

Employee Motivation Practices: An Exploratory Study of Indian Hotel Industry

Sandeep Malik^{1*}, Ashish Ranga²

1 Maharshi Dayanand University, Rohtak, India

2 Banarsidas Chandiwal Institute of Hotel Management & Catering Technology, New Delhi, India

*sandeep.ihtm@mdurohtak.ac.in

ABSTRACT

The paper aims to explore the existing employee motivation practices of Indian hotel industry. The facts that hospitality industry is very competitive, growing at fast pace, employee based etc. have necessitated the need for studying the motivations for employees to work better. A thorough review of existing literature led to extraction of twenty two variables related to employee motivation in hotels. A questionnaire with Likert-type five point scale was designed to gather the responses from hotel employees. Exploratory Factor Analysis was used to explore the existing employee motivations practices of the hotel industry in India. The results indicates that two employee motivations practices i.e. 'Recognition and Career Development' and 'Improve behavior, attitudes, and morale' are significantly influencing the employee motivation in studied hotels in India. Further, the study suggests that hotels should improve practice of using appraisal in career development and should ensure fairness in wages to keep the employees motivated.

Key words

Employee, Motivation, Hotel, Job.

Introduction

Employees are the main resource for any organization in this highly competitive world. They are considered as most important competitive advantage strategy [1]. [2] concluded that employees are a real asset for an organization, especially in the 21st century [3]. The quality of services and products of an organization is dependent on its employees. So, an organization must hire and retain the best talent in the market and keep them motivated to work. Although it is very difficult as they may exhibit turnover intentions. Highly motivated and committed employees are found to be excelling in their job in the service industry [2]. However, keeping the employees motivated is very tough, especially in the hospitality industry mainly because of the intangible, inseparable, non-standardization, and perishable nature of the hospitality services. So, the paper aims at exploring the factors affecting employee motivation in Indian Hotel Industry.

Motivation

The word motivation has its origin in the Latin word *movere* meaning "to move" [4, 5, 6]. Whereas, [7] believed that the word *motivate* is the foundation; which means "a person's internal drive or push or persuasion to perform a task". So, motivation can be said as a force that originates from within an individual to achieve some goal.

Elton Mayo was the first to consider motivation as an important factor in production in the early 20th century. Before that salary was the single most important input for increasing output. In his studies conducted from 1924 to 1932, popularly known as "Hawthorne Studies", at American Western Electric Company in Chicago, Mayo observed that money was not the single most important factor for increasing production. He concluded that the organization must focus on motivating workers, putting more emphasis on satisfying the needs of the employees [8, 9].

Definition

Motivation can be defined as the internal force of an employee that makes him put a great number of efforts to achieve organizational goals alongwith individual desire [10]. Needs may vary from individual to individual. This interaction between individual variances and their environment which can be based on their culture, social background, organizational values, etc. is the main source of work motivation [11]. [12] defined motivation as the process consisting of a person's passion, well-directed and determined efforts to achieve a particular goal. [13] added that work motivation is an internal force of a person, supported by the environment, which inculcates goal-oriented behavior; however, its types, direction, strength, and duration may vary from person to person. Whereas, [14] depicted motivation as an action that inspires an employee to act in a particular way to achieve a goal or to fulfill certain psychological needs. For [15], it is a psychological force that starts multiple goal-oriented thoughts and performances.

Theories of Motivation

Various researchers [16, 17, 18, 4, 19, 20, 21, 22, 23] have propagated theories on motivation. Broadly, these can be distinguished in content and process theories. Content theories assumed that individual needs motivate peoples to perform certain actions; whereas process theories focus on various variables that motivate people.

Maslow's theory, also, known as the "Hierarchy of Needs", consists of five stages of an Individual's want. He propagated that when an individual is satisfied with its one need, they will move on to the next level. There are five levels of needs i.e. physiological, security, love or social, esteem, and self-actualization [24]. Physiological needs include the need for food, water, shelter, clothing, sleep, reproduction, etc. Need for security consists of personal security, health, property, employment, etc. The desire for affection is the third stage of the hierarchy i.e. love or social needs. The fourth one is the need for recognition, respect, self-esteem, etc. The last stage is the need for self-actualization where people have achieved up to their full potential.

Herzberg's two-factor theory is based on two kinds of elements i.e. intrinsic and extrinsic factors; also known as motivation or hygiene factors. The intrinsic elements are related to activity fulfillment [20]. Their presence provides a feeling of delight in employees; however, their absence will not lead to dissatisfaction. Extrinsic ones are related to factors that can turn a job into an unhappy event. A minimum level of extrinsic factors is a must for employees not to be dissatisfied with their job. However, if these are provided in excess, they will not lead to any improvement in the satisfaction level of the employees.

