

# Low employee morale and high employee turnover rates commerce essay

[Business](#)



Hira Group comprises of two province of the art fabric units by the name of 'Hira Textile Mills limited ' and 'Hira Terry Mills Limited ' located adjacent to each other at 8km from Manga Raiwand Road, Lahore. Hira Textile produces cotton narration with the installation of an in house deceasing unit and Hira Terry manufactures towels. A The units, apart from bring forthing and exporting their several merchandises all across the universe, are besides a all right illustration of perpendicular integrating where at times the merchandise narration is obtained from Hira Textile and optimally weaved to do towels in Hira Terry. Hira Textile Mills has three offices, Corporate HQ in Lahore and one office in US and Canada, severally. ( Hira Textile Mills company web site )

## **Vision**

A dynamic profitable and professionally managed successful concern organisation. ( Hira Textile Mills Annual Report, 2011 )

## **Mission**

Hira Textile Mills Ltd is committed to the highest criterions of unity, honestness, openness and professionalism in all of its activities whenever they are undertaken. We, the Management Team of HTML are endeavoring to better the quality of narration by continuously bettering its fabrication installations. We are committed to positioning the Company at the vertex of the industry by fulfilling our valued clients, file awaying superior returns for stockholders, by supplying congenial work environment where the employees feel portion of the organisation and be a good corporate citizen by carry throughing our societal duties. ( Hira Textile Mills Annual Report, 2011 )

## **Future Plans**

Although the public presentation of the company is rather satisfactory during the twelvemonth but the future market state of affairs is altering to adversely due to diminish in the narration monetary values, and increase in rewards, markup rates and other input costs. The direction is taking the position of consolidation for the minute and taking advantage of new fabric policy 2009 by moderately heightening its direct and indirect exports by bettering productiveness and quality. Aggressive selling scheme has been the major factor in HTM consistent profitableness over the last old ages. In the visible radiation of the Company 's overall objectives the Board of Directors on a regular basis review the Company 's scheme concern programs and put public presentation marks consequently. ( Hira Textile Mills Annual Report, 2011 )

## **Businesss and Merchandises**

Hira Terry Mills is a province of the art Terry merchandises fabricating works apparatus in Lahore, Pakistan. The works was set up in late 2006-early 2007 with new machinery comprising of chiefly European machinery from Germany ( Dornier Air Jet Looms, Theis Dyeing, Schumale uninterrupted Double-Needle Side Hemming, Spain ( Anglada Continuous Finishing line ) , Switzerland ( Benninger Weaving readying ) and Japan ( Kindai Continuous Side Hemming, Barudan Cross Hemming and Infinity Continuous Slitting ) . The Plant is a vertically incorporate Terry maker, which has the production capableness of fabrication, all in house, yarns to towels.

The works has a big assortment of cottons in its spinning operations and is a certified manufacturer of Supima, Egyptian and Organic Cotton narrations. In add-on, it carries a assortment of other cottons such as Australian, Brazilian, California ( US ) and Turkish Cottons in medium basic and Pima and Egyptian in long staple fibres. This gives it a alone place in the market to serve better-best quality towels.

The scope of merchandises extends to:

Cotton Towels made from Supima, Pima, Giza and Pakistani cottons with possibility in Combed, Zero Twist, Soft Twist narrations.

Merchandises range to Bathrobes, Bath towels, Hand towels and Face towels.

Density in towel scopes from 400GSM to 1100GSM.

Hira Textile Mills is equipped with the most modern machinery in whirling, duplicating and yarn dyeing.

The whirling units comprises of 40, 000 spindles.

The merchandise scope varies from coarse counts to ticket counts runing from 4/1cd to 80/1cm, bring forthing Ringing Spun every bit good as Compact spun narrations, Slub and Lycra narrations.

Draw frames with car levellers and conditioning machine from Xorella have besides been installed for farther betterments in the quality of narration in the of all time increasing international criterions of the universe market.

Cotton

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Combed

Carded

Slub

Pakistani

8/1-40/1

6/1-10/1

5. 5/1-20/1

Egyptian

10/1-100/1

6/1-13/1

-

American

16/1- 40/1

Australian

16/1- 40/1

Organic ( Skal Certified )

10/1-30/1

Pima ( Supima Certified )

13/1-100/1

6/1-13/1

Beginning: Hira Textile Mills company web site ( hypertext transfer protocol: //www. hiramills. com. pk/ )

## **Purpose of the Study**

At the start of this thesis study an explorative meeting was held with Hira Textile Mills ' ( HTM ) CEO, Mr. Nadeem Butt in order to research how the human resources section can be improved and whether there were any on-going HR related issues that the house was confronting. It was brought to attending that one of the most of import assets of the company was its employees and had it non been for them the company would non hold been successful in the past, particularly after the new Terry unit was installed. In order to guarantee its uninterrupted growing HTM wants to safeguard its most of import plus, its people. Mr. Nadeem Butt brought into visible radiation the issue of employee morale non being what it one time you used to be, one indicant he had was an increasing employee turnover rate. As the company grew and more people were inducted, it became harder and harder to keep the same degree of ardor, motive and trueness which was one time shared across all direction degrees, in the starting yearss of the company. Larger groups of companies like Nishat, Crescent, Sapphire, Nakhshbandi etc. have become more organized and commercial and hence attract good employees. But if HTM is to last among the giants, it is indispensable to

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develop and retain a pool of efficient human resources. With the senior direction approaching retirement, it has become of all time more of import to concentrate on retaining and beef uping its well trained in-between direction for sequence planning. I was asked to look into ( I ) Whether low employee morale even exists or is it merely the managers perceptual experience and ( two ) IF it does be, what is doing it and ( three ) how to cover with high employee turnover.

