

## Important Factors Motivating the Workforce:A Study of IT Startup

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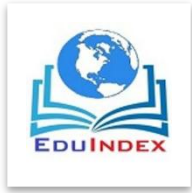
### Abstract

*Growth oriented mindset and progressive globalization the expectations of various stake holders in startups have also raised leading to the need for motivated workforce. The Motivational factors are described as indefinite because they constantly change with time, as pointed out by Kovach (1987). Hence the need is also felt to review some of the important drives/motivational factors. The key purpose this study holds is to identify important factors that motivate an employee at early stage of his career i.e. from first year of employability to five years and so on.*

**Methods/Approach:** *The paper is based on research that includes a survey in an IT startup where 40 respondents' data was collected. The researcher employed spearman's rank correlation coefficient, mean, percentages to verify differences in the five key motivators in the workplace.*

**Results &Conclusions:** *Factors affecting Motivation changes as the number of the years of employability within the organization increases. Using this key information, managers and employers can apply important MOS (Measures of Success) which will enhance the motivation level of the employees and also result in higher productivity. In Modern context the motivation factors need to be specific for specific set of employees rather to be generic.*

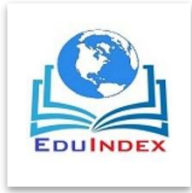
**Keywords:** Motivation, Factors affecting Motivation, Startup, Productivity



## **Introduction:**

*WHAT MOTIVATION IS? MAYBE THE PLACE TO BEGIN IS TO SAY WHAT MOTIVATION ISN'T.*

The private sector has become most important engine driving globalization across the world blended with the growth oriented mindset of the companies. Growth oriented mindset and progressive globalization has played vital role in restructuring the corporate world. Today the expectations of various stake holders in business have also raised leading to the need for motivated workforce. It's not only the compensation of the employee which matters but there are other important vectors in their motivation which impacts the growth of the employee leading to the growth of the organization too. Cole (2009) stated that motivation is all about driving a person to work in a specific manner and with a given amount of effort. One can easily say the success of the business relies heavily on motivational level of its employees. Motivating the today's diverse workforce is not as easy as it seems and above all there is no secret recipe to achieve it. Some employees may be motivated by money, some by appreciation, for some associating with X brand may bring motivation. Hence the degree of motivation and factors affecting motivation changes from person to person and also change with various life stages. Kovach (1987) stated that motivational factors are indefinite as they keep changing from time to time. What is implicit in this definition is that in a company the workers won't work in a specific way if they are not motivated to do so. The key objective of this study is to identify major factors that motivate an employee at early stage of his career i.e. initial 5 years of Job.



## Literature Review

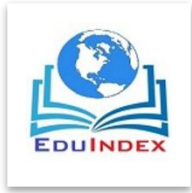
Many researchers implicated that human behavior controlled by the need to feel good, this is also referred as Pleasure-pain Principle. It implies that what one does can be measured in term of either pleasure or pain.

According to the principle people want to enhance their pleasure and minimize their pain. The social psychologist N. M. Bradburn said that by estimating excess of positive over negative emotions once quality of life can be measured. Bradburn, showed that one is happy when he has greater positive feelings as compared to the negative feelings and vice versa. Keeping Pleasure-Pain Principle in mind people go with optimism rather than going with pessimism as optimism is considered to be more pleasurable than pessimism. That is the reason people look for movies with happy endings even if the movie has unrealistic happy endings. Now coming to how the principle explains the fact that many employees work at jobs which are considered to be boring. If we go further we would see people like to work with boring jobs as it has more pleasurable compared to unemployment. Pleasure theorists or hedonists are the people who are also termed as pleasure seeker and they are of strong believe that nature uses this principle of Pleasure and pain to motivate us to do what is vital for our health and survival. Motivation of a person in different situations varies from time to time and also as per the situations faced by the person.

Contrasts in motivational patterns are shown by 'Hunt' managers who have created 'average goal profiles' show average performance.

