
Impact Of Motivation On Employee Retention

The impact of Motivation on Employee Retention in the Manufacturing sector of Sri Lanka: Study of operational staff at Puwakaramba Group of Companies.

Problem Statement

Motivation applies to the triggers causing actions (Guay et al., 2010). Well-motivated, active employees believe that companies recognize them and that they play a significant role in their company that greatly enhances both their staff and corporate success (Fossey & Harvey, 2010 as cited in Mgedezi, Toga, & Mjoli, 2014). Poor motivation will lead to many issues such as absenteeism, increased grievances, poor performance, labour turnover etc. Therefore, employee motivation plays an integral role in every organization as it helps to retain employees.

Employees tend to leave organizations when their expectations are not met or when they are offered with better working conditions at another organization. Since employee turnover reduces profits and productivity of an organization, the cost of it is difficult to quantify and controlling the same is a majorly important factor for any organization. If not, several issues take place such as production planning becomes difficult, increased administration costs, the loss of customers because of delays in delivery, low productivity of the workforce, teams become dysfunctional, quality levels fall, and employee morale goes down. Therefore, the retention of employees has been shown to be significant to the development and the accomplishment of the organizational goals and objectives (Reichheld, and Teal, 2001).

The main HR related issue faced by manufacturing sector in Sri Lanka is the turnover of the operational staff. It has become a burning problem in the industry today and this issue can adversely affect employees, organization, nation and others in the society.

This study is done to identify the relationship and the impact of motivation on employee retention in an organization. "What is the impact of motivation on employee retention?" is the research problem which will be addressed throughout the research.

Aim

This study is aimed to provide valuable information to different personnel in society. Further, it would provide information for different users, who seeks information on employee motivation and its impact on retention as a guiding secondary source. The findings of this study contribute to the previous literature conducted on employee retention and employee motivation.

The scope of this research project is to conduct the ground research, gather data, and analyse data to recommend the most apt way to solve the employee retention issue.

Objectives

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- • General Objective

1. To assess the impact of motivational factors on employees' intention to retain

- • Specific Objectives

1. To identify motivational factors provided to the operational staff in manufacturing industry.
2. To assess the level of retention intention of operational level employees in manufacturing industry.
3. To assess the relationships between the motivational factors and employee intention to retain.

Limitations

- • This study will be limited to the performance of the operational level employees and not all the employees in the organization.
- • Study is based on only few selected variables.
- • This study will be limited to examine employee retention.
- • Confidential documents and information will not be revealed due to company rules and regulations.

Methodology

According to Rajasekar et al., (2013) research methodology is a systematic way to solve a problem. The methodology of this project is gathering primary data about the manufacturing industry of Sri Lanka and find out what motivate employees to retain in organizations.

This will be carried out through a questionnaire which will be given to a sample group of operational level staff and interviews will be conducted with the management and the operational level staff. The questionnaire study will be carried out with a sample group that represents the population of the manufacturing sector staff base. Both qualitative and quantitative techniques will be used to gather information. Below are the methods which will be used for this study.

Primary Methods:

- • Questionnaires
- • Discussions
- • Interviews

Secondary Methods

- • Labour Turnover Records
- • Other HR Records
- • Literature Review
- • Company Web Site (<http://puwakaramba.com/>)

Data Analysis Method

- • Hypothesis testing

Correlation – Coefficient Analysis

- • Analysis of Impact

Regression Analysis

Given the focus of the research an explanatory research design will be carried out. The data gathered through self-administered questionnaires will be fed into analytical tool such as SPSS (Statistical Package for the Social Sciences) and Microsoft Excel spreadsheets.

The study will exclude to consider staff members who resign due to disciplinary issues and retirement age.

Data will be tested for reliability and validity. Each variable will be descriptively analysed. The hypothesis will be tested based on correlation and regression. The effect of mediation will be tested using regression analysis.

Data Presentation Methodology

- • Statistical Reports
- • Statistical Tables
- • Charts and Graphs

References

1. Guay, F., Chanal, J., Ratelle, C. F., Marsh, H. W., Larose, S., &Boivin, M. (2010). Intrinsic, identified, and controlled types of motivation for school subjects in young elementary school children. *Journal of Educational Psychology*, 80(4), 711–735.
2. Mgedezi, S., Toga, R., & Mjoli, T. (2014). Intrinsic motivation and job involvement on employee retention: Case study-a selection of Eastern Cape government departments. *Mediterranean Journal of Social Sciences*, 5(20), 2119-2126.
3. Rajasekar, S., Philominathan, P., & Chinnathambi, V. (2013). *Research Methodology*. ArXiv.org, ArXiv.org, Oct 14, 2013.
4. Reichheld, F. F. and Teal J.A (2001). *Loyalty Effect: The hidden force behind growth profit and lasting values*. Harvard business school press book. 1995)