different parts of the country. During the year 2011-12 the numerical strength of employee at the Ghaziabad unit is 2681, second only to the employee strength at the Bangalore unit, which workout to 7793.

From the foregoing discussion it is clear that the Ghaziabad unit of BEL has throughout the years developed quite a healthy work culture. From professional relation among the various segments of employees – managerial, subordinates (including technicians and unskilled workers) and security personnel are by and large satisfactory. It is heartening to note that since its very inception
(1974) and specially during the last decade there has been comparatively few work and productivity related problems whenever their cropped up any, it was tided one satisfactorily. There does exist a mechanism which in the event of any bottleneck or grievance at any level, at once swings into action and tries to find out an early and worthwhile solution. As a result there have been almost a negligible number of strikes and no lockout during the past several years. It is quite clear from the various diagrams & tables in this and other foregoing chapters. By the wisdom the superiors and willing co-operation of their subordinate staff as a whole, productivity has not been allowed to get ill affected by the five trade unions active in the organization. A near family spirit is the hallmark of BEL Ghaziabad. After all this unit is engaged in manufacturing Radars, Tropo Communication Equipments, both of great strategic importance for the Indian Air Force which is its sole customer. So any factor that has a damaging effect on human resource management to which is irreparably tied to productivity is totally unwarranted. Figures show that productivity in the nine units of BEL is being maintained at a viable level. (See Annual Reports of BEL App. No. A) It is quite heartening in the case of the Ghaziabad unit as well.

This does not mean that there is no further scope for improvement. Complacency can prove counter productivity. The researcher has observed with a certain amount of concern that certain personnel – superior as well as subordinate – are satisfied with the status quo which tends to get static and ineffective in the absence of regular and frequent feed back. The healthy culture created so far needs be maintained with the help of constant vigilance and sincere efforts at all levels. This is an ongoing process
and should never be lost sight of. Sometimes seemingly trivial matters like maternity benefits, canteen related grievances may have a far reaching effect. They must be tackled properly at the very outset to maintain a healthy environment necessary for productivity. An organization can afford to ignore this factor at its own peril particularly in the present complex industrial scenario when new and new techniques are emerging.