CHAPTER - I

INTRODUCTION

Introduction

Human Resource is an important asset of organization. Organizations and its human resource have been experiencing phenomenal changes from the last few years. Employee commitment, productivity and retention are become critical issues for the organization. At the same time, globalization induced intense competition. The competition is due to technology development, innovation and new ideas. Every organization looks forward for its success in order to remain ahead in the competition. Enormously dynamic and impulsive work environment backed by turbulent economy pose a challenge for the managers to keep employee motivated at the same time, retain them. One of the most important factors that contribute to the success of the organization is employee motivation. Motivation plays an important role in employee satisfaction and ultimately employee retention. It also leads to increase in the productivity of the organization.

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 pose challenges to the organization to motivate the employees. The shortage of skilled workforce is one of the primary issues in the current business scenario. It is observed that lack of motivation is an important cause. Motivation plays a key role in attracting and retaining talent pool. In addition, motivation is the key to achieving extraordinary results.

Motivation is an inner drive to behave or act in a certain manner. These inner drives are wishes, desires and goals, which force a person to move in a particular direction. Motivation explains why a certain person behaves in a particular manner.

Motivation is the process of boosting the morale of employees to encourage them to willingly give their best in accomplishing assigned tasks. Motivation has been shown to have roots in physiological, behavioral, cognitive, and social areas.

Motivation can be divided into two types – Intrinsic motivation and Extrinsic Motivation.
Intrinsic motivation is a natural tendency which drives a person on its own. The drives for such motivation may be area of interest or happiness experienced while performing a task. This type of motivation is not subjective or expecting any reward after completion of the task or activity. Extrinsic motivation is aimed at some outcome or in the expectation of some reward or appreciation. It arises from outside of the individual.

**Employee motivation** can be defined as "psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort and a person's level of persistence." Employee motivation definitely differs from motivation. A level of employee motivation reflects into organization success. (Jones et al, 2008).

According to Lunthan’s (1995) Work motivation can be defined as a complex force inspiring a person at work in an organization to intensify his/her desire and willingness to use his/her potentialities for the achievement of organizational objectives. Work motivation strongly influences the job satisfaction and work attitude of the employee.

An empirical study carried out by Ganesh, M.P. (2006), depicts that motivation factors differ from industries to industries. Job security in manufacturing industry motivates employees to focus on higher order goals while in case of software industries, salaries are higher still motivational level is not as per the expectation.

According to Frederick Taylor, Father of Scientific management, “What workers want most from their employer’s beyond anything else is high wages.” Though money is still important, but today it is true that employees want satisfaction from their jobs and not only salary. The general Social Survey (GSS) carried out by National Opinion Research Centre at University at Chicago focuses on the fact that people appreciate bonuses, but money alone cannot have the expected work result if the manager ignores the employees’ desire and meaningful contribution towards the organization. (Morse G. (2003)). A study carried out by Dash, M., Singh A., and Vivekanand. (2008) suggested that, a person spend majority of his time for working in the organization. It is naturally expected that the organization should fulfill his/her professional needs as well as social needs. From this point view, it is necessary that both the needs should be fulfilled by the organization.

The motivation drives vary from person to person. It also depends upon situation and time factor. The mismatch between expectation and its fulfillment creates a problem of motivation between
the organization and employees. At organizational level, employee motivation is an integral part of the performance which is related to productivity of the organization. An employee who is satisfied is more productive, shows high level of enthusiasm and initiative towards the organization. As a manager of the organization, employee motivation assumes a very important part of his duty. One of the basic tasks of a manager is to motivate employees to bring out their best in order to give best performance based on their ability. Motivation is a critical aspect of leadership. It is a cause of action, which builds confidence in the employees to perform well. It is the duty of manager (leader) to become aware of what is expected from the employees in order to attain the goals. Quality leadership acts as a catalyst in providing motivation. The manager is a vital element of any organization. It is necessary to understand about his motivational prospective since managerial effectiveness is one of the sources of employee motivation (McClelland, D. C. and Burnham, D. H., 2003).

**Theories of Motivation**

The theories of motivations are divided into two categories, namely content theories and process theories. Content theories are people oriented that explain “Why?” And Process theories are work oriented that explain “What?”