The complicated nature of motivation is backed by the Vroom's work which is backed by 500 researches where he has concluded that no motivational theory is holistic in nature.

According to Kuo (2013) successful companies blend employee motivation while responding to outside changes and demands it creates organization value. In this research paper many motivation techniques are taken from secondary data available from various research papers and



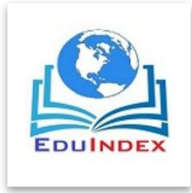
studied to make flow of motivation among employees age wise. Employee motivation is the vital factor for any company, be it new or vintage.

Most research findings indicate the impact of factors of motivation that directly or indirectly impacts individual performance of an individual. There are multiple factors which motivate employees the following factors are the foundation of this research paper.

Berger and Berger (2015) stated that employees look for monetary incentives for the return of their significant achievements. Adeyemi, Sajuyigbe and Olaoye (2013) propounded that employee performance rests on rewards and the rewards are conceptual deciding factor of their performance.

Entwistle (1987) stated that employees receiving rewards are high on motivation and this motivation also impacts their performances. On the contrary Shanks & Buchbinder (2017) Differed from the point that monetary incentives are the only driving force in employee performance. Kube, Marechal, and Puppe (2006) found that monetary benefits or incentives motivates just for short time and for long term motivation there is a need for non monetary incentives too this offers employees constant satisfaction.

Thompson and McHugh (2002) propounded that motivation is one among the five factors which are responsible for successful survival of any company. They brought forward motivation among men, money, machines, and morale. Determining what motivates employees is of utmost importance as the organization performance depends on the motivated employees. Lussier & Achua (2007) added achievement motivation rests on persons need for achievement, sense of power to exert in a social settings, and affiliation within the surroundings where someone wishes to be". Despite the fact that in 1940s McClelland was the primary researcher to work with the idea of Achievement. Further, McClelland (1961) recognized that human motive is strongly co-related with Achievement, affiliation, sexual, and the power motives.



Wen Lee (2009) studied achievement motivation, which has effective and great affect on psychic communications, which show the excessive relationship between the level of fulfillment motivation and the loyalty of the man or woman to the corporation.

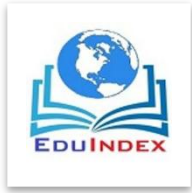
There are numerous elements which may have an effect on achievement motivation of individual which may be generalized inside the class like want for fulfillment of a man or woman, quantity of difficulties of that challenge and rewards or incentives given for that assignment. Following is the J.W. Atkinson's formula :

$$Ts = Ms \times Ps \times Is$$

Achievement related goal = Motive for success  $\times$  Probability of success of the task  $\times$  Incentive to the success.

In the book "Handbook of Human Recourse management 12th edition" Armstrong Stated that employees relations are core to any company as both employees and management work together and hence it's important to understand what can be done to make that work. Two school of thoughts about the relationship can be highlighted in unitary point though management and employees are different but they share many same concerns and hence its utmost important to cooperate in mutual interests. This point was further explained under principle of mutuality by Walton (1985) all the stake holders should work together to the greater good of all.

Wilton (2011) pointed that it is important for HR managers to do job designing, good HR practices implementation, conduct procedures, and create good work environment to stimulate and encourage employees to perform to their full potential in the way desired by the organization.



HR managers should understand inner and outward factors such as the financial incentive, recognition, job satisfaction and achievement that motivate workers and give them drive for discretionary effort.

If HR manager align mutual interests of company and employees and also ensuring their mutual relationships at all levels to which maintains work performance. Human Resource Management involves in many employee related activities like recruitment, work design, learning and development, employee appraisals, motivating, directing and rewarding the employees of the company. Further to add HRM is a structure in which various strategies, policies, practices and process for managing the relationship among employers and employees (Du Plessis, 2015).

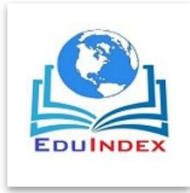
Parasuraman et al., (1996) studied work and family variables, career success of entrepreneurs, and psychological wellbeing. Out of many findings the key finding included males are giving more time at work as compared to time to family on the contrary females are giving more time with family than to work. Additionally many times work load and inflexible work time can lead to long work timings and thereby leading to stress in life. Many times employers forget the hardships and realities faced by the employees at home i.e. beyond workplace employers cannot see the difficulties faced by the employees.

