“The Critical Analysis of Frederick Herzberg’s Theory of Motivation with reference to changing Perspective”

SYNOPSIS

1. Introduction

One of the most important factors that contribute to the success of the organization is employee motivation. Motivation is the multifaceted phenomenon that inspires employees to bring out their best for the achievement of personal as well as organizational goals. Employee motivation is always going to be a challenging task as an organization has to deal with the diverse workforce. The dynamic nature of the needs and expectations of the employees poses challenges to the organization to motivate the employees. The shortage of skilled workforce is one of the primary issues in the current business scenario. Lack of motivation observed to be its important cause. Motivation plays a key role in attracting and retaining talent pool.

One of the important researchers on this topic is Frederick Herzberg. His duel Factor Theory is useful for understanding “What motivates people”. Frederick Herzberg (1959) developed a theory which is based on two sets of factors; job satisfaction or job dissatisfaction. Job Satisfiers were designated as a Motivator while Job Dissatisfiers were termed as hygiene factors. (Hence called dual factor theory.)

According to Frederick Herzberg, there are two sets of needs. There is in built drive to avoid pain from the environment and basic biological drive which necessitates earning money i.e. money becomes specific drive. Another set includes ability to achieve psychological growth through achievements. Growth or Motivators are intrinsic to the job. These factors are achievement, recognition for achievement, responsibility and growth or advancement. Pain avoidances or dissatisfiers or hygiene factors are extrinsic to the job. These factors are company policy and administration, supervision, interpersonal relationships, working conditions, salary status and security.

The findings related to motivation-hygiene theory by Herzberg, suggested that the aspects related to motivation, i.e. job satisfaction (motivator) are different from those related to job dissatisfaction (hygiene factors). His study also proposes that, the opposite to job satisfaction is
no job satisfaction instead of job dissatisfaction. Similarly the opposite of job dissatisfaction is
no job dissatisfaction instead of job satisfaction. It is to be noted that the two types of factors are
not mutually exclusive. Hence it is expected that management must try to fulfill both the types of
need for an employee to be truly satisfied with their job. In addition, the Herzberg study depicts
that, the motivators are the primary cause of satisfaction and hygiene factors are the primary
cause of dissatisfaction.
The most important aspect of this theory is that the motivating factors are inbuilt within the job
context itself. It means that in order to motivate the employee the job should be challenging,
there should be scope for job enrichment and employee should feel an interest in their job. This
theory recognizes that the intrinsic satisfaction can be obtained from the job itself. It also points
out that the problems related to motivation may or may not be essentially directly associated with
the job; they can also be external to the job.
2. Nature and Scope

Understanding what motivates the people is a challenge for any organization. It is a critical aspect of any organization. The studies on analysis of this theory show that, money is no more a hygiene factor. Employee wants something beyond money. Challenging work, ownership and recognition for a job, good manager with leadership skills are becoming prime factors for motivation.

To find out the relevance and applicability of Herzberg’s theory ample research work has been carried out. Martin Evans (1970) discussed problems related to Herzberg’s theory and suggested a test which may support his contention. Meudell, Karen; Rodham, Karen (1998) pointed out that the influence of Herzberg’s factors varies with length of service, age and gender. The study also showed agreement with Herzberg’s statement that “Money is not motivator, it is a good move.” Daniel A. Sachau (2007) had given clarification about misinterpretation of Herzberg’s Theory and examined fit between Herzberg’s theory and contemporary research on happiness, intrinsic motivation and materialism. Nick Kontodimopoulos, Victoria Paleologou and Dimitris Niakas (2009) identified motivational factors in Geek Hospital by taking the basis of Herzberg’s theory. The Herzberg theory also provided a platform for the studies carried out by Tiete, Mark A, Myers and Robert M (1968), Dawn R. Utley, Jerry Westbrook, and Susan Turner (1997), Knight, Pamela J., Westbrook and Jerry (1999), Ken Gay (2000) and Nigel Bassett-Jones and Geoffrey C. Lloyed (2005).

In the present study, the researcher collected responses from 500 employees working in ten industrial sectors. The survey method was used for collecting the responses. The responses were tabulated and analyzed by using MS EXCEL data analysis tool. The testing of hypotheses was carried out with Z-test for individual sector and all the sectors collectively. The homogeneity of the data was tested by p-value approach. The p-value is the probability of the sample result, given that the null hypothesis is true. The testing is carried out at 5% level of significance.

The study revealed that Frederick Herzberg’s theory does not lose its relevance in the changing business perspective in Indian conditions. It can be suggested that, in addition to Motivators identified by Herzberg, organizational effectiveness, as one of the factors, can be added into the motivators’ list.
3. Literature Review

Human Resource Motivation is an important aspect of organizational effectiveness. The performance of any organization depends upon motivated motivational workforce. Human Resource is now treated as an important asset of the organization. An organization expects a high level of performance from its employees in order to sustain in a competitive business environment. High level performance of the employees is dependent upon two factors, namely – employee abilities and motivation. It means that in order to maintain a high level of performance, the employees should be constantly motivated.