The content theories are as follows:

Maslow’s Need Hierarchy Theory – It talks about two types of needs. First is lower order need which includes basic biological needs and safety needs. The Social, Esteem and Self actualization needs are known as higher order needs.

McGregor’s Theory X and Theory Y - This theory can be treated as the basic principle for the development of positive management style and technique. Theory X deals with negative aspects and theory Y looks after positive side of the person.

Alderfer’s ERG Theory - Clayton Alderfer classified human needs into three broad categories. The first category is Existence Needs (E) related to basic needs for existence or survival. Second is Relatedness Needs (R) which develops and maintains interpersonal Relationship. The third is Growth Needs (G) which is an intrinsic desire to grow and develop. According to him, multiple needs can operate as motivators at the same time and frustration in attempt to satisfy a higher level need which can result in regression to a lower level need.
McClelland’s Need for Achievement Theory - McClelland, identified three needs or motives which can be useful for motivating the people. First is Need for Achievement (\text{n-Ach}) – This person is achievement motivated. The high achiever generally takes calculated risk and sets achievable targets. The second is Need for Power (\text{n-Pow}) – This type of person is authority motivated. The person tries to occupy the positions of influence and control. According to McClelland, everyone expect power to some extent. And the last is Need for Affiliation (\text{n-Aff}) – This person is affiliation motivated. This type of people derive satisfaction through social or interpersonal relationship.

Goal Setting Theory - This theory was developed by Edwick Lock. It states that intention to work hard is a goal which is a source of motivation. This theory is also related to goal commitment, task characteristics and adequate self effectiveness.

The theories grouped under process category are as follows:

Vroom’s Expectancy Theory - According to Vroom, the process of motivation is based on the concept that people will be motivated to show high level of effort, when they know that there is relation between effort and performance and reward. The factors identified by Vroom are as follows –

1. Valence – It means value or strength referring to outcome or reward.
2. Expectancy – It is related to expectance or efforts towards the performance.
3. Instrumentality - It is related reward for the performance.

And the relation can be stated as: \( \text{Motivation} = \text{Valence} \times \text{Expectancy} \times \text{Instrumentality} \)

Porter and Lawler’s Performance Satisfaction Theory - This theory treats motivation, satisfaction and performance as a separate variables related in different ways. There exists complex relationship between satisfaction and performance. Efforts are the energy exerted by employee for performing a given task. Efforts led by Performance and Satisfaction are internal state of mind which can be experienced through reward received or recognition gained. The effort – performance- reward-satisfaction should be an integral part of any organization.

Adam’s equity Theory - J. Stacy Adams developed this theory with the principle objective of system equity or fairness. There should be fair balance between inputs (which contributed by employee) and outputs (which employee get for their contribution). Inputs can be efforts, skill,
loyalty, hard work etc. Outputs may be in the form of pay, bonus, promotion, benefits etc. The equity or inequity is always based on individual perceptions.

Reinforcement Theory - This theory states about the consequence that receives after positive response towards work. There is probability that for positive response, the same behaviour can be repeated. The idea is that one does not need to be concerned with internal cognitive events because what controls behaviour is so called "reinforces”

Job design theory and Social information Processing Model - This theory implies that the job design can act as a strong motivator. The design of the job is determined by the "Job Characteristics Model", which includes; Skill Variety, Task identity, Task significance, Autonomy, and Feedback. Beyond this the researcher intercepted the influence of perception as the main objective issue. This leads to Social Information Processing Model that implies that employees adopt attitudes and behaviors in response to social cues provided by others with whom they have contacts.

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.) As this theory is people oriented, it is one of the content theories of motivation.

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 employees 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.

Frederick Herzberg’s two factor theory provided basis for understanding motivational aspects of employees. This research checks the relevance of Herzberg theory in current dynamic business scenario. The study also verifies the possible exchange of motivators and hygiene factors. This research work identifies organizational effectiveness as a new motivating factor which needs to be added in the list of motivators stated by Herzberg.

