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## ROLE OF MOTIVATIONAL & HYGIENE FACTORS IN RETAINING EMPLOYEES IN FOOD INDUSTRY

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### ABSTRACT

*Today, more than 10 million workers are employed in the areas of food preparation and food servicing including fast food in the world. In the highly turbulent environment, employee's turnover can be as high as 200% per year. With such a turnover, owner operators of fast food chain needs to continuously work towards motivating employees and the employee retention. The research paper is based on the primary and secondary research. A survey was conducted based on the Herzberg's two factor theory to find out how money is not the main motivation in retaining the employee & what are other key motivators for employees to remain in an organization in the fast food industry.*

**Keywords:** Employee Motivation, employee retention, employee turnover, retaining employee, retention, motivation

### INTRODUCTION

Employees acts as backbone of the fast food industry. The greater is the length of the service of an employee in an organization, the more experienced the employee gets and becomes more valuable to the organization. The cost of hiring a new employee is 10 times greater than retaining one already working. This includes advertisements cost for the job vacancies, recruiter's cost, time and effort spent in conducting interviews and selection etc. Also, when a new employee

joins an organization, he requires lot of time for understanding of various procedures & tools used in the organization and takes time to get gear up for the acceptable performance. Hence, it takes the company considerable amount of resources to train the employee. Key for success of good employer lies in how to attract and retain employees. The employer need not only keeps on making good strategies to keep the employee comfortable in present job but also motivates the employees on day to day basis contrary to modern beliefs that monetary compensations is highest employee motivator in retaining the employee. To understand how to motivate an employee first the employer has to understand what instigates employee desire to achieve one or the other goal, and once instigated what are the factors that sustain and fuel the desire to pursue that goal despite all kinds of difficulties encountered on the way. Many researches has been done on the various motivational factors that worked as keystone for acquisition and retaining of the talent in an organization. Herzberg et al. (1959) developed the two-factor theory proposing that the factors that caused an employee to stay at post were not opposite to the factors that made the same employee to leave the job. They intimated that the factors were different in nature and could not be used to determine employee turnover as well as in developing strategies for employee retention Herzberg's Two Factor theory is quite a well-known theory.



As per the theory explained by Herzberg(2010) the job satisfaction of an employee is dependent upon the two factors: motivators and the hygiene factors. Motivators are the intrinsic factors which help in providing satisfaction to the employees whereas the hygiene factors are the extrinsic factors which give rise to the dissatisfaction among the employees.

Ideal situation where employees are highly motivated and have few complaints:



Mediocre situation where employees are motivated, but have a lot of complaints:



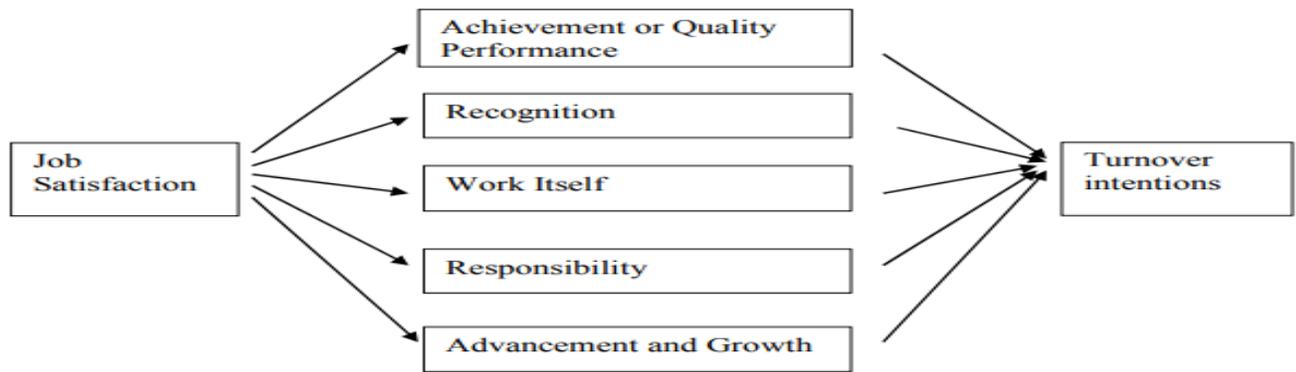
Mediocre situation where employees have few complaints, but are not highly motivated:



