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Factors Impacting the Employee Motivation in IT Firms of Hyderabad

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ABSTRACT: Human resources are the most important resource for any organisation. Hence it is a major and vital task for the management to utilize these resources efficiently and effectively. Motivating the employees at every step by the management leads to improved productivity. Motivated employees always strive to put their best in the work and attain job satisfaction which leads to positive growth of the organisation. Motivated employees will have a commitment towards their organisational objectives along with the individual targets and objectives. For the success of any organisation in long run, motivating the employees is very essential. IT industry, the fastest growing industries in India to need focus on motivational factors. A research has been conducted by snowball sampling method to identify the motivational factors for the employees in IT firms. Responses from 94 employees were collected.

KEYWORDS: Employee Motivation, IT industry/firm.

I. INTRODUCTION

IT industry is hub of digital skills and one of the largest emerging industry in the private sector. IT industry in India is skyrocketing. It significantly contributes to the employment and GDP of the country. According to NASSCOM, (Feb 16, 2021). This industry accounted for 8% of the GDP in the year 2020. It is also a major contributor to the exports. IT exports are expected to raise by 1.9% in FY 2021. This industry employed 1.3 lakh employees in the same year (Phadnis, 2021). Hence being a largest hub of man power, this industry should focus on motivational factors in order to increase the productivity which in turn leads to socio economic growth of the country.

The global business environment is rapidly changing, and organizations that can adapt to changes survive. Organizations must develop strategies to withstand fierce competition, and those that can survive may outlast others. In a highly competitive business environment, any organization must plan and strategize according to the prevailing business conditions. Organizations today place great emphasis on customer preferences to maximize business value. Organizations also recognize the importance of developing internal competencies and competencies to survive and compete in this dynamic business environment. Ensuring employee commitment to organizational goals is an important issue facing most organizations.

Sekhar, C., Patwardhan, M. & Singh in their literature review on motivation concluded that Motivation acts as a booster for employees in an organization and improve their levels of performance. (Chandra Sekhar, 2013)

Berenson and Steiner (1964) viewed the term motive 'as inner state that energizes, activates or directs behavior towards goals'. In other words, motivation is a general term applying to the entire class of drives, needs, and similar forces.

There are 5 key motivating factors for an employee. They are Reward and recognition, Development, Leadership, Work life balance and Working environment (Gemma Chadwick, 2019)

II. RELATED WORK

Smith and Rupp (2003) stated that performance depends on individual motivation. organizational strategy Structure and resistance to change are empirical roles concerning to organizational motivation. (Smith, 2003)

According to Orpen (1997) better the rapport among the mentors and mentees in the proper mentoring program, the more mentees are motivated to endeavor and committed to their organization (Orpen, 1997)

It is highly impossible for any division to exclusively motivate and satisfy employees without the senior management support and active participation and interest. (Solanki, 2013)

Garg and Rastogi (2006) had identified key issues in job design via research and practice to motivate employees for performance. The following conclusion: "A dynamic management training structure is required to improve the skills of employees. performance to solve global problems" has been arrived at. (Garg, 2006)

(Chenhall 2005). The establishment of operations-based targets would help the provision of strategic feedback by letting the evaluation of actual performance against the operations-based targets. Goal oriented



behavior and strategic feedback are likely to improve organizational performance (Chenhall, 2005)

Vuori and Okkonen (2012) mentioned that motivation help to carve up knowledge through an intra-organizational social media platform which could help the organization to reach its goals and objectives. (Vuori, 2012)

There have been numerous theories on employee motivation. The following are few of them:

Herzberg's two-factor theory : The two-factor theory (also known as Herzberg's motivation-hygiene theory and dual-factor theory) states that there are certain factors in the workplace that cause job satisfaction while a separate set of factors cause dissatisfaction, all of which act independently of each other.

Maslow's need hierarchy theory : Maslow's hierarchy of needs is a theory of motivation which states that five categories of human needs dictate an individual's behavior. Those needs are physiological needs, safety needs, love and belonging needs, esteem needs, and self-actualization needs

McClelland's theory of needs: McClelland's Human Motivation Theory states that every person has one of three main driving motivators: the needs for achievement, affiliation, or power. These motivators are not inherent; we develop them through our culture and life experiences. Achievers like to solve problems and achieve goals.