**Geographic Background**

Pune- an “Oxford of East” is the eighth largest metropolises and seventh largest metropolitan economy in India. It is the second largest city after Mumbai situated in Maharashtra. It is the most important city in terms of its contribution to economic and industrial growth. Once being center of power for Maratha Empire, Pune carries glorious past along with rich cultural heritage. Industrial development in Pune started in the 1950s and '60s in Hadapsar, Bhosari, Pimpri, and Parvati. India's largest engineering business house, the Kirloskar Group, was the first to bring industry to Pune by setting up Kirloskar Oil Engines Ltd. in 1945 at Kirkee in Pune. Telco now known as Tata Motors started its operations in 1961, which gave a huge boost to the automobile sector. Pune is emerged as prominent location for industries because of its location (near to Mumbai) and being education hub - availability of skilled and semi-skilled labour. Today, Pune has a diverse industrial population.

The automotive industry is more prominent in Pune. Automotive companies like Tata Motors, Mahindra & Mahindra, Mercedes Benz, Force Motors (Firodia-Group), Kinetic Motors have set ups in Pune. Automotive companies including General Motors, Land Rover, Jaguar, Volkswagen, and Fiat have set up Greenfield facilities near Pune. Several automotive component manufacturers like Saint-Gobain Sekurit, TATA Autocomp Systems Limited, Robert Bosch GmbH, ZF Friedrichshafen AG, Visteon, and Continental Corporation are located here.
Kirloskar Brothers Limited (India's largest manufacturer and exporter of pumps and the largest infrastructure pumping project contractor in Asia, Kirloskar Oil Engines (India's largest diesel engine company), Kirloskar Pneumatics Co. Ltd. and other Kirloskar companies are based in Pune.

To facilitate economic growth, the government made liberal incentives in its IT and ITES Policy, 2003 and leased properties on MIDC land. The Hinjawadi IT Park (officially called the Rajeev Gandhi IT Park) is a project being started by MIDC to house the IT sector in Pune. The IT sector employs more than 50,000 people. Software giants like Microsoft, Infosys having their set up at Hinjewadi.

Pune Food Cluster development project is an initiative funded by the World Bank. It is being implemented with the help of SIDBI, Cluster Craft to facilitate the development of the fruit and vegetable processing industries in and around Pune.

Apart from the auto giants, a large number of engineering, electronic and electrical industries have set up base in the large, medium and small scale sectors. The industrial township of Pimpri Chinchwad, adjacent to the main city, is spotted with over 4,000 manufacturing units. Corporate Headquarters Among the large corporate headquartered in the city are: Atlas Copco, Bajaj Auto, Bajaj Allianz, Bajaj Tempo, Cummins India, Deepak Fertilizers and Petrochemicals, SKF Bearings, Sandvik Asia, Tetrapak India, Thermax, Zensar. . . Multinationals Fiat, Whirlpool and Sharp are some of the big names that have made huge investments near Pune in the recent past.

Emerging industry growth created challenges for the organization in order to retain the employees. The industry growth is always manifested by the obtainable human resource. The productivity of organization is the reflection of competent and committed employee along with their relationship with manager and facilitated by motivated workforce.

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.

The present study extends the knowledge base by investigating the relevance of Herzberg’s theory in current business scenario. Herzberg was the first person who identified the factors, on
Frederick Herzberg Theory of Motivation

The Herzberg study started with premises that the relationship among the components of factors-attitudes-effects (FAE) complex should be studied within individual. In this approach, the choice of incidents is based on the respondent’s judgment of his psychological state during the events, an internal criterion. The retrospective interview method was chosen as it offering the best chances for obtaining meaningful results.

In order to test the feasibility of the chosen approach first pilot study was carried out. Thirteen people were interviewed from two companies. One was fabrication and warehousing company and other was small tire manufacturing firm. Respondents included labours, cleaning workers, plant engineers and accountants. There were specific references the way in which job performance was affected by the worker’s feelings. This technique was able to give analyzable data, on the basis of which hypotheses concerning job attitudes would be tested. The term ‘sequence of events’ was applied for preparing a report. The sequence of event was the account of length of periods of time during which the overall feeling about the job was exceptionally good or bad.

In the second pilot study, thirty nine middle management personnel were interviewed. Based on the responses, the analysis was carried out by dividing the factors leading to job attitudes into two classes. The second pilot study was carried out with the intention, to develop further the method of studying job attitudes to demonstrate that the technique would be acceptable to the people being interviewed and would produce results useful for testing specific hypothesis about job attitudes.