Motivation is the intrinsic desire towards accomplishment of goals, personal achievements and fulfillment of both individual as well as organizational objectives. Thus, it highlights the significance of proper utilization of motivational work force. Motivation is an inner state of mind expressed through individual behavior. The cause of motivation differs from person to person. In the context of an organization, it is very difficult to know how each individual can be motivated towards accomplishment of the goal. Hence, at managerial level, it is a vital issue to increase productivity with adequate inputs.

Several studies were carried out for determining the motivational aspects of the employees. The level of job satisfaction remains the prime focus when it comes to employee motivation. There is a definite link between employee and work motivation. In this regard, Herzberg’s research was the first attempt to identify the factors related to workplace motivation.

Tiete et al. (1968), carried out study in order to understand different approaches towards motivation and the role of motivation on job satisfaction. According to them, Herzberg’s concept of employee attitude is balanced by the value and its relation to the goals put forth by Locke (1967). The work itself is the most potential aspect of employee satisfaction. Enhanced performance is a function of job description and intrinsic factor that produces a positive effect. It is a management duty to assign or alter a job in such way that employee can derive satisfaction while performing the job.

A study about the relationship between Herzberg’s Two Factor Theory and Quality Improvement Implementation by Utley et al. (1997) proves that, the successful implementation of quality improvement exhibits more Herzberg’s motivators than organizations which are having more emphasis on hygiene factors that are not likely to show successful implementation of quality improvement. This indicates that Motivation-Hygiene Theory has also got significance in the
operational processes of the organization which highlights the importance of the Herzberg’s theory.

Knight et al. (1999), compared employee in “Traditional Job structure Vs Telecommunicating Jobs using Herzberg’s Hygiene’s and Motivators.” The study shows that, employees’ working in nontraditional businesses, like telecommunication, shows the same consequences as that of traditional businesses for Motivator-Hygiene Theory. Flexible working hours and control over work life and schedule become strong motivators while work overload is identified as a hygiene factor for the employees working in telecommunication sector.

A research about “Work motivation factors of the Public Sector and Private Sector Convention Center Employees” by Ken Gay (2000) shows that good salary has always been a prime factor for motivation of the employees. It is followed by job security. Remaining factors differ on the basis of public sector and private sector employees, their age, gender, position and cultural differences, etc. This study followed the road map of Herzberg theory, but the research is based on motivational factors put forth by Dr. Kovach (1946-1987). The factors were more or less same in case of both the theories.

Bassett et al. (2005), closely followed Herzberg’s methodology for their research work. Their findings show that motivators associated with intrinsic factors compensate motivators linked with financial rewards and observing other benefits of recognition and extrinsic rewards. According to Herzberg, recognition is an important motivator. The study shows that poor managerial relationship discourages employee from contributing his ideas. The study emphasizes on the importance of managerial contribution in order to develop a positive environment in the organization, which can act as a motivator as stated by Herzberg.

The research paper by Arthur M. Baldonado and Janice Spangenburg (2009) on – “Leadership and the Future with reference to Gen Y Workers in relation with Herzberg’s dual factor theory” states that, in order to handle and retain Gen Y (which is a major driving force in every business in the current scenario), managers should understand motivational needs with the help of the Herzberg’s theory. It is also to be noted that both Motivator and Hygiene factors equally matter for Gen Y.

It can therefore be construed that the essence of Herzberg’s study lies in concern with the employee at work and for their well-being. Herzberg’s research proved that employee strives for hygiene factors to be fulfilled. The satisfaction is a temporary phase. The effect of satisfaction
remains for some period. Once it gets over employee looks to the next level of satisfier. The organization should be able to manage this phase. As one set of needs gets fulfilled, the organization should enable employees to reach next level, e.g. once the employee is satisfied with the expectation regarding the salary (hygiene factor), he looks for advancement (motivator).

This theory recognizes that, the intrinsic satisfaction can be obtained from the job itself. It also points out that the problems related to motivation may or may not be essentially directly associated with the job. It also can be external to the job. It is to be noted that the two types of factors are not mutually exclusive and the management must try to fulfill both types of needs for an employee to be truly satisfied with their job. This is useful for the companies for designing their reward and recognition systems.
4. Objectives of the Research

The main aim of this study is to examine the relevance of Herzberg’s theory in the current business scenario.

The specific objectives considered for the study are as follows:

4.1 Primary Objectives:
- To study and analyze the concept of Fredrick Herzberg’s Theory in detail.
- To study and analyze the practical implications of the Fredrick Herzberg’s theory in the current business scenario with respect to industries under study.

4.2 Secondary Objectives:
1. To analyze strength and weakness of Fredrick Herzberg’s Theory.
2. To analyze Fredrick Herzberg’s two factor theory with implication for management and their role for dynamic business environment.

The study was carried out by considering ten different industry sectors with the help of statistical analysis of the responses.

5. Hypothesis

The present study extended the knowledge base by investigating the relevance of Herzberg’s theory in current business scenario. The industries selected for the study were representing different eras of industry evolution.

Manufacturing and Banking sectors are comparatively older businesses than medieval businesses like Information Technology, Automobile and Construction. Newly evolved businesses are Hospitality, Health care, Insurance, Pharmaceutical and Business Process Outsourcing. In all ten industries were considered for the study.