## **Research Question**

Therefore my research inquiry is:

Is the employee moraledepression, IF so, what are the grounds behind low employee morale and high employee turnover rates at Hira Textile Mills? "

## **Research Aims**

What are the current fiscal and non-financial techniques being used by HTM.

Determine the several importance assigned by employees to these fiscal and non-financial inducements.

Determine how satisfied employees are with their several fiscal and non-financial wages.

What is the current degree of employee motive and trueness.

How attractive an employer HTM is in its employee 's eyes.

Determine the consequence of fiscal inducements versus non-financial inducements on employee trueness and motive.

Importance of fiscal inducements versus non-financial inducements at different organisational degrees ( lower direction, in-between direction and upper direction ) .

## **Research Methodology**

This survey was conducted utilizing a matter-of-fact attack, that is, assorted methods were used. The start of this research survey was explorative research, in which the job was discovered, defined and agreed upon through informal meetings with the CEO and the HR section ; the descriptive portion of the survey consisted of garnering informations to fundamentally find what is presently go oning, the position quo that is ; and the explanatory portion of this survey was the illations derived based on the analysis of the gathered informations.

A combination of qualitative and quantitative research was undertaken to roll up first-hand informations for this survey. Merely first manus informations will be collected for the intent of this research undertaking because no secondary informations beginnings exist as this is a house specific issue, but a thorough literature reappraisal was conducted to polish and enrich the research methodological analysis and to heighten the research worker 's apprehension of the research subject.

For qualitative research the undermentioned technique was used:

### **In-depth Interviews**

The chief ground for taking in-depth interviews was the consideration that since the participants belong to the same company, they will non portion

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their unfastened and honest positions with the group, had the focal point group treatment technique been used. Besides, in-depth interviews provide a opportunity to the research worker to examine deeper in to apparent on the surface issues in order to uncover the nucleus jobs. However, the most of import restriction of this technique is that the point of position received is of merely an person. It is best to utilize in-depth interviews to research the general job country or to travel profoundly into a job, e. g. specifying which variables to include in the quantitative phase of the survey and which 1s to exclude.

The tool used to carry on quantitative research was:

#### Survey Questionnaire

This study questionnaire was administered via electronic mail. This was done because ( a ) This method was more convenient, ( B ) respondents were all educated plenty to understand inquiries in the written signifier and ( degree Celsius ) since merely a selected figure of employees were to be questioned, on the topographic point in the flesh questionnaire filling would hold made the respondents cautious and brought prejudice in their sentiments. Other grounds for taking questionnaires as the informations aggregation instrument are ( Khan, 2007 ) :

The usage of questionnaire for aggregation of informations is comparatively inexpensive compared to other methods.

Questionnaire can easy be coded and analyzed. They were more conformable to statistical analysis.

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They can be speedy to administrate, enabling feedback on many things to be gathered in a few proceedings.

They can be used anonymously, letting scholars the opportunity at least of giving negative feedback without the embarrassment of giving it publically.

The opportunity of prejudice would be minimum because the respondent would liberate of any force per unit area of being observed through these tools.

However, questionnaire technique of informations assemblage besides has some disadvantages ( Khan, 2007 ) :

The Ticky Box syndrome: Peoples become conditioned to do instant responses to inquiries. Getting through the questionnaire rapidly becomes a virtuousness. Responses are made on a surface degree of believing instead than as a consequence of contemplation and critical thought.

The Performing Dogs syndrome: Many people make fulling in questionnaires tend to delight the research worker. They can normally state which responses will delight the people giving them the questionnaire and the people whose work is involved in the issues covered by the questionnaire. If they like the people, they are likely to notice favourably on things.

Lost Learning chances syndrome: Questionnaires are frequently used after the event instead than during it. This tends to minimise any existent acquisition results of the procedure of finishing questionnaires.

The 'wysiwyg ' syndrome: 'What you see is what you get ' . Questionnaires produce feedback on the peculiar issues covered but frequently non on other of import issues. There is a inclination to plan questionnaires which will give positive feedback.

Blue, Rosy and Purple, questionnaire: A major restriction of most questionnaires is that responses are colored by how people feel at the minute of make fulling them in. If the same questionnaire were used a few yearss subsequently, some responses may be wholly different. Yet the consequences are frequently statistically analyzed as though they reflected lasting reactions to inquiries and issues instead than fleeting, transeunt reactions.

This survey was executed in three parts:

Part I: Qualitative Research - In-depth interviews conducted with employees at assorted degrees of HTM and from different sections.

Part II: Quantitative Research - Using the qualitative research findings a questionnaire was developed to prove these findings. Once the field work completed and informations was tabulated in excel format, ready for use and extraction, it was analyzed to reply the research inquiry and accomplish the stated research aims.

Part III: Report Writing, Formatting and Referencing - This is the concluding phase of the research survey. In this phase all the tabulated informations, its research consequences and analysis are articulated into a standardised study format with proper citing to avoid plagiarism.

