IMPACT OF INTRINSIC MOTIVATIONAL FACTORS ON EMPLOYEE RETENTION AMONG GEN Y: A QUALITATIVE PERSPECTIVE

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ABSTRACT

Employee commitment, high productivity and retention strategies are the most serious human resource management challenges of the upcoming future. In this scenario employee turnover has a significant impact on decline of productivity and failure of corporate plans. The significance of motivation in retaining key employees cannot be overlooked. Extrinsic motivation is driven by reinforcement contingencies which is not sufficient, so it should be guided by intrinsic motivation which involves interesting job and making it pleasurable. Today's organizations are facing immense challenge because of fulfilling the requirements of four generational cohorts. Present workforce is dominated by generation y employees who have different values system and requirements in comparison to previous generations. Therefore it is vital for the organization to chalk down their needs and design an effective motivational system which will increase their productivity. This paper aims to focus on qualitative analysis to explore different intrinsic motivational factors influencing generation y employees and their preference for motivation. Conclusion and implications for further research have been drawn from the analysis.

Key Words : *Intrinsic Motivation, Extrinsic Motivation, Employee Retention and generation y*

INTRODUCTION

Irrespective of recruitment expenditure the problem of right people at right place at right time is a burning topic in the corridor of human resource management. An adverse economic situation post 2001 forced companies to retrench employees.

This created a highly speculative work environment and gave rise to chaos, mistrust, confusion among workers. In these situations human resource managers were given the difficult task to retain employees who had zero faith in them (Mitchell, 2012). To cope up with this kind of aggressive situation the managers could not depend upon the obsolete bookish theories rather they have to understand the market realities, the mindset of the workers and innovate techniques that are creative and flexible in nature (Aamri, 2010). Each employee belongs to different environment with respect to culture, language, family background, economic conditions thus creating a vast workforce diversity to deal with. Their belief and value structure differ not only cross-sectionally but also in time trend.

Traditional theorists support extrinsic motivational factors that dominate employee performance but new theorists like that of Deci and Ryan (1985) support the existence of intrinsic motivational factors that inspires employees in remaining creative, skilled and talented. The purpose of the current paper is to explore different intrinsic motivational factors perceived by Generation Y employees which will be instrumental in retention. The analysis is being done mainly to draw inferences and directions for further research.

Causes of labor turnover   Agrela, et al (2008) discovered various causes of labor turnover like lack of opportunities for professional development, insufficient

Compensation, monotony/lack of Challenge, deprived work life balance, job Stress and unreasonable treatment, lack of motivation, uncooperative work environment, lack of vision, lack of employee engagement programs, feeling undervalued, freezing of Praises and promotions and lack of coaching and feedback.

Review of Literature

Motivation

Daft and Noe (2001) highlight motivation as the strength either within or external to a person that energizes, directs, and maintains behavior. Motivated employees do not shy back from doing something which is away from the expected traditional behavior in the working environment. Their motivation directs them to perform the task irrespective of lack of short term rewards. Latham (2004) defined a motivated employee may not perform well if the other members in the group are not dynamic. Human behavior depends on the response that he gates from the society for his every action and accordingly carries forward the same pattern throughout his life. Researchers have very often focused on extrinsic factors because of its easy accessibility and simple understanding .Selecting variables to measure intrinsic motivation has always been debatable. Anne and Barry (2005) said that psychologists have tried to provide a scientific reason behind why people behave the way they do in various working conditions. They have suggested that

motivation is the factor that energies and provides zeal to react or proceed in an activity. Bennet (1995) defined the theories of motivation can be bifurcated in to content theories and process theories .Content theories focuses on what of motivation i.e. what are needs that motivate an employee in an organization to provide higher productivity and process theories focuses on how of motivation i.e. how the motivation process takes place for an individual. Pinder (1998) defined the degree of work motivation towards successful completion of goal varies from individual to individual within the same organization because it not only depends on external environmental factors but also is generated from within each individual. Snr Asiamah (2010) in his dissertation report highlights some common motivational factors that leads to job satisfaction and employee retention in organizations which results into reduction in labor turnover. Thomas (2000) further discussed that management researchers and theorists' thought are dominated by studies on extrinsic motivators but such factors fails to justify the purpose completely. These factors needed to be complemented by intrinsic factors as it is the demand of today's environment.