Based on the objectives and above discussion, the hypotheses have been stated as,

- Though Frederick Hertzberg’s Two Factor Theory has not lost its relevance; there is a strong need for interchanging the factors listed by Frederick Hertzberg as motivators and hygiene for the industries under study.
- Salary or pay package is becoming a Motivator for sunrise industries like Pharmaceutical, Insurance, BPO, Healthcare, and Hospitality etc.
- Organizational Effectiveness is fast becoming a factor to be added as motivator.
6. Methodology of the Study

6.1 Research Methodology
The present study was carried out using a questionnaire survey. Some questionnaires were distributed personally and some through email. The questionnaire was validated in the pilot study and changes were carried out wherever necessary. The questionnaire consisted of forty two Yes/No type of questions and six questions were of an interval scale. Two open ended questions were also included. The next part of questionnaire, respondents were asked to rate all the factors (variables) considered in part two of the questionnaire on a scale of one to ten. Ten was the highest and one was lowest ranking.

The questionnaire included the questions based on following factors.

- Job Itself
- Salary
- Supervision
- Interpersonal Relationship
- Performance Management
- Working Conditions
- Company Policy and Administration
- Training and Development
- Welfare Measures
- Organizational Effectiveness (Newly added factor)

6.1.1. Sample Design: Employees working in industries situated in and around Pune were considered for this research. The industries included were

1. Manufacturing
2. Automobile
3. Banking
4. Insurance
5. Hospitality
6. Pharmaceutical
7. Information Technology
8. BPO
9. Health Care
10. Construction.

50 companies were tapped from various industry sectors to collect the data.

**Universe:** Employees from the industries (under study) in and around Pune

**Sampling Frame:** Industries in and around Pune

**Sampling Unit:** Employees working at various positions

Grouped under the following category - Top Level, Middle Level and Executive Level

The details about the categories are as follows:

**Executives:** Executives are the one who execute the plans of the organization. These types of employees actually work for the organization for the achievement of organizational objectives. The type of work these employees do may differ from industry to industry. For Manufacturing industry these are working on the shop floor. In the case of Information Technology programmers are the executives. Chefs, front desk officers in the Hospitality industry and Nurses, trainee doctors in Hospitals are the executives. Executives report to Middle level employees.

**Middle Level:** Middle level employees are the link between executives and top level employees. Middle level employees report to top level managers and seek guidance from them. It includes Junior level management person. Designation again differs from industry to industry.

**Top Level:** Top level employees are the decision makers in the organization. These types of employees decide the strategies for the accomplishment of organizational goals.

### 6.1.2 Sampling Procedure:

For the selection of top level, middle level and executive level employees, random sampling (Probability Proportionate to Size) is used in order to provide equal chance to individual units picked from the universe. It is considered as one of the best methods of sample selection as each one of the possible sample has the same probability of being selected.

### 6.1.3 Sample Size: 500 employees

For the greater precision of work, it is necessary that sample size should be large. The most commonly used approach for determining the size of the sample is the confidence level approach. The expected confidence level decides the sample size. Assuming a normal distribution, the higher the confidence level, larger will be the sample size. This is because the value of the standard normal ordinate ‘Z’ will vary accordingly.
In the present research, a confidence level of 95% was considered for estimating the true population to be within 0.04. Based on above mentioned assumptions and subsequent calculation the decision about the sample size was taken and sample size 500 considered in the present study. In all 553 responses were collected through the mail or distributing questionnaire. 500 fully filled questionnaires were considered for the research work.

The lists of all the categories were prepared separately for the analysis.

For top level category, researcher selected 10 respondents representing each industry.

For the middle level employee 40 respondents were selected.

For executives, respondents selected were 450 from all the industries under study.
6.2 Pilot Study:
The pilot study was based on the responses collected from four different types of industries, namely manufacturing, Information Technology, BPO and Bank. Questionnaire consisted of objective questions based on Herzberg’s Motivators and Hygiene Factors.

Observations:

1. It has been observed that apart from the banking sector, there is a positive attitude towards Motivational factors in other types of industries. BPO, IT and manufacturing industries handle their employees properly in terms of advancement in career, responsibilities and recognition of work.

2. Mixed responses have been observed in case of Hygiene factors. There is dissatisfaction about salary in IT. No proper awareness has been observed in case of company policy apart from manufacturing industry. The interpersonal relationship plays an important role in Banking, Manufacturing and BPO industries... But awareness about working condition is less in banking sector.

3. It can be stated that, challenging tasks, value addition in knowledge, customer satisfaction and feedback for completion of work are becoming prime factors for a meaningful job.

Thus, pilot study shows that there is some definite deviation from the factors identified by the Herzberg in respective categories. It may lead to addition of some new factors as motivator as well as hygiene factors.

In short, motivation has become important parameter for retention of the employees and productivity of any organization. Frederick Herzberg’s theory provides road map for handling and retention of the employees. It necessitates the need for critical analysis of the Herzberg’s theory with changing perspective.
7. Data Analysis

For the present research, researcher collected 553 responses from ten industry sectors. 53 responses were invalid as they were not filled properly. The responses were tabulated and analyzed by using MS EXCEL data analysis tool. The minimum sample size was 50 for each industry.