First level factors were to be described as situations that were precursor to person’s attitude towards his job. Second level factors were to be described as needs or drives activated by these events. It had been observed that event being reported varied considerably in degree of importance to individual. Also, there were some of the sequences of the event which were perceived as more critical to the individual than others. The centre to design was the notion of

the basis of which employee motivation can be judged or studied. His research was an attempt to identify and explain the motivating factors which satisfy individual’s needs, aims and desire.
sequence of events as a unit, bounded in time, during which an individual’s attitudes towards his job are characterized by himself as being exceptionally positive or exceptionally negative.

Main Study: 200 interviews were conducted included accountants and engineers for the examination of job attitudes as the two most important staff groups of modern industry. The samples were chosen from the segment of Pittsburg industry. The interviewing technique of study was modified in such way that respondents spoke only of relative recent past, could be combined with an intensive description of site. Each interviewed sequence consisted of a search for the factors, both first level and second level, and the effects. For determination of criticalness of the sequence, the rating scale technique was used. Based on the description of the sequence each sequence of events was classified into six basic groups.

The six groups are as follows: 1. High Long-range 2. Low Long-range 3. High Short-range of short duration of feelings 4. High Short-range of long duration of feelings 5. Low Short-range of short duration of feelings 6. Low Short-range of long duration of feelings

The results are presented for the four groups of attitude duration-

1. Long duration of feelings from high long-range sequences, high short-range sequences.
2. Long duration of feelings from low range sequences, low short-range sequences.
3. Short duration of feelings from high short-range sequences.
4. Short duration of feelings from low short-range sequences.

Job Attitude Factor: The first level factors included Recognition, Achievement, Possibility of Growth, Advancement, Salary, Interpersonal Relationship, Supervision, Responsibility, Company Policy and Administration, Working Condition, Work Itself, Status, Job Security and Factors in Personal Life. Second level factors were indentified and derivation of each from the first level factors was indicated. It was limited by the extent to which respondents would verbalize their feelings and extent to which responses given were based on stereo types of the socially acceptable or on real perception.

Effect of Job-Attitude: It included, Performance effect, Turnover, Mental health Effect, Effect on Interpersonal relationship and Attitudinal effect.

The high sequences of first level factors, were grouped into four parts (in order to understand what makes employees happy with respect to their job):-
1. Achievement and Recognition
2. Work itself, responsibility and advancement
3. Salary
4. A set of ten infrequently appearing factors – It included possibility of growth, interpersonal relations-subordinate, status, interpersonal relations-superior, interpersonal relations-peers, supervision-technical, company administration, working conditions, personal life, and job security.

The analysis of the sequences showed that, the satisfiers are related to actual job. The factors that do not act as satisfiers describe the job situation. The factors that are rarely instrumental in bringing about high job attitudes focus not on the job itself but rather on characteristics of the context in which the job is done. It includes working condition, interpersonal relationships, supervision, company policies, and administration of these policies effects on the worker’s personal life, job security and salary.

An analysis of the second- level factors lead to the conclusion that a sense of personal growth and self-actualization is the key to an understanding of positive feeling about the job. It can be stated that, the first- level factors of achievement-responsibility-work itself-advancement as a complex of factor leading to this sense of personal growth and self-actualization. It was observed on the basis of long range versus short range attitude change that, achievement appeared to be more frequently associated with two long- range factors – recognition and work itself.

In case of Low-level sequence for first level factors, an interrelationship of the factors, most of the time, when the satisfying factors were contributory to poor job attitude they occur in situations describing the job context rather than the element of the work and its rewarding qualities. In case of the second level factors- a feeling of unfairness was the most frequently expressed factor by the respondents for their negative job-attitude reaction. The results at the feeling level were much parallel to the result that were found in the first-level factors. This emphasizes the fact that the importance of professional growth is the key want of the employees and as the basic determinant of positive job attitude.

High versus low level job attitude sequence showed that, all the basic satisfiers, recognition, achievement, advancement, responsibility and work itself appeared with significantly greater
frequencies in the high than they did in the low sequences of events. Considering both, frequency and duration of attitude effects, the three factors-work itself, responsibility and achievement standout strongly as the major factors involved in producing high job attitudes. Company policy and administration, supervision (both technical and human relationship) and working conditions represent the major job dissatisfiers with little potency to affect the job attitude in positive direction.