[21] propagated Existence, Relatedness & Growth (E. R. G.) theory which is an improvised version of Maslow's Need Hierarchy Theory. The existence needs consist of basic requirements such as physiological and physical protection needs. Maintaining interpersonal relationships is part of the second category i.e. relatedness, social interactions, and self-esteem needs i.e. respect, recognition, etc. The growth needs include the necessity for self-improvement and development. The theory further concluded that all the three elements need to be addressed to motivate employee to work better

Learned Needs Theory identified three motivating needs i.e. for achievement, for affiliation, and for power which are common for all [18]. However, due to their psychological make-up, every individual will vary on these, as these are related to the individual's personal experiences. If a person needs achievement as a motivator, then the person has a desire for goal accomplishment, takes the risk, and works alone. Whereas, if affiliation is the dominating motivator, there will be a strong desire for collaboration and not taking the risk. When power is the motivator, people

like to win arguments, take control of others, and enjoy competition, reputation, and status. The managers have to identify the dominating motivator of each employee and act accordingly to keep them motivated.

[4] suggested Expectancy Theory or Process Theory which elaborated that if an individual has some kind of expectations, he or she can be motivated. This is a choice-based theory where choice is dependent on a two-staged sequence of expectations. The motivation of an employee is the result of a need for reward or valence, the perception of achieving an expected result, and the surety of getting recognition for the performance is the last step. He described it through a mathematical formula where employee motivation is a function of Valence, Expectancy, and Instrumentality. Where valence is the emotional alignments of people to rewards. It refers to the desire of an employee for extrinsic or intrinsic rewards. Expectancy is the chance of getting better performance and is influenced by the availability of suitable capabilities, assets, etc for the activity. Instrumentality is the perception of employees whether regarding their desires and what they have been promised by the company. The fulfillment of promises very important aspect which should be taken care of by the management.

Review of Literature

[25] declared that motivation has two meanings i.e. psychological and managerial. The first one relates to the emotional aspect of a person's behavior i.e. initiation, direction, persistence, intensity, and termination. Whereas, the latter deals with the relationship between motivation, ability, and performance of team members to perform well and get desired results. Whereas, [26] propounded that it is a process of satisfaction of needs, meaning thereby that if the needs of a person are fulfilled then he or she will perform better to attain organizational goals. This perceived effect on work and overall performance is at the root of the requirement for motivation in good organizations. However, apart from motivation, knowledge of employees, their abilities, and type of work, technology, control strategies, and organizational culture also have their impact on the performance of an employee [27]. Moreover, intrinsic and extrinsic incentives have different impacts on the motivation level of employees [28]. They further elaborated that intrinsic motivation is related to the activity, and external variables are part of the extrinsic motivators.

[29] propagated that motivation is an internal drive that makes a man or woman behave in a particular manner to achieve some goals. People may be negatively motivated i.e. bad motivation if they anticipate any ambiguity in the incentives for motivation. The overall process of motivation revolves around an individual's inner psychosomatic forces, in addition to the external environmental environment [30, 31]. Some personality traits, personal desires, attitudes, satisfaction, engagement, organizational citizenship behaviors (OCBs) were also found to be affecting motivation [32]. [33] described that as per the self-determination theory, an increase in intrinsic motivation is more required in self-directed work situations and this always results in better attitudinal and behavioral outcomes [34]. [35] argued that most often, external rewards supersede intrinsic motivation and led to a reduction of the individual's work effort; especially when there is a conflict between the employee's moral values and choices. However, when there is no conflict, external motivations will support the intrinsic motivations. Both types of motivations can be used as predictors of the effect of time and efforts on job engagement which may vary from country to country [36].

The objective of the Study

The review of the literature made it clear that employee motivation is very important for running a successful hospitality business. Various theories clarified that several motivation factors may affect the performance of employees in the Indian hotel industry. So the paper aims at exploring the factors that motivate the hotel employees in the Indian hotel industry to perform better.

Methodology

The review of the literature led to the identification of 22 variables essential for employee motivation. These were related to motivation, growth, recognition, fair feedback, employee performance, employee morale, productivity, promotion, goal achievement, good service quality, and customer retention. The paper uses a questionnaire on a Likert-type 5-point scale ranging from strongly disagree to strongly agree; where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree. Employees of hotels were the sample population for the study. A total of 396 usable filled-in questionnaires were analyzed. Exploratory factor analysis with varimax rotation was performed to reduce the variables under fewer dimensions.