The probability theory that states that given a sufficiently large sample size from a population with a finite level of variance, the mean of all samples from the same population will be approximately equal to the mean of the population. Furthermore, all of the samples will follow an approximate normal distribution pattern, with all variances being approximately equal to the variance of the population divided by each sample size. As per central limit theorem, the data can be treated as homogeneous as the sample size is large i.e. 500. Further, the homogeneity of the whole data was tested with help of p-value approach. The testing is carried out at 5% level of significance.

The Null and Alternative Hypothesis were as follows:

H0: The distribution of data is not same across all the industries (considered for the study)
H1: The distribution of data is same across all the industries (considered for the study)

To compute the statistic, Single Factor Anova is carried out by using MS Excel.

As p-value >0.05 of the sample in case of all the variables for whole data, it was accepted that the data is homogeneous for carrying out further study.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Job</th>
<th>Salary</th>
<th>Supervision</th>
<th>Interpersonal Relationship</th>
<th>Performance Management</th>
<th>Working Conditions</th>
<th>Company Policy and Administration</th>
<th>Training and Development</th>
<th>Welfare Measures</th>
<th>Organizational Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-Value</td>
<td>0.4409</td>
<td>0.9108</td>
<td>0.0563</td>
<td>0.4728</td>
<td>0.5147</td>
<td>0.1156</td>
<td>0.0646</td>
<td>0.4890</td>
<td>0.2617</td>
<td>0.1131</td>
</tr>
</tbody>
</table>

Hypotheses were tested by using Z test. The testing is done:

a. For the employees from each industry separately
b. For Top level employees
c. For Middle level employees
d. For the employees from all the industries collectively
The Null and Alternative hypothesis were stated below:

H0: Salary or pay package is not becoming a Motivator for sunrise industries like Pharmaceutical, Insurance, BPO, Healthcare, and Hospitality.

H1: Salary or pay package is becoming a Motivator for sunrise industries like Pharmaceutical, Insurance, BPO, Healthcare, and Hospitality

H0: Organizational Effectiveness is not becoming a factor to be added as a motivator.

H1: Organizational Effectiveness is becoming a factor to be added as a motivator.

The table shows description of the variables considered for the study:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Dependent variables considered for the study</th>
<th>Related Independent variables considered for the study</th>
<th>Reflection beneath Herzberg’s theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Job Itself</td>
<td>Job Importance, Ownership of Job, Freedom/Power to do Job, Challenges in Job, Self Fulfillment, Responsibility and Authority</td>
<td>Job Satisfier (Motivator)</td>
</tr>
<tr>
<td>2</td>
<td>Performance Management</td>
<td>Feedback to Employee, Recognition for achievement, Reward for recognition, Performance Appraisal system and increase in performance</td>
<td>Job Satisfier (Motivator)</td>
</tr>
<tr>
<td>3</td>
<td>Training and Development</td>
<td>Training as a essential activity, Training for</td>
<td>Job Satisfier (Motivator)</td>
</tr>
<tr>
<td></td>
<td>Category</td>
<td>Details</td>
<td>Classification</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>4</td>
<td>Organizational Effectiveness</td>
<td>Goal Change-communication with employee, Change management for employee, Awareness about career growth in the organization, Retention of talent, Knowledge sharing</td>
<td><em>Can be treated as Job Satisfier (Motivator) (Newly identified factor in this study)</em></td>
</tr>
<tr>
<td>5</td>
<td>Supervision</td>
<td>Leadership Skill, Goal Setting by manager, Feedback,</td>
<td>Job Dissatisfier (Hygiene Factor)</td>
</tr>
<tr>
<td>6</td>
<td>Salary</td>
<td>Fair Pay, Comparable Salary, Diverse Salary Structure based on position, Incentives/Bonus</td>
<td>Job Dissatisfier (Hygiene Factor)</td>
</tr>
<tr>
<td>7</td>
<td>Interpersonal Relationship</td>
<td>Sense of Belongingness and team work, Cordial relationship with team leader, Policies for disruptive employee</td>
<td>Job Dissatisfier (Hygiene Factor)</td>
</tr>
<tr>
<td>8</td>
<td>Working Conditions</td>
<td>Adequate Facilities, Personal Space, Flexible working hours</td>
<td>Job Dissatisfier (Hygiene Factor)</td>
</tr>
<tr>
<td></td>
<td>Company Policies and Administration</td>
<td>Awareness about company policies, Regular updation in policies, Employee view consideration in updation of policies</td>
<td>Job Dissatisfier (Hygiene Factor)</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>9</td>
<td>Welfare Measures</td>
<td>Member of Labour union (if any), Labour Union and employee relation, Organizational concern about labour relation</td>
<td>Job Dissatisfier (Hygiene Factor)</td>
</tr>
</tbody>
</table>

*Organizational effectiveness* is the concept of how effective an organization is in achieving its goals. Every employee in a company contributes to organizational effectiveness. Organizational Effectiveness is added as a motivator in this study. The independent variables were which are linked to this variable are Goal Change - communication with employee, Change management for employee, Awareness about career growth in the organization, Retention of talent and Knowledge sharing. These factors were identified on the basis of informal interaction with the respondents and literature review.
8. Findings:
As the P-value for each variable remains greater than 0.05 (p-sample > 0.05), the data was homogeneous and was considered for the further testing.