It can be stated from the result that, the satisfier factors are much more likely to increase job satisfaction than they would be to decrease job satisfaction but the factors that relate to job dissatisfaction very infrequently act to increase job satisfaction. Moreover all the motivating factors focused on the job and that appeared infrequently in the high job attitude stories could be characterized as describing the job context. It includes job dissatisfiers. Hence, it was concluded that, job satisfiers, deal with the factors involved in doing the job, whereas the job dissatisfiers deal with the factors that define the job context.

Salary is listed separately because it belongs to different group of factor as it creates psychological effect on the job-attitude. It was equally appeared in high as well as low sequences. It can be seen as an affecter of job attitude. Salary emerged as a powerful job dissatisfier than as a job satisfier.

Effects: Performance related effects indicated that, there was an improved performance related to important job attitudes and a decrease in performance related to a change of attitude in a negative direction.

The turnover effect showed that, an effect of high sequences indicated that as a result of a positive attitude towards the job they had either changed their minds about a previous decision to quit or had turned down an offer from another company. It was rare that short-range sequences led to quitting but the proportion of reported quit as a result of long-range low sequences was considerable.

In case of attitude towards the company, it was indicative that an expected loyalty for the company that gets from its employees to vary with the degree of their job satisfaction.

Delight and depression phenomenon was considered under mental health effect. But no conclusive or objective evidences were found to take any decision about this factor.
About interpersonal relationship effect, it has been observed that, it is more of function of his psychological dynamics as an individual that of anything else. The attitudinal effect along with the increase of positive feeling about the profession, were more noticeable in the long-range. In case of low sequences for second level factor of reaction to others a change in attitude toward a specific individual was found to be associated with supervisor.

Based on the above observation, Herzberg, Mausner, and Snyderman (1959) stated that, Job attitude is powerful force and functionally related to the productivity, stability and adjustment of industrial working force. The differences between satisfiers and dissatisfiers are not only qualitative but largely quantitative. Specifically, the positive effects of high attitudes are more powerful that negative effects of low attitudes. They further added that, theoretically, an individual operating at a neutral point with neither positive nor negative attitudes towards his job, the satisfaction of the factors which may be called as ‘satisfiers’ would increase his job satisfaction beyond the neutral point. The absence of satisfaction to these factors would drop him back to neutral level but would not turn him into a dissatisfied employee.

**Motivators versus Hygiene factors**

When the feelings of unhappiness were reported, they were not associated with the job itself but with the conditions that surrounded doing of the job. These events suggest to the individual that the context in which employee performs his work is unfair or disorganized and as such represent to him as an unhealthy psychological work environment factors involved in these situations – call as ‘Hygiene’. These factors are not curative, but rather preventive. When these factors deteriorate to a level below, the employee considers acceptable, the job dissatisfaction is introduced. However, the reverse does not hold true. Hygiene factors include supervision, interpersonal relations, physical working conditions, salary, company policies and administrative practices, benefits and job security.

The nature of motivating qualities consists of two different kinds of factors. Factors in the job context meet the needs of the individual for avoiding unpleasant situations. As opposite to this, motivation by meeting avoidance needs, the job factors reward the needs of the individual to reach his aspirations. These effects on individual can be conceptualized as actuating approach rather than avoidance behavior. These job factors designated as motivators. Thus, from the study,
it can be stated that the fulfillment of hygiene related factors do not motivate the individual to high levels of job satisfaction and to extra performance on the job. It means that satisfying the needs for hygiene is prevention of dissatisfaction and poor job performance. A fewer opportunities for the ‘motivators’ to appear the greater must be the hygiene offered in order to make the work tolerable. The motivators fit the need for creativity, the hygiene factors satisfy the need for fair treatment and it is thus that the appropriate incentive must be present to achieve the desired job attitude and job performance. The salary is listed among the factors of hygiene. It is related to two kinds of situations. First, is economic deprivation that felt when actual income was insufficient and second was people with feeling of being treated unfairly i.e. amount of salary and the equity of salary. Money earned as a direct reward for outstanding individual performance is a reinforcement of the motivators of recognition and achievement. It is not hygiene as is the money given in across the board wage increases. Correction of poor hygiene or application of monetary incentives is not related to motivator.