Worst situation where employees are not motivated and have a lot of complaints:



The major intrinsic factors or motivators that lead to employees' satisfaction include factors like achievement, reorganization of the work, the challenging work, and the growth and advancement in the field. The factors which contribute to the employee dissatisfaction are company policy, relationship with boss and supervisor, poor work condition, lower salary, poor peer relations, and the non-security of the job prompt the employee turnover.



**Theoretical Model: Herzberg's Motivation-Hygiene Theory**

## REVIEW OF LITRATURE

Prachi Hajare Wani, Dr. Nandkishor Sarode(2017) , studied various factors essential in employee retention for the quick service restaurants and best motivator for employees to join an organization are Better Salary, Provision of paid leaves, Good Growth, Fixed working hours, Provision of good work culture,Understands and solves employee problems

*Dr. Asma Farooque, Mr. Habibuddin (2015)*, Studied that on the conducted exit interview there were 5 main reasons identified for attrition which are, low salary due to industry not being a very good pay master compare to others, long working hours was the second reason as employees work for not less than 12 to 14 hours a day. The third reason identified was nature of work, as the industry expects people to be proactive and not otherwise so it gets employee to adjust with the requited speed and flow of the work. Another major reason for people to leave the industry is that there is no work-life balance that is seen. Competition and improper employment practice were the other reasons.*Dutta, Banerjee ( 2014)*, concluded that low moral while at work has a very bad impact on the work efficiency, which is very much possible to deal at an initial level. Employee loyalty towards an organization can also lead employees to stay by making sure that equality at work is demonstrated. Care and concern for employees, faith in employees is going to help employees to stay back give more than what they can while on work. Perez & Mirabella (2013)The voluntary employee turnover rate in the fast-food industry is 50%. Dike (2012) The estimated cost of the high employee turnover rate in the fast-food industry is \$10 billion per year

in the United States. Abii, Ogula, & Rose, 2013; Hancock, Allen, Bosco, McDaniel, & Pearce (2013) The purpose of this qualitative multiple-case study was to explore the strategies that some fast-food managers use to improve employee retention. Background of the Problem Voluntary employee turnover has an adverse impact on firm outcomes, including quality, customer service, and the efficiency and effectiveness of operations. Mohsin, & Lengler, 2015; Perez & Mirabella, 2013, Many managers in the fast-food industry are concerned that voluntary employee turnover is among the highest of all industries. Dunnagan, Maragakis, Schneiderjohn, Turner, & Vance (2013), In response to voluntary employee turnover, many managers realized that focusing on strategies to improve employee retention rates is an increasingly important task.