8.1 Findings for Respective Industry:

I. Manufacturing: (No. of Respondents – 51)
In case of manufacturing sector the value of $z$ sample was found to be less than $z$ critical value for all the variables related to Job satisfaction.
In case of Job Dissatisfiers (Hygiene factors) excluding salary all other variables show the same trend as a job dissatisfiers because the $z$ sample < $z$ critical. For Salary as dependent variable, the independent factor salary structure shows shift towards job satisfier as $z$ sample (3.51047) is > $z$ critical (1.95996). In case of other independent variables i.e. Fair Pay, Comparable Salary and Bonus/Incentive related to performance $z$ sample remains < $z$ critical.

II. Pharmaceutical: (No. of Respondents – 50)
Job satisfying factors except Performance Management, the other factors/variables remain as job satisfiers (motivator) as the value of $z$ sample < $z$ critical. In case of Performance Management as a dependent variable, the independent variable Performance Appraisal system and Related increase in performance shows shift towards job dissatisfier as the $z$ value of this parameter is 2.364181($z$ sample) and is greater than 1.959964 ($z$ critical). For the rest of the independent variables such as Feedback to the Employee, Recognition for Achievement and Reward for Recognition $z$ sample < $z$ critical. Hence, these factors remain as Job Satisfiers.
In case of Job Dissatisfiers, except Salary other dependent variables in the category of Job dissatisfier (Hygiene Factor) as $z$ sample < $z$ critical. Salary as a dependent variable comprising of Fair Pay, Comparable
Salary, Salary structure and Bonus/Incentive related to the performance shows following values for z test analysis.

<table>
<thead>
<tr>
<th>Name of Independent Variable (Salary)</th>
<th>Z sample (Z critical = 1.959964)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Pay</td>
<td>-0.521286</td>
</tr>
<tr>
<td>Comparable Salary</td>
<td>-0.774081</td>
</tr>
<tr>
<td>Salary Structure</td>
<td>3.535534</td>
</tr>
<tr>
<td>Incentive/Bonus- Performance</td>
<td>3.037353</td>
</tr>
</tbody>
</table>

It may be stated that, **Salary Structure and Incentive/Bonus based on the Performance**, becomes the part of Job Satisfiers (Motivator) as the value, **z sample > z critical** for these independent variables.

III. **Information Technology**: (No. of Respondents – 50)

In the case of Job Satisfiers, One of the independent variables – Knowledge sharing of Organizational Effectiveness shows slight bend towards job dissatisfier as **z sample > z critical** the values are **1.999184** and **1.959964** respectively. In case of other factors **z sample is less than z critical**.

**Job Dissatisfier showing z sample < z critical**, hence all the factors – remain as Job dissatisfiers for IT sector.

IV. **Insurance**: (No. of Respondents – 50)

All the variables considered under **Job Satisfiers, the z test analysis show, z sample < z critical**. Hence all of them remain as Job satisfiers.
As far as for the Job Dissatisfiers, the z values for the Salary are as follow:

<table>
<thead>
<tr>
<th>Name of Independent Variable</th>
<th>Z sample (Z critical = 1.959964)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Pay</td>
<td>-0.265372</td>
</tr>
<tr>
<td>Comparable Salary</td>
<td>2.283148</td>
</tr>
<tr>
<td>Salary Structure</td>
<td>0.561214</td>
</tr>
<tr>
<td>Incentive/Bonus- Performance</td>
<td>-1.264304</td>
</tr>
</tbody>
</table>

The table clearly indicates that Comparable Salary Structure headed for the Job Satisfier as $z_{sample} > z_{critical}$. All other factors remain as Job Dissatisfiers i.e. Hygiene Factors.

V. Hospitality: (No. of Respondents – 52)

Excluding Performance Management, all other factors – Job Itself, Training and Development, and Organizational Effectiveness of Job Satisfiers list the $z_{sample} < z_{critical}$.

The independent variables related to Performance Management show inclination towards a Job Dissatisfier as the value $z_{sample} > z_{critical}$. The values are indicated in the following table.
In the case of Job Dissatisfying factors, Salary shows inclination towards Job Satisfier (z sample > z critical) while all other factors remains as Job Dissatisfier as the z test analysis shows z sample < z critical. The z sample values for independent variables are indicated in following table.

<table>
<thead>
<tr>
<th>Name of Independent Variable (Salary)</th>
<th>Z sample (Z critical = 1.959964)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Pay</td>
<td>2.091911</td>
</tr>
<tr>
<td>Comparable Salary</td>
<td>2.370996</td>
</tr>
<tr>
<td>Salary Structure</td>
<td>3.162278</td>
</tr>
<tr>
<td>Incentive/Bonus- Performance</td>
<td>6.193598</td>
</tr>
</tbody>
</table>

VI. **Health Care**: (No. of Respondents – 57 Nos.)

In the case of Hospitals, All the dependent variables related to Job Satisfiers and Job Dissatisfiers, remain in the same list as, z sample value
after z test analysis were found to be less than z critical. In the same manner, for Job Dissatisfiers remain as Job Dissatisfiers as the value z sample for each variable was found to be less than z critical.

VII. Construction: (No. of Respondents – 54)

In the case of Job Satisfier i.e. motivators as stated by Herzberg, for this sector, one of the independent variables – Job importance belonging to the factor Job Itself, showing shift towards Job Dissatisfiers as the z sample > z critical and the values are 2.107643 and 1.959964 respectively. In the case of other job satisfiers the Z –test shows z sample < z critical.