Saffer and Lamiraud, (2012) stated that “long work hours have formed a believable perception that not much time is given to social relationships.”

Uden et al., (1991) stated that coronary heart disease is wide spreading due to demanding work at workspace. Also Less social support is causing more heart diseases and rising blood pressure.

Batt and Valcour (2003) propounded that good human resource practices like work redesigning, work life balance and incentives for motivation and commitment.

Thus, it can be concluded that efficiency and motivation are positively related. The Literature reviewed lacked in how motivational factors impact the new joiners i.e. 1 year to 5 years in the service hence the current study will dip into this. Also there is need from time to time to dip into



motivating factors and find the correct set of the permutation for the specific company's need. The present study focuses on the effects of motivating factors on the efficiency of employees and also studies various motivational factors impact on various employees based on their employability years within the company.

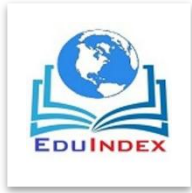
## Methodology& Setup

The study is empirical and wherever required it is descriptive in nature. The study was conducted in the IT Startup with 40 employees the same is the sample size. The Questionnaire was developed after extensive discussion with the management and personal observation questionnaire encompassed 10 questions and some questions included likert scale and ranking of Motivational Factors.

The employability years within the company was categorized into three categories for better understanding of the relationships with motivational factors.

| Categories   | Employability years within the company          |
|--------------|-------------------------------------------------|
| Category I   | New Joinees (1 years & Less)                    |
| Category II  | Employees with 2-4 years of employability       |
| Category III | Employees with 5 or plus years of employability |

On the basis of the questionnaire circulated many outcomes were derived. The statistical methods used in the analysis are spearman rank correlation to understand the degree of correlations between motivational factors, mean, standard deviations and percentages.



## Results

Based on the employability years three categories of employees were arrived category I were New Joinees whose employability year with the company was one or less than 1 year we got 35% in this bucket. The second category belonged to employees with 2-4 years of employability we got 40% from this bucket and rest 25% comprised of employees over 5 years of employability.

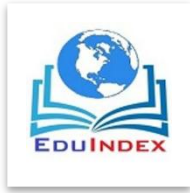
The respondents had clearly stated the motivation level is impacted by the supervisors positive attitude towards them as 72.5% of the respondents believed in it strongly. According to A.R. Elangovan, Jia Lin Xie, (2000) found that the perceived legitimate and coercive powers of the supervisor were major factors for subordinate's stress and at the same time the perceived legitimate power along with reward power were important forecasters of employee motivation. The research also highlighted that the people if encouraged to come with noval ideas and better way of doing things in the Company they will accept this opportunity as 77.5% responded in the same direction firmly.

"If you give people freedom, they will amaze you. All you need to do is give them a little infrastructure and a lot of room." — Laszlo Bock (Google's SVP, People Operations)

Google is perhaps best known for giving its employees a lot of freedom at work and benefiting from it. But this phenomenon is not unique to Google. LRN report at World Economic Forum (2014) concluded that companies with big freedom in employment relationships were pioneering in innovations and success. 4

There is also a Plenty of other factual evidencesimplying that autonomy provision to individuals often leads to improved performances. 5