Intrinsic Motivation

Deci and Ryan (1985) the pioneers of extrinsic and intrinsic motivation theory said that the activities that provide reward and pleasant in nature are grouped under intrinsic motivation and the activities which give immediate reward or avoids a punishment grouped under extrinsic motivation. Deci and Ryan (2008) in their theory which is more popularly known as Self-Determination theory (SDT) highlights the key difference between motivations ,whether they are autonomous or measured. Autonomous motivation is defined as being volitional, which means actions are self-directed and self-governed. Preference is the key issue in autonomous motivation. Controlled motivation is shaped by situations where pressure or demand on the individual is from forces external to the self. They also believe that the vast mainstream of the foundations of motivation are accredited to socio-cultural conditions pertinent to the individual. They believe that ecological factors are more vital to the study of motivation than the actual bio-psychological devices accountable for them. The SDT model recognizes the subsistence of intrinsic and extrinsic motivators. The model is based on the supposition that people are naturally inquisitive energetic and excited to succeed because these motives are sustaining and rewarding. This basically describes intrinsic motivation where stimulating, narrative experiences, and opportunities for mastery of trials are answerable for behavior. This natural need for growth is an important element of other motivation theories, such as Maslow's (1943) self-actualization, Herzberg's (1987) motivation factors, and McGregor's (1966) Theory Y. Extrinsic motivation is accountable for behavior for which the aim is to obtain a tangible payment or to avoid a punishment.

Employee Retention

Zineldin (2000) defined retention is a difficult concept and there is no single formula to retain employees in the organization .It can be defined as an obligation to continue in the job or with the organization on continuous basis. Logan (2000) postulated common retention factors such as organizational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems. According to Agrela, et al (2008) organizations need to focus on the retention factors as it leads to growth and success of the organization. According to them retention strategies should be oriented towards satisfying need of the employees and organizational change as it enhances employee productivity and excellence. Boomer (2009) incorporated that retention factors must include need and wants of employees at any age as it will leads to job satisfaction, loyalty and commitment.

Generation Y

According to Kupperschmidt (2000), Generation can be defined as employees coming under a certain range of age, location they live and experiences they face in different developmental stages. Twenge et al., (2010) defined to generation Y, work is a means to an end; essentially they work to live as opposed to live to work. Tay (2011) incorporated that in the previous era senior employees did not have the opportunity to receive specialized training before joining the job but the current generation (y) has the dual benefit of pre job training as well as sophisticated education. This makes them more professional and flexible towards change and work force diversity. They are great collaborators and they are motivated by team work and have longer retention period. Generation y people are more technologically advanced and enjoy challenging competition which stimulates and amuses them. Yusoff & Kian (2012) suggested that looking at the characteristics of generation y which includes focused on self career, optimistic, pro diversity approach, team player, technology savvy, fun loving , causal and value prompt recognition and reward, it can be suggested that if generation y gets appropriate intrinsic motivation they will flourish in a new direction to achieve organizational excellence.

Research Gaps and objective of the study

Despite the importance of the topic extrinsic work motivation has been the focal point for researchers involved in motivation. Intrinsic motivation researches are mostly theoretical and have less empirical backing in comparison to extrinsic motivation. Managers in the past emphasized on extrinsic factors like money, company policy, and working conditions to motivate subordinates and it is the sole motivator in all generations.

Therefore the objective of the current paper is to explore different intrinsic motivational factors as perceived by Generation Y

employees which will be instrumental in retention.

Research Method

The best way to study human behavior and behavior changes is through Qualitative methods (Kirk & Miller 1986). Complex human behavior is very difficult to be captured by Quantitative methods (Creswell, 2007).The basic assumption of qualitative methods is based on interpretative paradigm which focus on subjective experience of individuals (Morgan, 1980). Qualitative research mainly focuses on investigation of complex phenomenon, its authenticity, subjectivity of the research and researcher, contextualization and minimization of illusion (Fryer,1991). From the data conceptual framework is drawn rather than from the set hypothesis (Silverman, 2000). Qualitative approach is commonly popularized as inductive and interactive (Patton, 1980). Understanding human attitude, behaviors, value system, concerns, motivations, culture or life styles and aspirations can be better examined through effective use of qualitative methods (Bogdan, 1975).

Exploring issues, understanding phenomena and answering questions are the main focus of qualitative research (Creswell, 2007). How people feel/act, why they feel/act certain things can be better understood by qualitative researcher (Frankfort-Nachmias, 1992).

Case study method is best suitable for the study of employee motivation and retention because of its main objective of complete understanding of the situation. (Mitroff & Kilman, 1978).Direct participation and gaining firsthand information about different factors affecting employee motivation and retention is possible through effective use of case study method.