In the case of Job Dissatisfiers, except Salary all other factors remain as Job Dissatisfiers as the z test shows z sample < z critical. In the case of Salary as a dependent variable the values of associated independent variables are as follows.

The table below shows that two independent variables viz, Comparable Salary and Salary Structure indicate an inclination towards Job Satisfiers.

<table>
<thead>
<tr>
<th>Name of Independent Variable (Salary)</th>
<th>Z sample (Z critical = 1.959964)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Pay</td>
<td>-0.682947</td>
</tr>
<tr>
<td>Comparable Salary</td>
<td>2.036874</td>
</tr>
<tr>
<td>Salary Structure</td>
<td>2.036874</td>
</tr>
<tr>
<td>Incentive/Bonus- Performance</td>
<td>1.752028</td>
</tr>
</tbody>
</table>
VIII. **BPO:** (No. of Respondents – 50)

There is change in Performance Management - one of Job Satisfiers variables, where the associated independent variable **Performance Appraisal System** and related performance shows trend as Job Dissatisfier. For this variable the values were as follows. $Z$ sample ($2.683679$) > $Z$ critical ($1.959964$).

From the Job Dissatisfiers list, two independent variables – **Salary Structure** and **Performance related Incentive / Bonus** has shown an inclination towards Job Satisfiers ($Z$ sample > $Z$ critical). The values are displayed in the following table.

<table>
<thead>
<tr>
<th>Name of Independent Variable (Salary)</th>
<th>$Z$ sample ($Z$ critical = 1.959964)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Pay</td>
<td>-3.65366</td>
</tr>
<tr>
<td>Comparable Salary</td>
<td>-1.91211</td>
</tr>
<tr>
<td>Salary Structure</td>
<td>3.353377</td>
</tr>
<tr>
<td>Incentive/Bonus- Performance</td>
<td>4.041638</td>
</tr>
</tbody>
</table>

In case of remaining Job Dissatisfiers, the $Z$ test results $Z$ sample < $Z$ critical. Hence all these factors remain as Job Dissatisfiers.

IX. **Banking:** (No. of Respondents – 53)

In the case of banking industry, All the dependent variables related to Job Satisfiers and Job Disatisfiers remain in the same list as $Z$ sample value. After $Z$ test analysis the values were found to be less than $Z$ critical.
X. **Automobile**: (No. of Respondents – 55 Nos.)

All the variables considered under **Job Satisfiers** the *z* test analysis shows, *z* _sample_ < *z* _critical_. Hence all of them remain as a Job Satisfiers

In the case of **Job Dissatisfiers** – Supervision, Interpersonal Relationship, Working Conditions, Company Policy and Administration and Welfare Measures remain as Job Dissatisfiers as *z* _sample_ < *z* _critical_. For the dependent variable Salary the *z* test analysis shows following values.

<table>
<thead>
<tr>
<th>Name of Independent Variable (Salary)</th>
<th>Z sample (Z critical = 1.959964)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Pay</td>
<td>0.295609</td>
</tr>
<tr>
<td>Comparable Salary</td>
<td>2.03228</td>
</tr>
<tr>
<td>Salary Structure</td>
<td>2.465367</td>
</tr>
<tr>
<td>Incentive/Bonus- Performance</td>
<td>3.497636</td>
</tr>
</tbody>
</table>

The *z* sample values clearly indicate shift of the variables (Comparable Salary, Salary Structure and Performance related Incentive/Bonus) towards Job Satisfiers as *z* _sample_ > *z* _critical_.

8.2 **Findings for Top level employees from all Industries:**

(No. of Respondents - 10)

Top level employees Z test analysis shows following results. For Job satisfier (Motivator) consisting of dependent variables – Job Itself, Performance Management, Training and Development and Organizational Effectiveness *z* _sample_ was found to be less than *z* _critical_. For the Job
disatisfiers’ (Hygiene Factor) consisting of dependent variables – Supervision, Salary, Interpersonal Relationship, Working Conditions, Company Policies and Administration and Welfare Measures. The sample was found to be less than the critical value except for Salary. For Salary as a hygiene factor, the z test shows the following values. Salary structure is showing a shift from job dissatisfier to job satisfier.

<table>
<thead>
<tr>
<th>Name of Independent Variable (Salary)</th>
<th>Z sample (Z critical = 1.959964)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Pay</td>
<td>-0.94281</td>
</tr>
<tr>
<td>Comparable Salary</td>
<td>0.528744</td>
</tr>
<tr>
<td>Salary Structure</td>
<td>2.026145</td>
</tr>
<tr>
<td>Incentive/Bonus- Performance</td>
<td>0</td>
</tr>
</tbody>
</table>

8.3 Findings for Middle level employees from all Industries:
(No. of Respondents – 40)
The z test analysis for Job Satisfiers in the case of Middle level employees differs for the dependent variable Performance Management.

