

## Safeguarding Employees Impetus - A Bearish Phase Challenge to Employers

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Globalization has seen an economic upsurge the world over. It reared competition, innovative products, customers and customer service, profits, high employment potential and high wages. These advances contributed to the importance of Human Resources thus making it quite discernable across all industries and countries. But an inevitable downturn always accompanies an upsurge. It is during this bearish phase, that the employees find themselves trapped in an uncertain environment which breeds uncertain employee prospects. In this light, this paper, based on qualitative research, looks at the challenges faced by the employers in mining out positive performances at uncertain times.

**Keywords :** Human REsource, Employers, Motivation.

### Introduction

Traditionally marketing has primarily focused on satisfying consumers' needs. Yet with research showing that in those organisations with satisfied employees there is a greater likelihood of customer satisfaction (Schneider, 1999), marketers are becoming increasingly concerned with satisfying both customers' and employees' needs (Thomson et. al., 1999). Basing on the Job Characteristics Model (JCM) of Hackman and Oldham we can draw upon the fact that satisfaction of employees' needs are extensively accomplished through job satisfaction, motivation, and other outcomes which are a function of five core characteristics of the job itself (Wegge et. al., 2006). Also, in today's highly competitive labor market, there is extensive evidence that organizations regardless of size, technological advances, market focus and other factors are facing retention challenges. One of the factors stimulating these retention challenges are change and its management. In today's business environment, the future belongs to those who can best manage change, for which organizations must have employees committed to the demand of rapid change and such committed employees are the source of competitive advantage

(Dessler, 1993). "Commitment is critical to organizational performance, but it is not a panacea. In achieving important organizational ends, there are other ingredients that need to be added to the mix. When blended in the right complements, motivation is the result" (Ramlall, 2004).

The term motivation is derived from the Latin word "movere", meaning to move (Ramlall, 2004). Motivation represents "those psychological processes that cause the arousal, direction, and persistence of voluntary actions that are goal oriented (Mitchell, 1982, p.81). Motivation is also defined by Robbins (1993) as the "willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need." The inference is that motivated employees are in a state of tension and to relieve this tension, they exert effort. This also means that an individual's need would stimulate an inner drive which will finally result in behaviour or performance. In most instances, employee performance is determined by three things: ability; the work environment; and motivation (Wiley, 1997). Even the concepts of human capital and knowledge management talk of the skills,

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experience and knowledge that people possess and their economic value to organizations. These skills, knowledge and experience represent capital because they result in performance and enhance productivity. Therefore Performance management is that which significantly consists of more than periodic evaluation of performance. It is the art and science of dealing with employees in a manner intended to positively influence their thinking and behaviour to achieve a desired level of performance (McConnell, 2004) Organizations and its managers should not only look towards getting things done through their people, but also need to ensure that positive behaviour concerning performance is stimulated and extracted. It is necessary to manage the performance of employees and to cause them to do what needs to be done when it needs to be done while maintaining the level of quality and output at which it must be done

### **Motivation of Employees - Foundation for Superior Performance**

Every firm has its unique history which unites its members in terms of shared values and meanings. Even the policies and practices which a firm frames are unique to itself. Such policies & practices and the history of a firm can become its competitive advantage. Apart from these, the human resources alone, unlike any other competitive advantage, cannot be copied. Even the way in which the human resource pool of a firm operates is inimitable. This inimitability can be attributed to the employees' personality, attitudes, values, beliefs and their basic motivation levels and its interrelated performance. Even a multitude of firm specific organizational and interpersonal relationships can create a sustained competitive advantage for a firm on its human resources front. To further the direct linkage between employee motivation and employee performance, Benkhoff (1996) states that hard-working employees may not be a sufficient condition for organizational success. Expectancy theory suggests that at individual level high performance requires the necessary skills and a clear understanding of the role,

as well as motivation.

According to (Kuvaas, 2006), Intrinsic motivation is the motivation to perform an activity for itself, in order to experience the pleasure and satisfaction inherent in the activity. It also looks at focusing on enriching attitudes, experiences and skills. Goals and Feedback are among the different work motives of intrinsic motivation and are widely believed to affect performance positively through enhancing the motivation necessary for work performance (Earley et al., 1990). Roberts and Reed (1996) proposed that participation, goals and feedback impact on appraisal acceptance, which affects appraisal satisfaction and finally employee motivation and productivity.

Earlier researchers like Fried and Ferris (1987) through their meta-analysis have tried proving that the motivating potential of the work characteristics in the job characteristics model is associated with work performance, though indirectly. Research in areas like sports (Catley and Duda, 1997) and educational settings (Wang and Guthrie, 2004) has predicted positive linkages between Intrinsic motivation and work performance. In addition to such positive and direct correlations with work performance, several studies have reported negative and significant correlations between intrinsic motivation and turnover intentions (e.g., Houkes et al., 2001; Richer et al., 2002). This is probably because employees with interesting, enjoyable and exciting jobs have less interest in quitting and are less likely to be attracted by extrinsic rewards offered by other organizations.