Alderfer's ERG theory : Alderfer's ERG theory suggests that there are three groups of core needs: existence (E), relatedness (R), and growth (G)—hence the acronym ERG. These groups align with Maslow's levels of physiological needs, social needs, and self-actualization needs, respectively.

McGregor's Theory X, Theory Y : In 1960, Douglas McGregor formulated Theory X and Theory Y suggesting two aspects of human behaviour at work, or in other words, two different views of individuals (employees): one of which is negative, called as Theory X and the other is positive, so called as Theory Y.

III. OBJECTIVES OF THE RESEARCH

- Understanding the impact of HRM policies on motivation of employees in IT firms.
- Understanding the factors that contribute to the employee motivation.
- Explore the ways in which motivation is followed in the IT firms.

IV. LIMITATION OF STUDY

- Due to limited timeframe and covid restrictions the study is conducted only on few IT firms in Hyderabad which is a hub of IT industries.
- The data collected is through google forms as personal data collection was not possible due to WFH for the IT employees.
- The research is confined only to the views of the respondents on a narrow area.

V. SCOPE OF STUDY

- Can be extended to other industries.
- Can be extended to other cities too.
- Can be extended to the job satisfaction along with motivation for better job commitment.
- Both qualitative and quantitative methods can be used for research.

VI. METHODOLOGY

The basic purpose of this research study is to limelight the significance, challenges and different ways of motivation that is being used in these companies. Both primary and secondary methods are used to collect the data. Data is collected from the employees in the questionnaire through Google forms. The research is descriptive in nature as it takes into account of the researches conducted in the past and the data collected to arrive at an opinion of the factors, that motivate the employees. The Secondary data is collected from journals., articles published in research papers, websites, Motivational theories.

Data Collection

The data collected is Primary in nature and is collected through a questionnaire in Google forms. Snowball sampling is used to collect the data due to time and situation issues . A total of 94 employees responded to the questionnaire and sent the forms back. The questionnaire consists of 6 contents on a scale of 5

VII. EXPERIMENTAL RESULTS

TABLE 1: MOTIVATIONAL FACTORS.

Motivation Factor	Highly Dissatisfied	%	Dissatisfied	%	Neutral	%	Satisfied	%	Highly Satisfied	%	Total
Financial Reward	14	14.89%	17	18.09%	32	34.04%	19	20.21%	12	12.77%	94
Career Progress	13	13.83%	14	14.89%	24	25.53%	25	26.60%	18	19.15%	94
Training and development	9	9.57%	11	11.70%	23	24.47%	29	30.85%	22	23.40%	94
Compensation and fringe benefits	16	17.02%	20	21.28%	30	31.91%	15	15.96%	13	13.83%	94
Appreciation and Recognition	17	18.09%	21	22.34%	32	34.04%	13	13.83%	11	11.70%	94
Worklife Balance	19	20.21%	23	24.47%	16	17.02%	22	23.40%	14	14.89%	94

CHART 1 MOTIVATIONAL FACTORS

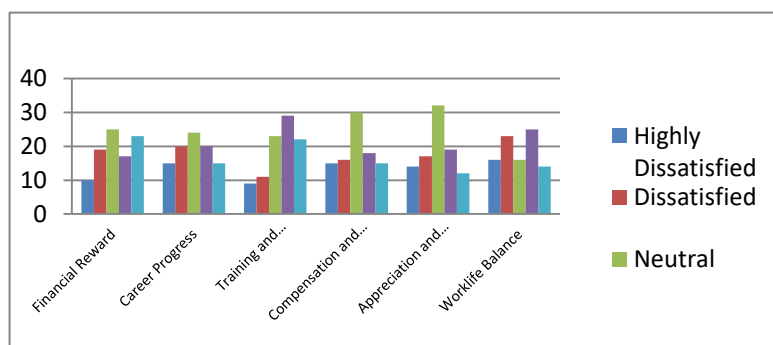
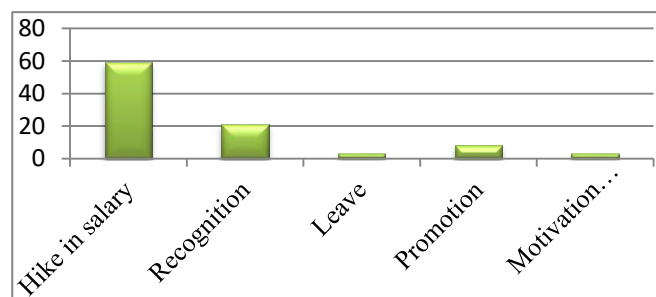