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## Literature Review

The relevancy of this thesis subject can be derived from the get downing lines of Rihova 's article ( 2009 ) which argues that

`` The basis of a company 's success is aA chiseled and enforced corporate scheme which the whole company lives ''

In order for a company to successfully make its strategic ends, its employees need to `` experience closely connected to the ( corporate ) scheme 's values and way and motivated to carry through the company 's designated ends '' . Two of import things have been mentioned here by the writer, foremost, holding a well defined corporate scheme is polar to any company 's success and secondly, unless there is a strong connexion between the employees and these ends, employees are non likely to be motivated. In other words, the employer needs to do corporate ends as unambiguous ( this will assist in giving `` way '' ) and relevant for the employees as possible, so that a strong connexion can be made, hence, giving manner to motive for employees. However, this entirely does non incite motive but instead it is the necessary status which needs to be fulfilled for other motive techniques and tools to work efficaciously. Therefore, doing the thesis ' research inquiry, 'Which compensation technique reaps the highest degree of motive and trueness towards the organisation? ' a cardinal subject to be looked into.

Ivana Rihova farther states that:

`` To find the outlooks, the company 's strategic ends are broken down in item to the degree of ordinary employees.

Employees so seek motive to run into the designated ends in which the company is able to assist them by putting come-at-able conditions and steps. Hence, the public presentation of employees corresponds to how the work and wages ( both fiscal and non-financial ) meet the employee 's demands. "

`` Conditionss and steps " here refer to the substructure, regulations & A ; ordinances and the criterion operating processs that define how work is done in a company and besides serve to enable the employees to transport out their occupations efficaciously. This is synonymous to the 7-S model 's `` hardware and package " . The point that the writer intends to foreground here is that wages should be based on employees demands ; otherwise it will non be able to actuate them.

At this occasion the writer challenges the conventional belief that 'the higher the fiscal wages, the higher the motive of an employee ' by saying that many studies and experiments have been conducted over the old ages which yield a different consequence. Although fiscal wages are a hygiene factor and make lend towards motive, it does non intend that they are the most optimum motive accelerator. Fiscal wages can merely actuate employees up to a certain point, after which non-financial wages are more utile in making motive. This decision is besides validated by economic sciences ; the labour curve of a individual employee is a downward 'U ' form curve with figure of labour hours on the X-axis and the corresponding wage on the Y-axis. This downward 'U ' form of the curve depicts that up to a certain point an employee is willing to work more hours for more wage, but beyond the

extremum of the downward 'U' curve the employee really prefers to work less hours for each increase in salary. It is particularly at this point that non-financial motive comes in ready to hand. Hence, there is a demand to plan a balanced compensation system which includes fiscal as well as non-financial wages.

“ Indeed, the HR manager can be expected to put regulations, have knowledge and supply support, yet non-financial motive is the duty of direction, viz. senior direction and line direction. Management is truly incorrect to believe that except for direct assignment of undertakings to employees, which is ensured by the direction, the HR manager can take attention of and be responsible for all other reactions of employees at work and associated with work. ”

The writer here talks about the wide-spread misconception among organisations today where directors assume that all types of wages, may it be fiscal or non-financial, are the duty of the human resource section. In the writer's sentiment it is merely the fiscal wages which are the exclusive duty of the human resource section but the load of non-financial wages should fall chiefly on direction's shoulders more frequently than non.

## **HR Trends of Employee Motivation around the World**

By and large, in America the growing of Employee Stock Ownership Plans over the past 25 years have played a polar function in the compensation agreements of employees, associating employees pay construction with companies overall public presentation, including wide based stock options, addition sharing, net income sharing etc. Over the old ages, research has

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shown that on norm, employee ownership houses are in a place to either lucifer or to transcend the public presentation of similar houses ; nevertheless with considerable scattering of consequences. An illustration can be of United Airlines where employee ownership failed to present its promise in certain fortunes while the outstanding success of companies such as SAIC high spots that ownership helps to accomplish long term growing specially in extremely competitory industries.

In order to cut down rule agent job, it is really of import to bind employee wage with the house public presentation and affect employees in decision-making procedure. In this manner non merely the employee ownership agreements will cut down any jobs accruing, but besides it would increase the public presentation of the company. One of the most common expostulations to employee ownership inducement programs is the free rider job. It arises due to the weak connexion between an person 's public presentation and fiscal waggess, as the work squad gets larger. As there seems no possible solution to the free rider job, many research workers agree with Weitzman and Kruse ;

`` something more may be needed-something kindred to developing a corporate civilization that emphasizes company spirit, promotes group cooperation, encourages societal enforcement mechanisms, and so forth '' ( 1990: 100 ) .

The cardinal improving factors through employee ownership plans are the inducements, engagement and work topographic point environment. The inducements given to employees must be sufficient to actuate them,

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engagement must be meaningful for employees to do critical determinations and environment provided should look closely at the free rider job.

Consistent with this, researches that have compared workers attitude under employee ownership give a assorted image. Few of the research done have found out higher committedness, motive and satisfaction among employee-owners, while harmonizing to other researches, there no important difference before and after an employee buyout. Some research workers suggest that organisation designation and committedness are higher under employee ownership. However, consequences vary significantly from favourable to impersonal on occupation motive, satisfaction, employee absenteeism, turnover, grudges, hurts and tardiness.

A successful organisation is the 1 that is able to get by with the altering demands of its employees and do them experience an of import portion of the organisation. It is the duty of the top direction to hold strong trust relationship with the lower degree employees so that the employee plants at their maximal capablenesss. Organizations expect the workers to follow the regulations and ordinances of the house and work consequently. They need to maintain in head the criterions set for them ; the employee expects regard, good wage construction, safe working environment, just intervention and unafraid calling along with engagement in determination devising procedure. The outlooks of the employees and organisational caputs vary from one house to another. For the houses to turn to such outlooks, it is really of import to hold a thorough apprehension of employee motive.