Research Design

Single Case & Single unit

In depth investigation and rich description is only possible by single case. Knowledge and theory building can also be contributed by this. Generalization of the entire population is not possible but analytical generalization to theoretical proposition is possible through real world discovery. Single case designs can be selected on the basis 4 factors i.e. if it is a critical case, unique case, typical case and revelatory or longitudinal case (Yin, 2009). This research satisfies the revelatory criteria. The researcher tries to reveal different intrinsic motivational factors influencing employee retention. Single unit of analysis is selected because of accessibility, resources available and time available.

Data collection instrument

Proper development of an effective interview protocol is critical to the data collection procedure (Creswell, 2007).One of the predominant method of qualitative research is interview method of data collection.50 respondents were selected for the interview. The reason behind for selection was based on the

survey methodology, objective, sample frame, time and budgetary constraints.

There were 24 questions in the interview and the answers to the question provided precious approach to the research questions. The questions were very relevant towards the fundamental clarification of the topic. The questions were set in such a way so that it can explore the real experiences of employees within the organization.

Sampling Procedure

A sample size consisting of 50 respondents were selected from company X (in order to maintain confidentiality as signed in the agreement) Bhubaneswar unit. The reason behind taking 50 as a sample size is to give a detail coverage and interpretation of the results. Keeping the following limitations in to consideration like time, resources and geography the organization was selected. Selection of the organization was based on the factors like the size of the organization, highest number of gen y employees, the rate of employee turnover within the organization, the approach of motivation within the organization and capacity of the organization to attract and retain quality people.

SAMPLING TECHNIQUE

Purposive sampling method one of the non probability sampling method was used to select respondents for the interview. This method is suitable in reaching the respondents because of the spread of the study. The sample size is constituted by deliberate selection of employees. As per

the objective of the study, the sample was framed to give effective results.

DATA COLLECTION

INTERVIEWS

As a part of the data gathering process from all the departments selected number of gen y employees was interviewed. Structured interview guide was used for the interview. This was used for logical analysis of views and for positive responses given by respondents. Information collected from employees will help to explore the motivational packages given by the company to retain its core employees.

Without the co-operation of management successful implementation and completion of the interview was impossible. For outlining the purpose of the research, the confidentiality of the information collected, analyzed and reported, an initial interview was done with management .Management support and willingness of employees clearly visible from the initial interview.

The interviews were conducted on the company premises utilizing an office that management reserved for the duration of the interviews. The interviews lasted for 5 days. In order to ensure accuracy of the qualitative data the interviews were recorded. This facilitated easy retrieval and storage of data.

Discussion of Results

Common intrinsic motivational factors explored from the interview of generation y employees are as follows

- Job enrichment

Respondents are of opinion that work should be challenging, interesting, less repetitive and there should be assignment of constructive responsibility. For example direct access to top management and giving the scope to lead a project.

- Job involvement

Job should be accompanied with meaningful contribution; ability to take decision, respect to employee's opinion, open communication and constructive discussion must be there to enrich the job.

- Employee empowerment

Respondents talked about giving access to social media, consult with other employees, freedom to take on the spot decision and creating team structure, involvement in hiring decision and giving work space.

- Creativity

Creativity can be achieved through organizational support for taking risk because risk is always associated with new approach towards work, positive work environment, training on skill development and minimization of back stabbing, leg pulling etc.

- Challenging work

For respondents challenging work includes free from boredom, engagement, always learning new tasks or skills, discovering potential and handling multi-skilled positions.

- Curiosity

Management's support for encouraging curiosity, giving direction to employee curiosity as it is the reason behind employee creativity which is the result of generation of new ideas, new possibilities and excitement.

- Control

Respondents opined that there should be control over job related decisions, independent handling of task and giving autonomy to handle problems.

- Competition

Respondent said that there should be healthy competition, immediate feedback and reward must be given to encourage employees.

- Co-operation

Respondents are of opinion that there should be Open Communication, proactive approach towards handling employee problems and positive environment to stimulate employee creativity.

- Recognition

Recognition involves giving award, appreciation, giving mementoes, verbal praise and allowing employees to attend conferences, seminars etc.

- Sense of choice

Autonomy for accomplishing the work by own terms, freedom to select work activities which are meaningful, faith on

employee's approach towards work and giving employees the feeling of ownership.

- Sense of competence

As per employee's knowledge, expertise and capability recognition must be given. Organizations should try to develop employee competencies through training and development and employee counseling.