### **Organizations, Its People and Changing Business Conditions**

Globalization has seen the rise of new jobs and opportunities. This has given rise to extensive and intensive competition across all industries. Owing to the aftermath effects of globalization, companies have started to realize the importance of the fit between the corporation's business direction and its human resource

strategies. Schuler and Macmillan (1984) describe how different business strategies create the need for different employee characteristics which in turn have implications for the human resource strategies needed to ensure the viability of the organization. According to London (2002) five directions in which businesses change are decline, mergers and acquisitions, growth, start-up and re-direction. Start-up happens when a business commences. Growth is a phase wherein an organization establishes itself in the market and enjoys an increase in demand for its products and services. During Mergers and Acquisitions companies generally look towards the purchase of profitable enterprises so as to increase their market share. Decline is marked by reduced market presence and reduced product/service quality. Re-direction, a phase after the decline phase, involves the creation and execution of new corporate strategies which aim at revival of the business. Each of the above business conditions is marked by a different strategy for the human resources. Start-up looks at hiring skillful people who are willing to work

whilst Growth phase demands dedicated employees who can increase the firm's revenue. Assessment and reduction of redundancies in employees' skills happen during Mergers and Acquisitions. Because of the losses experienced during the Decline phase, lay-offs are primary HR strategies. Re-direction is an attempt to give a fresh look to the organization through the adoption of HR Forecasting and improvement of work standards.

Though these strategies are in accordance to the change in the business environment of a company, the question is whether this would be adequate enough to motivate the employees. The above mentioned strategies are only a beginning for averting the perils associated with each phase. But to achieve and maintain the same level of motivation amongst all the employees', irrespective of the business conditions, the organizations need to gear up and adopt more people friendly personnel policies. The table below is an indication of the same.

**Human Resource Strategies Under Different Business Conditions and Different Levels of Support for Career Motivation**

Business Conditions	Human Resource Strategies	
	High Support For Career Motivation	Low Support For Career Motivation
<b>Decline</b>	Information communicated openly Alternatives discussed Counseling available Employee participation in organization re-design and searching for new direction	Layoffs Company decides who leaves No effort to re-train No pre-announcement of plans Emphasis on closing down, not turnaround
<b>Mergers and Acquisitions</b>	Information Communicated Joint planning committees Joint evaluation of skill requirements Incentives for voluntary terminations	Little information revealed Decisions made at the top No employee participation in reorganization Involuntary terminations
<b>Growth</b>	Employee suggestions valued New ventures explored Employees share fruits of success Employee ownership Recognition and reward for success Employees treated as resources to be developed	Narrow focus on what is working Employees treated as meeting immediate business needs, not future resources Reliance on extrinsic rewards to retain people

<b>Start-up</b>	Careful selection of employees Employees involved in planning Self-managing work teams Development opportunities (training and job rotation) Innovation encouraged	People hired and fired as needed No investment in training employees Focus on one direction Top Management makes all decisions with little or no employee involvement
<b>Re-direction</b>	Open communication and discussion of corporate goals Employee involvement in planning Employees re-trained Employees trusted to implement new strategies	Plans kept secret until employees need to know Rigid top management control over implementation Changes made hastily Employees without needed skills are laid off; new employees with right skills hired

Source: London (2002)

## Methodology

### Sample

This research paper considers the sample of Academic Co-ordinators, Training Managers and other key employees of a popular Indian University. The sample consisted of all graduate employees', of Indian origin and were in the age groups ranging from 25-45 years. When the backdrop of the conditions in the university was analyzed, it was observed that certain courses run by this university were a result of the industry-academia partnership. The rationale for running such courses was to supply manpower to certain industry majors. But, now these partnerships and tie-ups seemed short-term in nature as the life of the courses run under the name of such partnerships proved to be uncertain. This was because, for certain courses the partnership could not sustain whilst others experienced the saturation of manpower requirements. Hence, this particular sample was chosen because the study intends to look into the levels of performance and motivation of the employees working in a bearish phase.

### Measures

The study is based on qualitative research. Case Study is adopted as the methodology of this paper which looked at eliciting responses through interviews and personalized interactions. The findings are also based on observations of the employees' behaviors and their group interactions.

## Results & Discussions

The Case study which was based on a series of interviews, personalized interactions, observations of the employees' behaviors and their group interactions, revealed that from a holistic perspective, the employees were not de-motivated at all. One major reason for this was the stronger identification and belief in their organizational image. Their organization is a well recognized and reputed brand in the industry and hence the employees placed a high level of trust and looked towards a turnaround. The other driving factors were the leadership styles. The leaders were constantly motivating the employees that things would go right and the need for a job-hop does not arise. It was also observed that the sample was a strong closed group who were fun loving and could work even under extreme pressure conditions. The group adopted its own ways to shed the looming pressure and uncertainty by taking time off for recreation, seeking feedback and making improvisations. This was an attempt to motivate themselves and also to improve and manage their own performances. Other revelations were that employees' with rich financial and rich competencies background felt more motivated than the others owing to their market value and confidence in getting another good job in times of job loss. Gender differences were also observed in work motivational levels. Female employees' felt more motivated, because under the Indian cultural conditions, women could financially

depend on their spouses or parents without a societal taboo.

Apart from these, all the employees' unanimously agreed to the fact that even in this knowledge era, Job Certainty plays a very major role in shaping an employee's motivational work life. Even in an age of intense job-hopping and high attritions employees' vote for job certainty over job uncertainty. Only after job certainty is guaranteed does an employee look beyond it towards other dividends like performance appraisal, job satisfaction, empowerment and engaging work. Communication of the organizational strategy to the lower levels especially in times of uncertainty was another undisputed agreement amongst all the employees'. They strongly believed and agreed that communication of the organizational strategy can influence their work motivational levels and also have the capacity to sway their job-hopping decisions.

### **Conclusion**

Though the results need further confirmation and provide greater scope for research, we can conclude that to increase employee motivational levels, adjustments of the human resource policies to the working and business conditions is imperative. According to Benkhoff (1996), for beneficial social exchange to develop between the employer and the employee and to guarantee trust and a long-term relationship between the two, job security, regular feedback, precise implementation of human resource policies and necessary amount of training can enhance employees' responsiveness under changing business conditions and can contribute towards both individual and organizational development.

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