## Understanding Motivation

Harmonizing to a research done at Picketin Research and Extension Center and Enterprise Center, there are certain factors impacting the motive degree of any employee. These factors include interesting work, good wage construction, grasp of work done, occupation security, nice working conditions, publicities and growing chances, tactful subject, being an of import portion of the organisation, personal truenesss to workers, and sympathetic aid with personal jobs.

The article farther relates these factors with Maslow 's need-hierarchy. The top most graded incentive is interesting work, which is besides a ego - actualizing factor. Second incentive is a good wage construction that is a physiological factor. Third is the grasp factor that can besides been seen as self-esteem. Fourth incentive is the occupation security that is the safety factor. Therefore harmonizing to Maslow, out of all, the most of import factors that must be satisfied first are interesting work, physiological, safety, societal and esteem factors.

Harmonizing to another survey conducted by Kovach ( 1987 ) , the order of motivational factors for the industrial employees was interesting work, grasp of the work done and experiencing an of import portion of the organisation. On the other manus, another survey conducted by Harpaz ( 1990 ) ranked the motivational factors as interesting work on figure one, nice wage construction as figure two and occupation security as the 3rd of import factor to actuate the employees of the administration. Pay construction was non ranked as an of import motivational factor by Kovach, nevertheless, it was

ranked 2nd by Harpaz. Similarly grasp of work done was non ranked as an of import motivational factor by Harpaz, nevertheless, it was tanked 2nd by Kovach. This proves that the motive of employees differ amongst assorted types of work done in legion organisations. However, interesting work is considered as the most of import factor for employee motive in about any sort of work topographic point.

Harmonizing to Butkus and Green ( 1999 ) , motive is derived from the word 'motivate, ' which means to carry for fulfilling a demand. Harmonizing to Baron ;

`` Motivationis a set of procedure concerned with a child of force that energizes behaviour and directs it towards accomplishing some specific ends. ''

Many authors have suggested motive as the end directed behavior.

Harmonizing to Kreitner and Kinicki ( 2001 ) ,

`` Those psychological procedures that cause the stimulation, continuity of voluntary actions that are end directed '' .

In other words, a motivated person has the consciousness of accomplishing a specific end in some specific manner and so he puts his attempt in order to accomplish such end. Therefore, the function of the directors is to steer the lower degree employees about organisational docket of how to accomplish its aims.

It is really of import to distinguish between motion and motive. Motion does the work for compensation and wage whereas motive is the entire engagement of an person in the work given out to him. Motion can do an employee compel to make the work whereas motive is self realized jubilant of transporting out different undertaking. The research worker emphasized on motive and non motion as motive is the requirement for success because the individual is happy and satisfied with the work irrespective of the compensation. He carries out the undertaking voluntarily without any greed. Motivation is the ground for the achievement of single in any facet of work. Once the directors understand and agree that employees are of course motivated, they need to supply a nice environment for the employees to heighten their motive.

## **Importance of Motivation**

Peoples motivate themselves to fulfill their ain personal ends, and hence they invest and give their best in accomplishing the organisational aims in order to run into with their personal ends besides. It would intend that organisational ends are linked to personal ends every bit good.

The director 's occupation is to acquire work done from the employees under him but it is merely possible if the workers are self motivated instead than directed. The director 's engagement is non that of import in the motive of employees, in fact the workers should actuate themselves to work hard.

Irrespective of being skilled, unskilled or professional work force, the major job organisations face is the deficiency of motive by the employees. It is besides one of the major issues faced by commercial Bankss. In this

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competitory universe, it is a challenge for the disposal to maintain the employees motivated so that they offer efficient services to the clients. The employee 's enthusiastic, energetic behaviour and their motive towards their undertaking play a polar function in successes of any organisation.

One of the maps of human resource director is to guarantee employee 's workplace motive. They should help the director in maintaining the workers satisfied with their occupations. The service director should be able to develop motivated workers and promote their work morale. If the employees are unsated and unhappy about their workplace, their public presentation is normally hapless.

## **Degrees of Employee Motivation**

By and large, there are three degrees of employee 's motives.

Direction of an employees ' behaviour ; it is the behaviour that a individual choose to execute.

Degree of attempt ; it relates to how much attempt can be put by the individual to act in a certain manner

Degree of continuity ; it related to individual 's willingness to act despite obstructions faced.

Every employee has a different background in footings of instruction, experiences and household category, nevertheless the primary involvement of all is to fulfill their personal demand and desires. They want to fulfill their basic necessities of life, linked to survival and security along with a desire to

bring forth positive feelings about oneself and to be self fulfilled. Most employees want

just company policies in affairs impacting them ;

favourable occupation position

direction they can be trusted

good working relationships with senior directors and colleagues ;

nice wages and good working environment ;

equal occupation security

The article measures the consequence of Human Resource Strategies on occupation satisfaction, specifically in Pakistan. It is mentioned in the article wage, publicity and preparation has positive consequence on occupation satisfaction, nevertheless in instance of Pakistan, the employees give more importance to pay and publicity instead than developing. Significant differences were found between work forces and adult females occupation satisfaction degree. The service based industry is traveling through legion alterations for the last twosome of old ages. Due to these alterations, the minutess are increasing along with the scope of services provided. As a consequence, different sectors such as educational institutes, telecommunication houses, Bankss are sing high turnover.