### **OBJECTIVES OF THE STUDY**

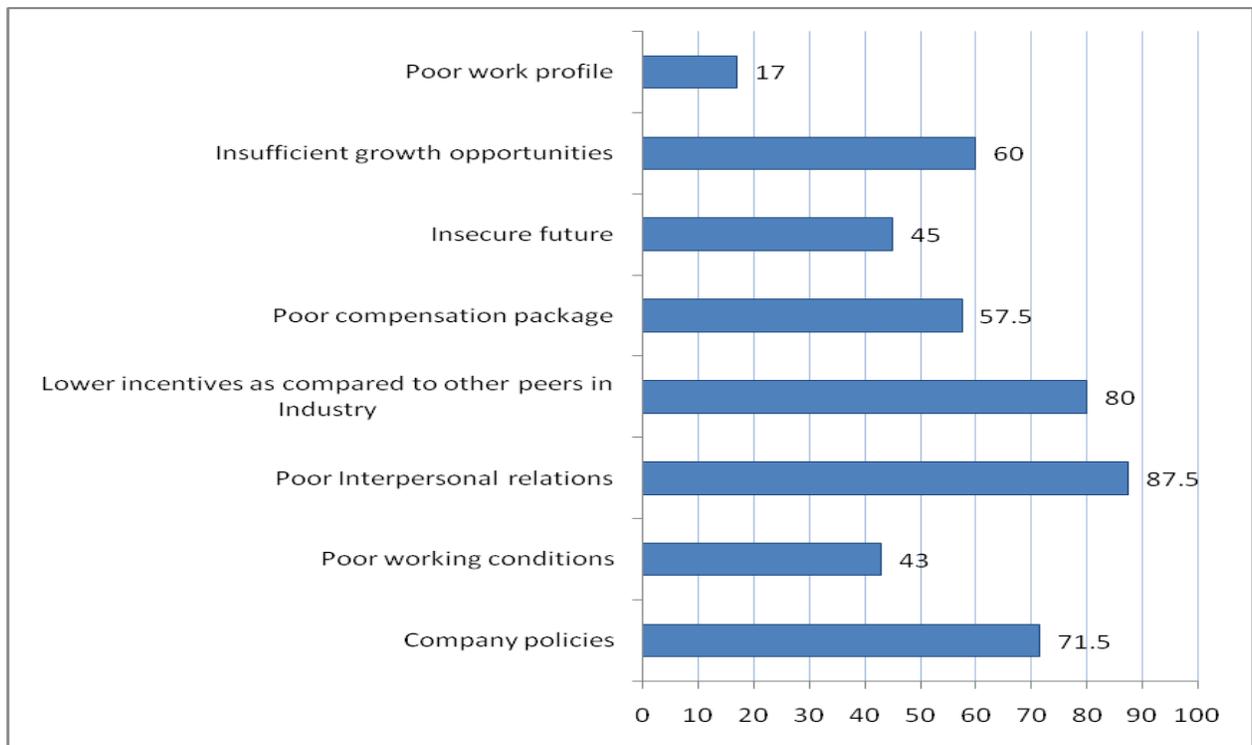
- i) Is money is a sufficient motivation factor?
- ii) Which factors acts as key motivators for employees to remain in their current job in fast food chains?
- iii) What factors of motivation should be considered for making employee retention strategies