The Final Goal
The findings suggest that with an increase of motivation the boosting of creative push would definitely lead to some remarkable advances on the part of those individuals who were capable of them. Instead of laying down rigid rules and demanding that these rules be followed, a supervisor would have to trust his ability to discriminate good end results from poor end results. The greater variability in performance is that improvement in work expected to be more heavily rewarded both with recognition and with material reward. Similarly, management would be given the burden of recognizing and reacting to poor performance. With reference to society, it may be stated that for the individual good life will have to come from fruitful hobbies and from improved life-style outside the jobs. But greatest fulfillment of man is to be found in activities that are meaningfully related to his own needs as well as those of society.

Problem Statement
Employee working in existing business set up, always looks for time scale of activities and the potentiality for individual growth. In this age, individual efforts are no more related to satisfying
basic needs only. In fact, it did lead to the accomplishment of a new set of needs which are
directly concerned with the activities to work itself. Spread over of automation decreased manual
effort drastically but it has given birth to new field – management. It provided enormous
opportunities for motivation to small minority (managerial/supervisor) and for the rest of
mankind the motives to work were clearly of the kind labeled as ‘hygienic’. (Herzberg, Mausner,
and Snyderman, 1959). The complex nature of the job reduced meaningfulness of interpersonal
relationship. Authorities and responsibilities related to job bounded by administrative rules
which, sometimes, may lead to disappointment. Within this frame of work, authority comes with
position, which gives less satisfaction about the sense of achievement while actually exercising
it. It also creates gap between manager and his subordinates. This causes decrease in motivation
level. The next factor which affects employee motivation is monetary benefits. The effect of
monetary benefit is very much visible in today’s business scenario. Backing of trade union adds
importance to it. Managerial effectiveness also plays an important role in employee motivation.
Employee participation seems to be increased by effective leadership. Personality and knowledge
of manager reflects an increase in interpersonal relationship. Morse G. (2003) stressed, “People
certainly appreciate bonuses, but money alone won't have the desired effect if managers overlook
their employees' desires to contribute to their organizations in meaningful ways. Managers can't
divine every person's real motivation.”
Understanding what motivates the people is a challenge for any organization. It is a critical
aspect of any organization. Organizations are striving to find out how employee can be kept
happy so that he can contribute to the organization in order to attain organizational goals. The
various studies show that, money is no more remains a motivating factor. According to Tsang
and Wong (1997), “The biggest misconception was that good wages were always the primary
motivational factor among employees regardless of the industry by which they are employed.”
Employee wants something beyond money. Challenging work, ownership and recognition for a
job, good manager with leadership skills are becoming prime factors for motivation. Some more
factors which can be added in this list are sharing of organizational goals, knowledge sharing,
communication for changes to be expected in future, and learning opportunities etc. If employee
is aware about the career path along with fulfillment of personal goals, he/she will definitely try
to contribute more for the organization. Employees’ knowledge and competencies give
competitive advantage to the organization. The study carried out by Galia, F. (2008) for French firm, showed that, the motivation and knowledge management practices are complementary to each other and they are inherent part of an organizational system. It enhances knowledge sharing irrespective of types of motivations.

Both intrinsic and extrinsic motivation plays an important role for managing employee motivation. Combination of both intrinsic and extrinsic factors contributes to organizational growth. (Hamerstone, 1987, and McNally, 1992). An Intrinsic motivated person attaches himself for his interest or joy while in extrinsic motivation, a person looks for materialistic reasons such as incentives or rewards for showing effective job performance. In this context, intrinsic factors provide satisfaction immediately as it is self determined while extrinsic factors are managed by organization. Fostering creativity and learning intrinsic motivation holds advantage to extrinsic motivation within the organization. Though salary is one of the important extrinsic factors, still employees prefer intrinsic motivation as a major aspect of their professional life which reflects in their commitment towards work as well as organization and it results into higher level of satisfaction. There is a definite link between job satisfaction and employee motivation. There is a significant relationship observed between job characteristics and job satisfaction. Job satisfaction is an important element from organizational perspective, as it leads to higher organizational commitment of employees and high commitment leads to overall organizational success and development (Feinstein, 2000) in addition, growth, effectiveness and efficiency of the organization and it lower employees’ intentions to leave the organization (Mosadeghard, 2000).