## Motivational Theories

Harmonizing to Maslow hierarchy of demands, people are motivated by unsated demands. The lower degree demands need to be fulfilled before traveling on to higher degree demands. In general, there are six types of demands ; physiological, survival, safety, love, respectand self-actualization. Peoples can move unselfishly merely if the first five demands are fulfilled. Maslow called theses demands as lack demands. Equally long as people are motivated to fulfill their desire for demands, they will be traveling higher towards self-actualization. Satisfying our demands is a healthy behaviour whereas forestalling satisfaction makes us act diabolic. Harmonizing to different researches, people have jobs in cognizing that precisely they want from a occupation. This is the ground why the supervisors ignore what the employee wants from the occupation, and in fact enforce on employee what they themselves want from the occupation. As the individual grows through any organisation, his employer provides chances for him to travel higher up the Maslow 's pyramid.

Frederick ( 1959 ) modified Maslow 's demand Hierarchy theory and came up with the two factor theory ; Hygiene Theory. Harmonizing to Frederick, there are some satisfiers and dissatisfies for employee in any workplace. These are the intrinsic and extrinsic factors. Intrinsic factors are associated with occupation satisfaction whereas extrinsic factors are related to occupation dissatisfaction. Frederick wanted to cognize what do people want from their occupations. He asked people to depict state of affairss where they felt exceptionally good or bad. From the consequences he concluded that the antonym of satisfaction is non dissatisfaction. This means that taking the

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dissatisfying features from any occupation experience does n't do the occupation fulfilling. Existence of certain factors in a house is natural and presence of the same does n't take to motivate. However, their non being possibly leads to de-motivation. Similarly there are few factors, the absence of which does n't do dissatisfaction, but their being has a motivational impact on the employees of the organisation.

Harmonizing to Skinner ( 1953 ) , employees can be motivated by decently planning the environment. Alternatively of taking into consideration the internal factors like feelings, attitudes, feelings etc, and people are directed by what happens in their external environment. This is besides known as the support theory. The work topographic point environment should be suited and nice plenty to actuate the employees of the organisation.

Victor Vroom ( 1964 ) presented anticipation theory which is widely accepted. The theory says that an employee can be motivated plenty to execute better when they believe that the better public presentation gets them a good public presentation assessment and that in bend leads to realisation of personal end in form of some wages. Therefore an employee is:

### **Motivation = Valence x Expectancy**

The focal point of this theory is on three cardinal variables:

Attempts and public presentation relationship ;

Performance and wages relationship ;

Wagess and personal end relationship.

The Adams' Equity (1965) Theory theoretical account incorporates not merely single ego but besides the influence and comparing of other people's state of affairs in organizing a comparative position and consciousness of equity. When employees feel that they are treated reasonably, they are more likely to be motivated. When employees are treated below the belt, they are extremely prone to demotivation. The manner people measure this sense of equity is the basis of Equity Theory. Therefore, equity is not dependent upon by how much the wages exceed the attempt, it is dependent wholly on the equity of the game. It is the comparing that one makes between his wages and investing ratio with the ratio enjoyed or suffered by other employees.

Harmonizing to the article, the eight top most motivational factors include safe work topographic point, just salary, publicity and growing chances in the organisation, disputing work, nice working status, sympathetic aid by people, grasp of work done and personal trueness to workers.

Comparing these motivational factors to Maslow need hierarchy it can be seen that the top most motivational factor, safe work topographic point, is one of the safety needs whereas just wage is related to physiological factors. Traveling on publicity and growing chances are esteem factors and disputing work is associated with self-actualization.

If we compare Vrooms anticipation theoretical account with highest ranked incentive life in a safe country, it is believed that the degree of attempt a individual puts in alterations with the value they attach to the results they get from the procedure and their thought of the strength of the relation

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between attempt and result. Therefore, this theory is non wholly about opportunism in wages but the links people make between expected results and the input they feel they can give towards those results.

While comparing the 3rd highest motivational factor, publicity and growing chances, to Adam 's equity theory, it is clear that directors want to actuate employees by supplying growing chances in equity bases. Being unfair leads to dissatisfied employees and the public presentation will diminish.

## **Increasing Motivation via Rewards**

### **Financial and Non Financial Rewards**

Ivana Rihova tackles the issue of how a good managed and effectual fiscal wages bundle should be designed which will be just and reflective of employee public presentation and competency. The underlying thought which the writer tries to advance is associating public presentation to fiscal wages. So foremost the writer shows how the entire income of an employee should be broken down ; entire income should consist of a 'base wage ' , or minimal fixed wage that the employee receives at the terminal of each month irrespective of how he/she performs ; so comes the 'variable wage ' or 'bonus ' , this is the portion of the wage which is dependent on how good the employee is able to accomplish the set ends and marks ; and in conclusion, 'employee benefits ' . The degree of 'basic wage ' depends on 'external fight ' , that is, the traveling market pay rate which other similar companies are offering and on 'internal equity ' which is the degree of rewards the company can afford to offer to its employees. However, a proviso should be kept within the basic salary graduated table for employees with a higher

competence degree which will interpret into higher productiveness. Such employees' wages lie at the higher terminal of the basic salary spectrum. Whereas, the influencing factors for the sum of 'variable wage' or 'bonus' are non merely the employee's single public presentation, but besides the team/department and overall corporate public presentation of the company. And in conclusion, the employee benefits can be seen as a 'competitive advantage' for the company over its rivals.