<table>
<thead>
<tr>
<th>Name of Independent Variable (Performance Management)</th>
<th>Z sample (Z critical = 1.959964)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feedback to Employee</td>
<td>-1.78885</td>
</tr>
<tr>
<td>Recognition for Achievement</td>
<td>-0.65759</td>
</tr>
<tr>
<td>Reward for Recognition</td>
<td>-1.51969</td>
</tr>
</tbody>
</table>
The above values are indicative that, the factor **Performance appraisal system and increase in Performance showing alteration as job dissatisfiers**. For the remaining variables Job Itself, Training and Development and Organizational Effectiveness z sample < z critical. For Job dissatisfiers i.e. Hygiene factors the z sample < z critical for all the dependent variables. There is no modification from job dissatisfier to job satisfier.

8.4 The overall findings considering all industries together are as follows:

8.4.1 **Job Itself**: In the case of independent variable **Job Importance** the value z sample > z critical (2.087594, 1.959964 respectively). It shows a shift from job satisfier to Job dissatisfier. All other remaining independent variables - Ownership of Job, Freedom/Power to do Job, Challenges in Job, Self Fulfillment, and Responsibility and Authority remain as a job satisfying factors as in all the cases z sample < z critical.

8.4.2 **Performance Management**: The independent variables - Feedback, Recognition for achievement, Reward for recognition were remain on job satisfier as z sample < z critical except in the case of **Performance Appraisal system and increase in performance** z sample > z critical as the values were 2.069772 and 1.959964 respectively.

8.4.3 **Training and Development**: In the case of all the independent variables Training as an essential activity, Training for development, Learning environment, and Support for personal growth, z sample < z critical. Hence this factor remains as job satisfier.
8.4.4 Organizational Effectiveness: For this variable \( z \) sample remains less than \( z \) critical. Therefore this newly added factor for the study can be considered as job satisfier in the case of all the sectors considered together.

8.4.5 Supervision: One of Job dissatisfiers or hygiene factors as stated by Herzberg remain in the same category as \( z \) sample \(< z \) critical for all the independent variables considered under this variable.

8.4.6 Salary: Salary is one of the hygiene factors as per Herzberg theory. The values of independent variables are shown in the following table. It is indicative that the factors Salary Structure and Performance related incentive/bonus is showing shift towards job satisfiers i.e. job motivators.

<table>
<thead>
<tr>
<th>Name of Independent Variable (Salary)</th>
<th>( Z ) sample (( Z ) critical = 1.959964)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Pay</td>
<td>-3.69919</td>
</tr>
<tr>
<td>Comparable Salary</td>
<td>-0.80936</td>
</tr>
<tr>
<td>Salary Structure</td>
<td>5.35322</td>
</tr>
<tr>
<td>Incentive/Bonus- Performance</td>
<td>2.04733</td>
</tr>
</tbody>
</table>

8.4.7 Interpersonal Relationship: The \( Z \) test for this dependent variable confirms that Interpersonal Relationship stays as Job disatisfier as the value of \( z \) sample \(< z \) critical.
8.4.8 **Working Conditions**: It includes Adequate Facilities, Personal Space, and Flexible working hours as independent variables. The value indicates that there is no shift towards job satisfier. This factor **remains as a hygiene factor** (job dissatisfier).

8.4.9 **Company Policy and Administration**: This dependent variable is job dissatisfier in the Herzberg’s list. It remains as it as the **z sample value is less than z critical value** for all the independent variables considered for the study of this variable.

8.4.10 **Welfare Measures**: It includes following variables related to employee relation with labour union and company’s concern about labour relation. The Z test indicates that welfare measure stays as job dissatisfier. As the value of **z sample remains less than z critical** in the case of all the independent variable.

9. **Conclusion**

The findings based on the study and analysis show that, in case of Pharma, Hospitality, Construction, and BPO industry; the independent variable - Performance Appraisal System and related increase in Performance became hygiene factors. It means that it is essential for an organization to understand employees’ expectation about performance appraisal system. It also points out that performance appraisal system should be improved, followed and implemented for judging employee performance. Well placed performance management system may result in increase in employee performance.

The identified Motivator – ‘Organizational effectiveness’ should be added into motivators list, as except the Information Technology, all other sectors shown positive response for the
‘Organizational effectiveness’ as a motivational factor. In case of IT industry, Knowledge Sharing showed shift towards a hygiene factor. It is indicative that knowledge sharing is essential for employee retention in IT industry.

For the Construction industry, job importance an independent variable of Job Itself became hygiene factor. Looking at the nature of job, generally unskilled, and cheaper labour are preferred. Such labours are available easily, which reduces importance of job.

In case of Banking, Insurance and Health care industry the factors mentioned by Herzberg retain their category, with the organizational effectiveness as an added motivator.

Training and development remains a motivator for all the industries. However with the exception of construction industry; Job Itself is a motivator for remaining nine industries.

In case of Hygiene factors again Salary remains a doubtful factor. As far as salary structure is concerned, comparable salary has always reflected as motivator for almost all sectors. Excluding IT, in Health Care and Banking industry, salary structure shows shift towards motivators. It points out necessity of restructuring of salary in the industry. It has been observed that generally, top management decides salary for various positions in the organization. Once the salary structure for various positions get fixed it take years to change. As salary is most crucial part of work force motivation, it is desirable that management should pay attention to this aspect in order retain their employees.