Results and Discussion

The results of exploratory factor analysis with varimax rotation are presented in Table no. 1. The analysis led to the extraction of two dimensions.

Table: 4.7 Factor analysis for Employee Motivational factors in the Indian hotel industry.				
Employee Motivation Items	Factor loading	Eigen-value	Variance explained	Cronbach's alpha
Recognition and Career Development		7.345	68.137	0.858
Managers know enough to appraise me	.715			
Managers set targets more clearly	.809			
I doubt whether I get a good appraisal	.687			
I am motivated by the appraisal system	.813			
It helps me to understand the job	.837			
I need to improve my performance	.794			
Manager discuss regularly my job performance with me	.801			
Colleagues recognize me when I do a good job	.732			
Management recognizes me when I do a good job	.730			
Appraisal plays a significant role in my career development	.660			
The customers recognize me when I do a good job	.720			
Provides me fair feedback	.707			
Improve behavior, attitudes, and morale		7.630	65.530	0.840
Promotion opportunities fair and satisfactory	.774			

Promotion enhance employee Morale	.758			
Do you agree with the evaluation results you get?	.729			
Do you always get the expected results of the performance evaluation whatever you are expecting	.647			
Do the evaluation results impact on your behavior, attitudes, and morale	.728			
Promotion opportunities affect performance	.705			
Performance evaluation in your opinion should be conducted in a year	.764			
Are you satisfied with the current performance appraisal system of your organization	.692			
Results of appraisal are satisfactory	.702			
The level of wage is fair and satisfactory	.573			

The first factor was labeled as 'Recognition and Career Development' as it included 12 variables namely, "Managers know enough to appraise me, Managers set targets more clearly, I doubt whether I get a good appraisal, I am motivated by the way appraisal system, It helps me to understand the job, I need to improve my performance, Manager discuss regularly my job performance with me, Colleagues recognize me when I do a good job, Management recognizes me when I do a good job, Appraisal plays a significant role in my career development, The customers recognize me when I do a good job, Provides me fair feedback", which are related to employee recognition and their career development. The factor has an eigen value of 7.345 and responsible for 68.137 percent of the variance in data. The high value i.e. 0.858 of Cronbach's alpha shows that the variables are highly reliable and internally consistent. Although all the variables are heavily loaded on the factor but the variable related to understanding the job was the most important variable in the first factor. Whereas, the role of appraisal in career development was found to be least preferred by the respondents.

Ten variables were loaded on the second factor which is named 'Improve behavior, attitudes, and morale'. The variables under this factor are "Promotion opportunities fair and satisfactory, Promotion enhances employee Morale, Do you agree with the evaluation results you get?, Do you always get the expected results of the performance evaluation whatever you are expecting, Do the evaluation results impact on your behaviour, attitudes, and morale, Promotion opportunities affect performance, Performance evaluation in your opinion should be conducted in a year, Are you satisfied with the current performance appraisal system of your organization, Results of appraisal is satisfactory, Level of wage is fair and satisfactory". This factor is has a high eigen value of 7.630, and good reliability Cronbach's alpha score i.e. 0.840. The variable related to the fair and satisfactory promotion opportunities was found to be given the highest favored by the respondents in this factor; whereas, respondents are seemingly worried about the fairness in wages.

Conclusion

Apart from being one of the fastest-growing industries, the hospitality industry is also one of the most competitive industries. Especially in the case of the Indian context, where the liberalization

has led to the entry of many well-known brands of hospitality. Internationally, employee motivation is used as a strategy for competitive advantage but this was lacking in the Indian hotel industry. So the study was aimed at exploring the various employee motivation practices prevailing in the Indian hotel industry. The results indicate that the two practices i.e. 'Recognition and Career Development' and 'Improve behavior, attitudes, and morale' are significantly influencing employee motivation in India. Further, the appreciation of employees' work and opportunities for their career development emerged as the highest employee motivation influencing factor in studied hotels. It further elaborates that understanding the job, and fairness, and satisfactory promotion opportunities were found to be the most influencing attributes for employee motivation. The study suggests that hotel organizations should improve practices of using appraisal in career development and should ensure fairness in wages to keep the employees motivated. These are in line with the findings of earlier studies of [16, 4, 37, 27, 32, 36]. The findings will make significant contributions to the existing literature on employee motivation in the Indian hotel industry. However, the study has certain limitations in terms of its sample design.

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