This study verifies the relevance of Frederick Herzberg’s theory in changing business perspective as the essence of his study lies in concern with the employees at work and for their well-being. The present study also checks the possible shifting of motivators and hygiene factors and an addition of organizational effectiveness as a motivator by considering contemporary business environment.
Purpose of the Study

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:

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.

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 industries with the help of statistical analysis of the responses of the subjects.
Significance of the Study

Fredrick Herzberg was the first person to show that satisfaction and dissatisfaction arise out of different factors. His theory attempts to identify the motivation factors through recognition of individual needs and expectation from the job. The application of job enrichment principle provides practical ways of motivating the employees and increase in managerial effectiveness. Job satisfiers deal with the factors involving doing job and job dissatisfiers deal with job context. The objective of his study was aimed at humanity and caring at workplace. The essence of his study lies in concern of the employees at work for their well-being. Herzberg’s research proved that employees strive for hygiene factors to be fulfilled otherwise they become unhappy. The satisfaction is a temporary phase. The effect of satisfaction remains for some period, Once it gets over employee look for the relatively next level of satisfier. Organization should be able to manage this phase. As one set of need gets fulfilled, organization enable employee to reach the next level e.g. once employee is satisfied with the expectation regarding the salary (hygiene factor), he looks for advancement (motivator). Herzberg identified motivating factors which are helpful for the organization to keep employee motivated so that he can contribute toward organizational success. In addition to this, Herzberg believed that the opposite of satisfaction was not dissatisfaction; removing dissatisfying characteristics from a job would not necessarily make that job more satisfying or motivating.

The most important aspect of this theory is the motivating factors that are inbuilt within 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 interested in the job. Motivators always lead to satisfaction because every employee thirsts for growth and self achievement. This theory recognizes that the intrinsic satisfaction can be obtained from the job itself. It also points out that the problems related motivation may or may not be essentially directly associated with job that can be external to the job also.

It is to be noted that the two types of factors are not mutually exclusive and that management must try to fulfill both types of need for an employee to be truly satisfied with his job. Once the Hygiene factors have been satisfied providing more of them will not create further motivation but not satisfying them may cause de-motivation. It is also possible that management may not
able to fulfill expectation of employee for the motivator still employee feel motivated. This is useful for the companies for designing their reward and recognition system.

Herzberg coined a term ‘Job Enrichment’, based on his findings of satisfaction. This means an addition of different tasks to a job to provide greater involvement and interaction with that job. If a job cannot be designed to use an employee’s full ability management or employee’s skill cannot be used to the fullest extent, they face problems with motivation. Hence it is necessary that management should always place the right person at the right job with the due consideration that:

- The job must utilize the full capability of the employee and provide them with sufficient challenge
- Any employee who demonstrates an increasing level of ability to perform the task should be given correspondingly increasing levels of responsibility.

Motivators always lead to satisfaction because each one of us has thirst for growth and self-achievement. This theory recognizes that the intrinsic satisfaction can be obtained from the job itself. It also points out that the problems related motivation may or may not be essentially directly associated with job that can be external to the job also.

Herzberg goes further than Maslow, cutting the hierarchy off near the top and maintaining that motivation results only from some elements of esteem needs and self-actualization. His work is aimed at increasing performance of the employee. The theory established that how job satisfaction and dissatisfaction function separately from each other. His work presents a road map for providing motivation and job satisfaction to management. It also helps in designing a job so that employees can be retained and remain satisfied.

In today’s business scenario, it is observed that, irrespective of pay cut and moderate working conditions, employees try to remain associated with organization with the expectation of job security. It is the ownership that motivates employees to be with the organization. Herzberg theory guides the manager to understand multidimensional phenomenon of motivation to handle complicated situations in order to retain the employees.
Definition
The following terminologies were used in present research. The definitions of these terms were given below as they were applicable to the present study.