Susan M. Heathfield gives an penetration into how different companies should steer fiscal wagers in different times:

A growth, entrepreneurial company, with variable gross revenues and income, may be better off commanding the degrees of base wages. When times are good, the company can bind bonus dollars to ends achieved. In thin times, when money is limited, the company is non obligated to high base wages. A longer-term company, with reasonably stable gross revenues and net incomes, may set more money in base wage. " ( Heathfield )

So far the writer has concentrated on the design of a fiscal wages bundle ; following comes execution or expense of that bundle. Here the writer introduces two really of import constructs ; the 'knock-out standards' and 'reward cap' :

Wagers can frequently be paid merely when a certain value in carry throughing ends is reached, i. e. , when knock out standards are met... Once the company achieves its chief, normally fiscal ends, merely so can the wagers of single employees be considered. Under measure 2, the knock-out

standards are applied to the single public presentation of employees. Under an interim measure, the knock out standards can be established for the public presentation of single organisational sections or squads. Once the fulfilment of ends ranges aA certain degree, the higher value of end fulfilment is no longer translated into aA higher wages, i. e. aA reward cap. The reward cap should protect the company against inordinate fulfilment of ends which might non be covered by aA proportionately higher sum of fiscal finacess, for illustration, in the instance of qualitative ends. "

The nucleus thought behind these constructs is protecting the house while keeping the unity of the nexus between waggess and public presentation. The knock-out standards pushes the employees to make more than merely the bare lower limit to have a fillip and the wages cap protects the house against ill set ends which may ensue into inordinate waggess. Employees exceling their ends by 10s of per centum are an indicant that the ends have non been set suitably.

The writer so turns her attending towards the non-financial waggess. Ivana states that `` non-financial motive is defined by corporate civilization and corporate values ". An analysis of merely this statement reveals how diverse and intangible non-financial waggess can be, therefore doing it really hard, if non impossible, for rivals to retroflex them. Harmonizing to Ivana, the first measure towards making a favourable environment for non-financial motive is,

a^|direct and unfastened communicating and atmosphere across the company and continues with supplying constructive provender back to

employees and following a personalized attack where possible. Non-financial motive includes basic company values such as ethical attack, trueness, empathy, bravery, leading and squad spirit. Other non-financial motive drivers of employees which the company and direction can utilize include: power - decision-making chances - duty ; self-fulfillment chances ; strong and clear vision of the company ; relationships in the group ; certainty ; acknowledgment - congratulations ; feed-back ; and esteem - relationship to authorization "

Basically, non-financial motive has much to make with how an employee feels at the occupation and how he/she is treated by higher-ups and colleagues. All the non-financial motive drivers mentioned by the writer are qualitative in nature and based on the employee 's perceptual experience. Therefore, an inclusive and active attack by senior direction and line directors is polar in acknowledging as to which of these drivers apply to which employees. This is the individualized attack that directors must hold in order to efficaciously actuate employees in today 's epoch. In writer 's sentiment, the new coevals of employees come ining the market, the generation-Y, is acute on larning and self development. This means that on the occupation mentorship plans can be an effectual non-financial motive driver for new employees.

The writer recommends that companies should implement an `` incorporate public presentation direction system " . This system will profit the human resource direction via regular `` employee rating and monitoring " , associating employee compensation with `` employee competences " in

short-term and long-term and hence enable the direction to place `` above-average endowment and developing the endowment direction plan '' .

## **Net income Sharing and Employee Motivation**

Barf Kuvaas ( 2003 ) references in his article that there is a lifting involvement of employee ownership and net income sharing among practitioners and research workers. In industrialised states and some emerging economic systems have shown really high degree of involvement in the connexion between fiscal portion, employee attitudes and steadfast public presentation. Financial wages systems have received much unfavorable judgment in the past but this new tendency of affecting the employees in the net income of the company and passing them a portion of the net income in signifier of fillips has its advantages. First, this sort of a program includes no excess control of employee 's work behaviour. If a net income is gained by the company it would be shared by the employees at the terminal of the twelvemonth. This reduces the opportunities of demotivating an employee due to his sensed degree of competency of himself therefore sabotaging their intrinsic motive ( Deci, Ryan, & A ; Koestner, 1999 ; Kohn, 1993a ) . Second, since this system links the organisational accomplishments to single accomplishments, it ensures that the bureau job is kept at a minimum degree. Employees do non seek to derive single ends as the wages is on how good the organisation does as a whole. This encourages cooperation instead than internal competition ( Kendrick, 1987 ; Kohn, 1993b ) . Thirdly, this sort of an agreement heightens employee committedness to the organisation and ensures that the long term ends of the company are good in sync with the ends of the employees. The system gives a sense of ownership, partnership

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and psychological fond regard to the proprietors of the organisation and the workers. Not does it merely have a positive impact on the morale of the squads within the organisation ; it besides enhances organisational public presentation ( Pendleton et al. , 1998 )

## **Wage and Employee Motivation**

Associating employee motive to the payment of the employees, Sara L. Rynes ( 2004 ) states that human resource professional normally give a really high grade of importance to the nexus between the wage construction of an employee and his motive to execute on occupation, this belief is far from true as wage is a general incentive of an employee and non the chief ground behind his/ her motive. The paper identifies the state of affairss in which wage is more or less of import for an employee and besides grounds why directors might pay less importance to it. The tabular array below contains findings of some major surveies that have been conducted to find the importance of wage to employees compared to other possible incentives. The first column shows the consequences of people being asked to rank the importance of wage compared to other incentives, the right manus side shows consequences of existent surveies in ongoing organisations that examine the work end product ensuing in the debut of different incentives like work redesign, increases in employee engagement, alteration in wage constructions etc. first column concludes that when people are asked straight to rank wage as a incentive, they tend to put it at a 5th degree ( range second to eighth ) in lists of possible incentives. In comparing, the existent behaviours in response to the incentives, about ever show wage as the most influential incentive of all.