- Sense of progress

Proper feedback is a must as it gives the feeling of accomplishment and keeping track of employees whether their moving in the right direction or not. If things are working out it will generate confidence among employees towards the choices made. Giving promotion, reward, award and opportunity to handle crucial assignments are key to employee progress.

- Happiness at work

Respondents are of opinion that everybody must have role clarity, positive work environment, no politics, no back biting or leg pulling etc in the organization.

- Career opportunities

There should be equal employment opportunities, growth opportunities, career and succession planning and responsibility must be given to handle higher projects.

- Learning facility

Training and Development activities designed to support new employee orientation, departmental training and development, professional licenses and association memberships, tuition waivers, tuition reimbursements for job-related courses, continuing education courses and job-related workshops and seminars must be arranged for employees.

- Leadership opportunities

Heading a group or team, giving charge for overseas assignment, decision making authority and independent handling of challenging work must be given to the employees.

- Higher responsibility

Respondents said that there should be realistic targets for the employees; higher responsibility must come with effective supervision and designing reward system for successful handling of higher responsibilities.

- Open culture

Maximum respondents are of opinion that there must be scope for innovation, people orientation, Team work, constructive criticism, no back stabbing, leg pulling and harassments and atmosphere of appreciation in the organization.

- Open communication

To inform and educate people to the news, events, and realities of the organization and the marketplace, to keep trust, collaboration and sharing of ideas through meetings is the most for communication.

- Work life balance

Maximum employees are of opinion that

there must be work from home facilities, flexible work schedule, day care facilities for children, vacation, giving strict instructions not to check e-mail or voice mail during holidays and weekends, arranging virtual meetings and giving frequent breaks.

- Employee engagement

It can be achieved by employee's role clarity, giving ideas and expressing views, focused on goals, empowerment, involvement and commitment.

- Talent management

Talent can be managed by performance management, 360 degree assessments, executive coaching, leadership development, professional development, career development, recognition programmes, compensation, succession management, employee engagement and retention.

- Knowledge management

Respondents said that there should be scope for knowledge creation, development and sharing via technology.

- Autonomy

Respondents said that there should be freedom from external control, independence and privacy must be given to the employees, freedom to express views and methods to accomplish the work

Directions for further Research

The validity of findings of this research can be tested through quantitative tools with a large sample size to draw a holistic conclusion about intrinsic motivational factors influencing employee retention.

Concluding Remarks

The result shows that the intrinsic work motivation is an important issue for employee retention and especially among generation Y employees in the organization. Effective employee motivation and retention of skilled and talented employees should be the main aim of management. Huge turnover creates problem for not only the employers but also employees and clients. A lower turnover means a positive attitude towards clients. Well pleased clients in return provide higher satisfaction scores which indirectly generate higher revenue. Now the time has arrived to think out of the box and focus on intrinsic motivational factors which can also affects employee retention if properly used by the management. In coming years maximum employee population will be dominated by generation Y employees therefore employers must design the motivational program keeping into account generation y employees' preference. Extensive researches are required to fill the gap and provide new insights to intrinsic motivation, its forms, applicability and measurement so that it can also emerged as a powerful tool in the hands of the organization to retain their generation y employees who are dynamic, creative and skilled.

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Appendix-1

a) What will make you stay in this organization for the next 5 years without thinking of leaving?

b) Are you satisfied with the current motivational packages that you are enjoying?

c) How does your company reward outstanding performance?

d) Does management trust your decisions?

e) Has management expectation been clearly communicated to you?

f) Have your responsibilities been communicated to you?

g) Can a good manager –employee relationship cause employee to be retained?

h) What is your opinion on good working environment?

i) How well is your concerns related to personal and work life addressed by the management?

j) What in your opinion accounts for the exit of main stream workers?

k) Are you recognized for your hard work?

l) Does team leaders support for employee's development?

m) Does your company rightly use employee's talent?

n) Does your company focuses on good working condition to retain its employees?

o) What is your opinion about Skill development as a retention strategy?

p) Does role clarity increase your efficiency of doing the work?

q) Does employees' career growth strategy play a key role towards employee retention?

r) Do you get support from management for your initiatives?

s) Does your company involve you in decision making?

t) Does your organization believe in fair Compensation?

u) What is your perception about gen y's preference of work life balance?

v) Do you get Manageable amount of work in your organization?

w) Are you satisfied with your organization?

x) What are the Gen y preferences

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