### **RESEARCH METHODOLOGY**

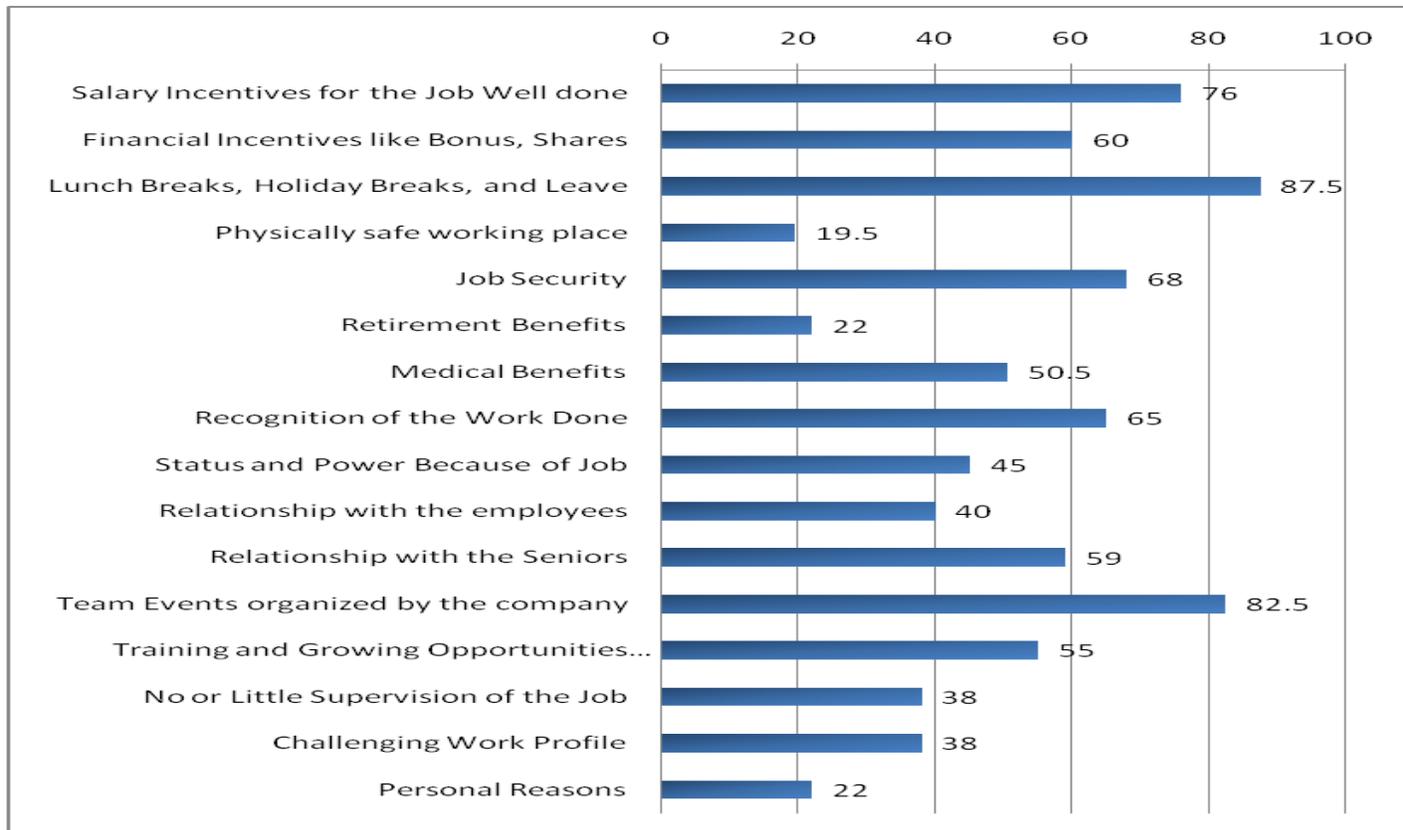
This paper is a exploratory-cum-conceptual-cum- descriptive in nature. The study is based on primary data collected in the form of structured questionnaire filled by 62 employees of different level working in outlets of Dominos Pizza, Pizza Hut, KFC and MacDonald located in Delhi using random sampling. Secondary data collected from different books, articles published in different journals, Reports, research papers and websites.

## MOTIVATIONAL & DISSATISFACTION FACTORS THAT INFLUENCE RETENTION OF EMPLOYEE IN FASTFOOD CHAIN

From the results of the survey we have been able to understand that various factors play different role in satisfaction and dissatisfaction of the employee and acts as summation effect for employee in making decision to leave or remain with organization.



## Data Chart 2: Dissatisfaction Factors resulting employee turnover



## Data chart 1: Motivational Factors that influence retention of employee in fast food chain

Following are the findings of the survey:

- 1) Monetary compensation is not the primary motivational /dissatisfaction factor.
- 2) Employee gives more importance if they are given more breaks, holidays & remains motivated and satisfied (work life balance).
- 3) The team events are more the part of fast food industry culture and hence play an important role in motivating the employees
- 4) Competitive salary incentive took 3<sup>rd</sup> place followed by job security, recognition for work. Again financial reward and took back seat from job security and recognition. Training and growth opportunities are also considerably required for employees.
- 5) Safe work place also does not get that much importance as motivator. This is probably because of the fact that the employees expect the safe working place.

- 6) The above data chart indicates that reason for employee dissatisfaction is not monetary. A poor Interpersonal relation is 87.5%- highly rated followed by competitive incentive and company policies and growth opportunities.

## **CONCLUSION:**

From this study it is concluded that the results of the survey are in line with Herzberg two factor theories. Hygiene and motivator factors both have an effect on employees' satisfaction and motivation levels. Employees in food industry give more importance to work life balance and consider monetary rewards secondary. Employer can improve the work life balance by offering convenient working hours which will give enough time for everyone for their personal commitments. Having good interpersonal relations with the employees can overcome less pay hikes. Employees want to be recognized for a job well done. Rewards and recognition should be given for motivating employees toward continuous improvement. Company policies should be designed keeping the interest of the employees in mind so as to have greater employee retention.

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