TABLE 2 : MOST MOTIVATING FACTORS

Factors	Respondents	%
Hike in salary	59	62.76
Recognition	21	22.34
Leave	3	3.19
Promotion	8	8.51
Motivational talks	3	3.19

CHART 2 MOST MOTIVATING FACTORS



VIII. DATA ANALYSIS

From the data collected and the responses received, The following interpretation and data analysis is made. A total of 14.89 %of the respondents are highly dissatisfied with the Financial Rewards and 18.09% are dissatisfied. Whereas 34.04 % remained neutral .on the other hand 20.21% are satisfied and 12.77% are highly satisfied with the Financial Rewards in the organizations. When it comes to the parameter of their career progression 13.83% of the respondents are highly dissatisfied and 14.89% are dissatisfied. Whereas 25.53% remained neutral .on the other hand 26.60% are satisfied and 19.15% are highly satisfied A total of 9.57% of the respondents are highly dissatisfied and 11.70% are dissatisfied with training and development provided in the organisations. Whereas 24.47% remained neutral .on the

other hand 30.85% are satisfied and 23.40% are highly satisfied with training and development provided in the organisations. 17.02% of the respondents are highly dissatisfied and 21.28% are dissatisfied with compensation and fringe benefits. Whereas 31.91% remained neutral. On the other hand 15.96% are satisfied and 13.83% are highly satisfied with compensation and fringe benefits in the organisations. With appreciation and recognition in the organizations 18.09% of the respondents are highly dissatisfied and 22.34% are dissatisfied. Whereas 34.04% remained neutral. On the other hand 13.83% are satisfied and 11.70% are highly satisfied. While looking into another parameter which is work life balance 20.21% of the respondents are highly dissatisfied and 24.47% are dissatisfied. Whereas 17.02% remained neutral. On the other hand 23.40% are satisfied and 14.89% are highly satisfied. According to 62.76% of the respondents hike in salary is the most motivating factor, next comes recognition with 22.34%, Promotion, leaves and motivational talks have least impact on the motivation of the respondents.

IX. DATA INTERPRETATION

Based on the above analysis, it can be interpreted that the training and development and career progress parameters have been performing fairly as per the response of the employee however still have a large scope of improvement and amendments. The compensation and fringe benefits have been one important factor effecting the motivation of the employee's and it recorded least satisfaction percentage. Parallel to that are the scores of recognition and appreciation practices. The financial rewards have same scores for satisfaction and dissatisfaction. It can be said that the firms should maintain a balanced approach between financial and non financial rewards. Even the work life balance is analysed to be low among the respondents. Money is the most important factor of motivation than any other per or benefits according to the analysis.

X. SUGGESTION

- The top and middle level management should understand that motivation is an ongoing process and if it is non-stop it can be effective and yield good results
- Money is the major criteria to motivate the employees, hence management should understand the same clearly
- A clear understanding of the expectations of the employees, and their motivational factors is the major element of employee motivation.
- Management should involve the employees in decision making, which makes them feel responsible and achieve the organizational goals.
- Career development programs should be designed by the organizations which leads to the growth of them.
- Organisation structure and process should be framed and designed so that training and development can be made better. Emphasis should be laid on compensation and rewards which supports and facilitate work and helps in creating a motivated and dedicated environment in the organization.

XI. CONCLUSION

The earlier researchers have concluded that the employees who are motivated have a positive impact on the performance and productivity. Hence it is vital for any organization to create such an environment which motivates the employees and supports in their optimal performance. The present day business requires day to day changes, innovations and development, which may not be possible with talented and dedicated and motivated workforce.

Of the four factors of production, labour is the most crucial factor on which the success of the organization depends on. Motivated employees work towards the attaining the organizational goals. Hence the managers should always strive to put the employees motivated at the work place. Moreover motivated employees may have job satisfaction which increases the productivity.

High labour turnover can be seen in the organizations which lack motivation. Employees should be properly appreciated and the management should understand that employees are the backbones of the firm.

For any organization to succeed and survive in the market, motivational skills should be practiced. Moreover, employees motivation is directly linked to the organizational profits, hence they should be encouraged and motivated at every single stage. The present organizations are facing a great challenge of retaining the employees in the job, this might be due to poor motivational strategies. Hence the firms should strive hard to achieve these motivational factors. So they have to understand the fact that motivational strategies contribute to the success of the organization in long run.



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