1. Industry: An industry is a group of manufacturers or businesses that produce a particular type of product or service.

2. Employee: An individual who works full-time or part-time under the contract of employment, whether oral or written, express or implied for compensation.
   a. Top level employee: These are the persons who are responsible for making strategic decisions and establishing the policies and plans for the organization. It includes general manager (GM), chief executive officer (CEO), managing director (MD), and vice president (VP) etc.
   b. Middle Level employee: Middle level employees are coordinators for implementation of policies and plan designed by top level employees. They act as mediators between top levels and the executives. It includes head of the department (HOD), branch manager, project manager etc.
   c. Executives: These are the employees, who actually implement the plans and report to the middle level employees.

3. Employee Motivation: It is inner drive or psychological force which guides and determines employee behaviour. According to Robbins, (1993), “It is the willingness to exert high level of effort towards organizational goals, conditioned by the employee’s ability to satisfy some individual need.”

4. Intrinsic Motivation: Intrinsic motivation refers to motivation that comes from inside an individual rather than from any external or outside rewards, such as money or grades.

5. Extrinsic Motivation: Extrinsic motivation refers to motivation that comes from outside an individual. The motivating factors are external, or outside, rewards such as money or grades.

6. Job Satisfier: It is specific aspects of a job which are potential sources of positive emotional states. These emotional states are the result of person-task relationships.

7. Job Dissatisfier: It is specific aspects of job which potential source of negative emotional states. These emotional states are the result of person-task relationships.
8. Motivators: These are the factors which motivate employees to give their best to the organization. For this research study following factors were considered as motivators.

i. Job Itself - It is related to the actual doing of the job or the tasks of the job. The aspects like job importance, challenging work content, power or freedom to carry out job, authority and responsibility associated with carrying out task are related to Job itself.

ii. Performance Management – It is about managing performance of the employees by considering existing appraisal system, feedback and management of reward

iii. Training and Development – It is for development of an individual in working environment It contain learning environment within the organization, training for development, opportunities for personal growth etc.

iv. Organizational Effectiveness – It is about how effective an organization is in achieving its goals. It includes the facets like organizational goal, change management, employee career growth, retention of employee and communication.

9. Hygiene Factors: These factors are the maintenance factors, which boost employee motivation. The hygiene factors which considered for this study were as follows.

i. Supervision – In this competence or incompetence, fairness or unfairness of the supervisor were the critical characteristics.

ii. Salary – It includes salary or wage increase or unfulfilled expectation of salary increase.

iii. Interpersonal Relationship - It includes category like – Interpersonal relations with Superior, peers and subordinates

iv. Working Condition – It is the portions of physical conditions of work, the amount of work or the facilities available for doing work.

v. Company Policies and Administration – It is related to overall aspects of company factor, the adequacy or inadequacy of company or management.
vi. Welfare Measures – It is anything done for comfort and improvement employees over and above the wages. In the present research it is about organization concern for employee/labour relation (Industrial relation)

**Motivator and Hygiene Factors**

<table>
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<th>Motivator and Hygiene Factors (Considered in the present research)</th>
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<td><strong>Hygiene Factors</strong></td>
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Table 1: Motivator and Hygiene Factors

**Chapter Scheme**

The first chapter dealt with introductory information about the present research work. It talked about Herzberg dual factor and its importance on the basis of which this research work was carried out.

The second chapter is literature review. It props up for selection of the topic and its application in various business settings. It also discuss profiles put forth by Herzberg based on motivation-hygiene condition within the organization. The disparagement to dual factor theory was also discussed in this section.

The third section of this thesis is about research methodology. It consisted of discussion about hypotheses and objectives of the study. It also take in to account of research design, variables considered for the study, selection of research instrument and its reliability and validity, and method of data analysis along with assumptions and limitations of the study.
The forth part deals with data analysis and presentation of the findings for each industry, all the industries collectively and for different levels of employees. The analysis for the ranking given by respondents for the variable under study by using Garret Ranking Scale is also presented in this chapter.

The fifth chapter talks about summary and conclusion of the study. The managerial implication is also conversed in length along with recommendations.

The bibliographic references cited in the last chapter, without which it was not possible to carry out this research work.

**Summary**

This chapter introduces the necessity of the study about employee motivation in current business scenario with the help of past and present studies. It also discusses various motivational theories put forth by the researchers. The detailed description of Frederick Herzberg’s theory is given which is at the core of this research. This chapter also throws light on the significance and purpose of the study as well. The next chapter reviews literature relevant to the research for providing foundation to the study.