## Specifying Job Satisfaction

Job satisfaction is a term used widely and normally, yet there is n't any general understanding as to what it truly entails. Satisfaction covers a batch of different aspects and can intend different to different people. Different writers have used different attacks to specify occupation satisfaction, many of which will be covered in this literature reappraisal.

Hoppock ( 1935 ) explains occupation satisfaction as

Any combination of psychological, physiological and environmental fortunes that cause a individual truthfully to state I am satisfied with my occupation "

This definition adheres to the fact that although occupation satisfaction has alot of external factors impacting it, it is still an internal matter that defines the feelings of the employee. This means occupation satisfaction is a consequence of a figure of factors that create satisfaction.

Vroom 's ( 1964 ) definition of occupation satisfaction involves the function an employee dramas in his workplace. He defines occupation satisfaction as an

Affectional orientations on the portion of persons toward work functions which they are soon busying "

Harmonizing to Spector ( 1997 ) , occupation satisfaction has to make with how people feel about their occupation and its other facets. The degree to which they like or dislike the occupation that creates occupation satisfaction or dissatisfaction in a work state of affairs.

Positivity and negativeness of an employee towards his work, are both are a portion of occupation satisfaction. When an employee joins an organisation, he comes with preconceived impressions about the sort of occupation he is acquiring into. He harbours certain demands and outlooks about his work and his satisfaction depends on the extent to which his outlooks are met, whether or non the existent awards match the 1s in his belief. An person 's workplace behavior is really closely linked to his satisfaction towards his occupation ( Davis et al., 1985 ) .

Harmonizing to kaliski ( 2007 ) an employee 's sense of accomplishment and his success on his occupation is a portion of occupation satisfaction. This is thought to be straight linked to productiveness and personal well being. It besides implies making the occupation one enjoys and is suitably rewarded for. Job satisfaction is non merely the key to acknowledgment, publicity, and income and feeling of fulfillment, it is besides enthusiasm and felicity with one 's work.

Statt ( 2004 ) defines occupation satisfaction as the degree of contentment of an employee with the waggess he gets for his work particularly in footings of intrinsic motive. Armstrong ( 2006 ) relates the positive and favourable attitudes towards the occupation as occupation satisfaction and the negative and unfavourable feelings to occupation dissatisfaction.

Goerge et Al ( 2008 ) depict occupation satisfaction as ;

Job satisfaction is the aggregation of feeling and beliefs that people have about their current occupation. People 's degrees of grades of occupation



satisfaction can run from utmost satisfaction to extreme dissatisfaction. In add-on to holding attitudes about their occupations as a whole, people besides can hold attitudes about assorted facets of their occupations such as the sort of work they do, their colleagues, supervisors or subsidiaries and their wage "

Whereas Mullins ( 2005 ) is of the position that ;

Job satisfaction is a complex and multifaceted construct which can intend different things to different people. Job satisfaction is normally linked with motive, but the nature of this relationship is non clear. Satisfaction is non the same as motive. Job satisfaction is more of an attitude, an internal province. It could, for illustration, be associated with a personal feeling of accomplishment, either quantitative or qualitative "

The efficiency and effectivity of a concern organisation is frequently related to occupation satisfaction of its employees. The new managerial paradigm believes that employees should be treated as human existences that they are and their single demands, outlooks, personal desires be kept under consideration as these guarantee occupation satisfaction. The logic behind analysing occupation satisfaction is that a satisfied employee is a happy employee and a happy employee is a successful/efficient/effective employee. The importance of occupation satisfaction is heightened when the drawbacks of an unsated employee are seen, that is disloyalty, high absenteeism and higher figure of accidents etc. Spector ( 1997 ) provinces three cardinal characteristics of occupation satisfaction as

Human values should be kept as the guidelines for organisational policies. Organizations following this are more likely to handle their employees with regard and equity. Appraisal of the employee occupation satisfaction in such instances is a good manner of cognizing employee effectivity. High occupation satisfaction means the employees have a good emotional and mental province.

The operation and activities of an organisation are mostly affected by the behavior of its workers and their degree of satisfaction. This implies that a positive behavior consequences from satisfaction whereas the negative behavior of employees is a consequence of their dissatisfaction.

Job satisfaction can be an index of organisational activities. Job satisfaction ratings present fluctuations in satisfaction degrees of different units within a company. This, in bend, serves as an indicant as to which organisational unit alteration can hike public presentation.

The undermentioned figure given by Christen, Iyer and Soberman ( 2006 ) provides a theoretical account of occupation satisfaction and its elements:

Job related factors

Role perceptual experiences

Job public presentation

Firm public presentation

Figure 1 - Christen, Iyer and Soberman `` Model of Job Satisfaction " ( 2006 )

Figure 2 shows Lawler and Porter 's ( 1967 ) theoretical account of occupation satisfaction which unlike Christen 's theoretical account puts high accent on waggess impacting occupation satisfaction. This theoretical account represents intrinsic and extrinsic waggess as indirect factors impacting occupation satisfaction and the perceptual experience of the sort of wage the employee deserves as the chief factor.