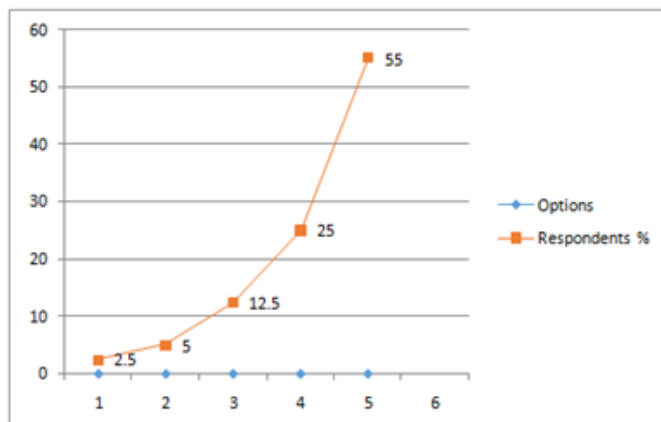
Freedom to work and innovation both were key factors in the startup that the people responded in a positive manner as 82.5% respondents wanted the freedom to do the things in innovative



manner According to Bloomet al. (2015) find that call center operators experience a 13% increase in overall performance when working from home.

Another parameter studied was interpersonal relations as a motivating factor and 100% of the respondents with in category III believed that the relations developed over a period of the time within organization is helpful and they feel motivated about it. And the category I and Category II employees were not much motivated about it as 30 respondents responded negatively to the factor. 93% of the respondents believed that different things motivate you differently along with this 82.5 % respondents were motivated by the blend of factors including monetary and non monetary.

The graph below clearly depicts that the 5 days working culture in the company has impacted the employees's motivational level positively.



Graph 1, showing employees Five days a working Vs. Motivation

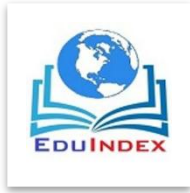
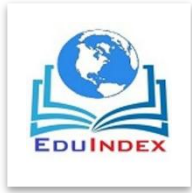


Table 2

| Options                                      | %     |
|----------------------------------------------|-------|
| 1. Greatly reduces your motivation to work   | 2.5 % |
| 2. Tends to reduce your motivation to work   | 5%    |
| 3. Has no effect on motivation to work       | 12.5% |
| 4. Tends to increase your motivation to work | 25%   |
| 5. Greatly increase your motivation to work  | 55%   |
|                                              | 100   |

The analysis of the above Table 2, shows that out of five options given to the respondents 55% respondents felt that motivation to work increases greatly and 25% thinks it helps (55%+25%= 80%) Major chunk of employees are of the notion that five days working enhances motivation and efficiency. We can further unfold that the two days weekend off has positive benefit on the productivity of the employees.

| Table 3, Calculation of Spearman rank correlation between Motivational Factors and years of employability within startup |                                       |                                   |                                    |               |                 |          |                 |           |                 |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------|------------------------------------|---------------|-----------------|----------|-----------------|-----------|-----------------|
| Motivational Factors                                                                                                     | Ranks                                 |                                   |                                    |               |                 |          |                 |           |                 |
|                                                                                                                          | New Joinees<br>(1 years &<br>Less) =A | Employees<br>with 2-4<br>years =B | Employees<br>5 years or<br>Plus =C | d1= (A-<br>B) | d1 <sup>2</sup> | d2=(A-C) | d2 <sup>2</sup> | d3= (B-C) | d3 <sup>2</sup> |
| Achievement                                                                                                              | 3                                     | 1                                 | 2                                  | 2             | 4               | 1        | 1               | -1        | 1               |
| Money                                                                                                                    | 1                                     | 4                                 | 4                                  | -3            | 9               | -3       | 9               | 0         | 0               |
| Relationships                                                                                                            | 5                                     | 5                                 | 1                                  | 0             | 0               | 4        | 16              | 4         | 16              |
| Friendly HR Policies                                                                                                     | 2                                     | 3                                 | 3                                  | -1            | 1               | -1       | 1               | 0         | 0               |
| Creativity and<br>freedom to work                                                                                        | 4                                     | 2                                 | 5                                  | 2             | 4               | -1       | 1               | -3        | 9               |
|                                                                                                                          |                                       |                                   |                                    |               | 18              |          | 28              |           | 26              |
|                                                                                                                          |                                       |                                   |                                    |               |                 |          |                 |           |                 |