Another factor related salary is comparable pay which shows reallocation as a motivator in case of Insurance, Construction, Hospitality and Automobile industry. As these are fast growing industries in India, it is necessary to pay comparable salaries for motivating the employees. Organization can then expect good contribution from the employee. The other factor which showed their bend towards motivator is performance related pays i.e. bonus/incentives. This bending is observed for the sectors like Pharma, Hotel, Construction, BPO, and Automobile. In order to increase the productivity it is necessary the performance of the employees should be properly rewarded. Care should be taken by the managers of these industries for the payment of incentives and bonus while expecting quality work from their employees. One more observation in case of Hotel industry is there is lack of proper salary system as fair pay also shows transfer from hygiene to motivator.
All other hygiene factors which include supervision, interpersonal relationship, working condition, company policies and administration and welfare measures retain their positions as hygiene factors.

In case of Top level employees’ salary structure has shown a swing towards motivator. For good experienced CEO or manager it is expected that there should be definite salary structure which attracts these people in respective industries. As they are treated as leaders of the organization, their salary structure should be proportionate to Job Content. The contribution of top level employees for the organization needs to be balanced with their salary structure for their retention.

However for a middle level employee the variable - performance appraisal system and increase in performance showed reallocation as a hygiene factors. The performances of middle level employees play a vital role for the organization. Hence well-defined performance appraisal system pushes these employees to enhance their performance. All other factors in respective category remain the same. Job Itself, Training and Development and Organizational Effectiveness (newly added factor) preserve their position as motivators. Supervision, Interpersonal Relationship, Working Condition, Company Policies and Administration and Welfare Measures keep their place as hygiene factors.

Thus, overall analysis for all the sectors considered together, Performance Appraisal System and increase in performance from motivators and Salary Structure, Performance related bonus/incentive from hygiene factors list show exchange of their position. It is indicative that in the current business scenario, performance management is becoming more and more crucial aspect for the organization. When it is expected that organization should have properly placed appraisal system it is necessary that salary structure should also be well defined. Further, there should appropriate recognition of work in terms of bonus or incentives which provides a drive for the performance of the employees.

Above discussion confirms the validity of Herzberg theory in the current volatile business environment. An addition of Organizational Effectiveness in the motivators’ list and shift of some of the independent variables related to dependent variable Performance management (motivator) and Salary (hygiene factor) from the motivators to hygiene factors and vice –versa provides support for accepting the first hypothesis.
Sunrise sectors - Pharmaceutical, Insurance, Hospitality, Construction and BPO shows reallocation of Salary (hygiene factor) as motivator. Some of the independent variables related to salary showed shift towards motivators in case of above mentioned sectors. The independent variables related to Salary are- salary structure, comparable salary and performance related incentives or bonus. Thus, it proves that the second hypothesis is accepted in case of the above mentioned industry. But in case of IT industry, Salary remains as a hygiene factor. It reflects that high salary paid by IT companies, is adequate considering the nature of their work. Hence, the second hypothesis is not accepted for the IT industries.

In today’s competitive and changing environment, motivation has become an important parameter with respect to retention and productivity of the organization. Frederick Herzberg’s theory provides a path for successful handling and retention of the employees.

An addition and acceptance of ‘Organizational Effectiveness’ based on the analysis in the motivators’ list fulfills requirement of third hypothesis. It can be stated that growth in terms of knowledge becomes a motivator for the employees.

10. Managerial Implications

i. Performance Appraisal System: The present research shows that, an appraisal is one of the important dynamics for the employees working in various industries. It is expected that appraisal system should be able to acknowledge and recognize employee performance. It is suggested that while designing or modifying employee appraisal system employee involvement may play vital role which will lead to increase and boost employee motivation and consequently the performance.

ii. Salary: Right Salary for the right person is the most debated issue in case of any type of organization. The salary related decisions are influence by
contribution of employee for the achievement of organizational goals, expected performance, designation and value for the money. Hence at managerial level, it becomes difficult task to decide appropriate salary. The findings are indicative that salary structure, comparable salaries and Performance related incentives/bonus should be decided and assigned properly by the managers depending upon the individual organization. It reflects an increase in employee motivation.

iii. **Organizational Effectiveness:** Organizational effectiveness is a result of Employees’ trust in the management. A successful organization should be transparent and allow employee participation. This research indicates that the parameters - change management process, awareness about career growth, measures for talent retention and knowledge sharing; act as motivator. Hence it is necessary for the manager to ensure transparency and employee participation for organizational betterment.

### 11. Scope for Further Work

The study can be further extended for the industries like Retail, Media, Advertising and Education which are emerging as new business avenues. As the mall system is becoming popular among the people, the applicability of this theory can be tested for the employees working in various malls. The other industries like aviation, shipping may also consider for the study.

The research instrument used for this study was questionnaire survey. It may be possible that, structured interviews of the selected respondents will add more dimension to the study.

Further, this research study is based only on Herzberg’s Motivator-Hygiene’s theory. Other theories such as Maslow’s Need Hierarchy theory, Alderfer’s ERG theory, Vrooms Expectancy
Theory, etc. were not taken into consideration. A comparative study may be possible by considering other motivational studies.

12. Limitation of the study

1. The present study was carried out by considering ten industries situated in and around Pune. Hence this study is limited to these industries at confined location.
2. The Survey technique was used as a research instrument.
3. Further, this research study is based only on Herzberg’s Motivator-Hygiene’s theory.

13. Bibliography