Figure 2- Lawler and Porter 's `` Model of Job Satisfaction '' ( 1967 )

Locke and Latham ( 1990 ) supply a wholly different thought of occupation satisfaction in their theory. Their theory is that undertakings set at higher degree or in other words, the undertakings that are non easy come-at-able and supply a challenge to the employees and put high outlooks for success create high satisfaction degrees. Figure 3 shows their theoretical account of occupation satisfaction

Figure 3 - Locke and Latham 'Model of Job Satisfaction ' ( 1990 )

## **Industry Analysis**

The importance of the fabrics sector for Pakistan 's economic system can be exhibited by merely reexamining a few facts:

The fabric sector of Pakistan employs about 40 % of the entire labour force ( Beginning: Pakistan Board of Investment ) .

For the twelvemonth 2011, fabric sector 's part towards Pakistan 's GDP was 8.5 % . ( Beginning: APTMA Chairman Review Report 2011 )

The portion of fabric exports out of entire Pakistan 's export is about 52. 8 % presently. ( Beginning: State Bank of Pakistan, Economic Data )

These figures are more than plenty to set up what an of import sector fabric is for Pakistan 's economic system. Now let us reexamine what is presently go oning in this sector. Below is the break-up of the current figure of textile units in the state, courtesy Ministry of Textile Industry:

Large Sector

NO OF UNITS

Size

Spining Unit of measurements

458

a ) 10. 906 M. Spindles

B ) 202356 Rotors

**Composite Unit of measurements**

50

10416 Looms

**Independent Weaving Unit of measurements**

150

27500 Shuttle less Looms

**Completing Unit of measurements**

115

--

**Garments Unit of measurements**

800

--

Small and Medium Sector

NO OF UNITS

Size

**Independent Weaving Unit of measurements**

425

50, 000 Looms

**Power Looms**

245442 Looms

295442 Looms ( Conventional )

**Completing**

635

**Terry Towels**

800

10000 Looms 700 bird less

**Canvas**

2000 Looms

300000 ( Industrial )

**Garments**

5000

450000 ( Domestic )

( Sewing Machine )

**Knitwear**

1200

18000

However, Pakistan 's fabric sector has been, and for the most portion still is, traveling through a period of convulsion.

The fabric ministry has acknowledged closing of 90 large units in 2008 entirely. Each company employed a lower limit of 1, 000 workers. ``

Hundreds of 1000s have lost occupations, " Federal Adviser on Textile Dr Mirza Ikhtiar Baig, told The News. "

Baig said that the higher mark-up rates, energy crises, jurisprudence and order state of affairs and the planetary recession were the major grounds behind occupation cuts from fabric sector. A company can non prolong itself if the production units are unopen 15 yearss a month due to power outage, he said.

The import of readymade garments from China has besides affected the local maker. `` It started from places, pencils and ballpen pens and now going with the garments, " Baig said.

The record of Pakistan Hosiery Manufacturers Association ( PHMA ) shows closing of 245 companies from the hose and knitwear sub-sector entirely in last five old ages. Of which 99 units were closed in 2008 entirely. These units employed 100 to more than a few thousand workers each. "

[ Beginning: The World Trade Review, 2009 ]

All in all around 350 units were closed with many more merely hardly lasting. The major jobs being faced by Pakistan 's fabric sector are:

Energy Crisis - deficit of gas and electricity may hold reduced for families, but industry still suffers from an acute shortage of supply.

Law, Order & A ; Terrorism- fabrics sector has suffered greatly because of abysmal jurisprudence and order state of affairs in the state. Rampant and frequent terrorist onslaughts in the yesteryear have left foreign purchasers scared of even come ining Pakistan, allow alone visit mills in distant industrial countries.

Poor Country Image Perception - due to terrorism studies on and in Pakistan, foreign purchasers and consumers have developed a negative image of Pakistan in heads, hence doing its merchandises seem inferior in quality.

Market Access - with Bangladesh having the GSP+ position from EU in 2010, Pakistan 's entree to market is farther reduced. A GSP+ position means that  
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Bangladesh 's merchandises would confront a lower duty rate in EU, doing them cheaper for the purchasers.

Increased Competition - While Pakistan 's fabric sector is stuck contending at several foreparts, India, Bangladesh, China and even Sri Lanka 's markets are eating up our market portion and hammering new bonds with foreign purchasers.

High Interest Rate Regime - Harmonizing to APTMA Chairman Mr. Gohar Ejaz `` Regional rivals, from 2005 onwards induced investing to develop ample capacity and as a consequence the fabric exports of our chief rival increased from \$ 12 billion to \$ 30 billion. The instrument used was the Technology Up-gradation Fund Scheme ( TUF S ) that provided for a remittal of involvement rate up to 50 % for investing. Similar strategies visualised here did non happen because of the characteristic spread between policy and execution. " [ Beginning: APTMA Chairman Review Report 2011 ]

As a consequence, smaller companies who have limited economic systems of graduated table are confronting the brunt of competition in Pakistan. Larger companies who can afford to do immense substructure investings are accommodating to these jobs by constructing their ain independent beginning of power supply, while some other have even started to contemplate switching their units to Bangladesh or Turkey in order to bask the same benefits as their planetary rivals are basking.