### **Spearman's Rank Correlation Formula**

$$r_s = \left[ 1 - \frac{6 \sum D^2}{N^3 - N} \right]$$

**After applying Spearman Rank Correlation Formula we get following three results**

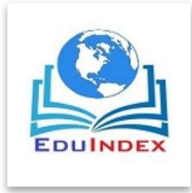
- 1) The Spearman Rank Correlation for this set (A & B) of data is 0.1 i.e. there exists very low Positive degree of correlation
- 2) The Spearman Rank Correlation for this set (A & C) of data is -0.4 i.e. there exists very low Negative degree of correlation
- 2) The Spearman Rank Correlation for this set (B & C) of data is -0.3 i.e. there exists very low Negative degree of correlation

The Spearman's Rank Correlation helps us to derive that motivational factors change as years of employability change. Initially, there is a low positive degree of correlation that changes to a low negative degree of correlation with the increase in employability years.

### **Motivating factors for New Joinees (1 years & Less)**

From Table 3, second column, we can also interpret for 35% new joinees from the sample of 40. Money is the number one motivational factor; hence they would be more interested in getting it. Mid-term Bonus, Salary hikes and other monetary incentives. The second in the rank for new joinees was Friendly HR Policies like Two days weekly off and Working from home may have a positive impact on their motivation. Surprisingly, Achievement was third in the rank, and the worst rank was with relationships i.e. the new joinees are more inclined in making money, and money motivates them more than relations within the company.

### **Motivating factors for Employees with 2-4 years**



From Table 3, second column, We can also interpret for 40 % of employees with employability between 2-4 years from the sample of 40, Achievement scores number one Rank i.e. Achieving 100% of set targets and Independently handling a new project end to end motivates them to a greater level which is a total contrast to new joiners. Relationships here too scored last rank.

### **Motivating factors for Employees with 5 years & Plus years**

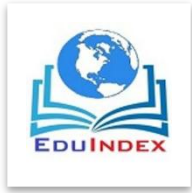
From Table 3, third column, We can also interpret for 25 % of employees with employability between 5 years and above from the sample of 40, the most crucial factor was the relationships developed within the company. They also were motivated by the achievement i.e. they love to take company to greater heights by achieving set goals the least of all was creativity and freedom to work with innovation.

### **KEY DISCUSSIONS**

The previous research's Berger and Berger (2015) argued that employees are looking forward for monetary incentives in return of successful accomplishments the research findings partially agrees to it as it was found money is important at initial years of service in the job and over a period of time relationships, associations within the company becomes more important.

Among many findings, one of the significant finding was that male gave more time at work corresponding to time given to family when compared to female counterpart. Additionally, work overload and non flexi time were strongly correlated to increasing time commitment at work by employees. Time commitment to work was directly connected to stress in life. Many times employers forget about the lives of their employees beyond the workplace and subsequently the difficulties employees may be facing in personal life.

The flexi timing in the company and Five days a week working culture had increased the performance dramatically as its one of the key motivating factor if leveraged properly. The



following finding is in agreement with the study of Parasuraman et al., (1996) on work and family variables, entrepreneurial career success, and psychological wellbeing.

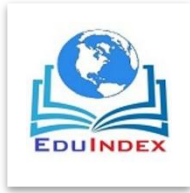
The study surfaces that with the change in the employability years the motivational factors changes, company HR Policies must be which adds to work-life balance so that employee feels motivated at work and at life as well. A healthy relationship with colleagues matter over time and has motivating impact on performance.

## **CONCLUSIONS AND MANAGERIAL IMPLICATIONS**

The Factors affecting Motivation changes as the number of the years of employability within the organization increases. Using this key information, managers and employers can apply important MOS (Measures of Success) which will enhance the motivation level of the employees and also result in higher productivity.

The companies HR should derive different strategies to drive employees with three category of employment instead of motivating them all with same factors of motivation they must use the factors that motivates the specific category. In Modern context the motivation factors need to be specific for specific set of employees rather to be generic.

Motivation is a diverse and complicated subject, but it's not impossible to crack. To improve the success rate, keep in mind the difference between employees' employability years and motivational factors specific to them.



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