

A STUDY ON APPLICATION OF HERZBERG TWO FACTOR THEORY MODEL FOR MOTIVATING EMPLOYEES WORKING IN RETAIL SECTOR

¹Dr. Priya Kalyanasundaram,

MBA, PhD, HOD – MBA, Research Supervisor,
Department of MBA, Sankara College of Science and Commerce,
Bharathiar University, Coimbatore.
priyakalyan@gmail.com

²Dr. K. Thirugnanasambanthan,

M.Sc., M.B.A, M.C.A., M.Phil., Ph.D., Associate Professor,
Department of MBA, Sankara College of Science and Commerce,
Bharathiar University, Coimbatore,
dr.kts76@gmail.com

³Dr. S. Sethuram,

MBA, BL, M.Phil, Ph.D., DLL AL, DIEM, Assistant Professor,
Department of MBA, Sankara College of Science and Commerce,
Bharathiar University, Coimbatore,
drsethurams@gmail.com

⁴Mrs. V. Vidhya,

MBA, (PhD), Research Scholar & Assistant Professor,
Department of MBA, Sankara College of Science and Commerce,
Bharathiar University, Coimbatore,
vidhyavaidhy@gmail.com

ABSTRACT

Employee motivation plays a crucial role in enhancing productivity and job satisfaction, particularly in the dynamic and demanding retail sector. This study explores the application of Herzberg's Two-Factor Theory which distinguishes between hygiene factors and motivators as a framework for understanding and improving employee motivation in retail environments. The research examines key hygiene factors such as salary, job security, and work conditions, along with motivators like recognition, career advancement, and job enrichment. Through surveys and interviews with retail employees, the study analyses how these factors influence job satisfaction and employee retention. The findings suggest that while hygiene factors prevent dissatisfaction, true motivation stems from intrinsic factors such as growth opportunities and recognition. The study provides strategic insights for retail managers on implementing policies that foster a motivated workforce, ultimately enhancing operational efficiency and customer service.

1.0 INTRODUCTION OF THE STUDY

The study is based on the topic, application of Herzberg two factor theory for motivating employees. The study is important because today's environment has placed increasing pressure on organizations both in government and industry to accomplish more with less. Meeting this challenge through higher productivity is possible if the individual workers can be properly motivated.

Herzberg's two-factor theory is probably the most widely known and accepted approach relating directly to job satisfaction. Herzberg addresses the problem of job satisfaction in terms of those factors which cause satisfaction (motivators) and those which cause dissatisfaction (hygiene). This information then becomes the basis for evaluating an individual's job and making the changes necessary to increase worker motivation. The Herzberg approach to job enrichment is only a theory and is not without its critics. The basic development of the theory is presented along with some of the evidences used to test the theory. Weaknesses levied against the theory by its critics are also considered.

1.1 MOTIVATION

Motivation refers to a process of inducing and stimulating an individual to act in certain manner. In the context of an organisation, motivation implies encouraging and urging the employees to perform to the best of their capabilities so as to achieve the desired goals of the organisation. A huge part of a leader's job is creating an environment where productivity thrives and teams are inspired to do their best work. But that uniquely human brand of motivation can be quite slippery – hard to understand, inspire, and harness. An academic foundation on motivational theory can help, but opening that door exposes you to enough theoretical concepts and esoteric language to make your eyes glaze over. This practical guide to motivation theories cuts through the jargon to help you get a solid grasp on the fundamentals that fuel your team's peak performance – and how you can actually put these theories into action.

1.2 TYPES OF MOTIVATION

1. **Intrinsic Motivation:** Intrinsic motivation means that the individual's motivational stimuli are coming from within. The individual has the desire to perform a specific task, because its results are in accordance with his belief system or fulfils a desire and therefore importance is attached to it. Our deep-rooted desires have the highest motivational power.
2. **Extrinsic Motivation:** Extrinsic motivation means that the individual's motivational stimuli are coming from outside. In other words, our desires to perform a task are controlled by an outside source. Note that even though the stimuli are coming from outside, the result of performing the task will still be rewarding for the individual performing the task
3. **Competence motivation:** Competence motivation comes from the desire to become competent or proficient in what you do. It pushes you to develop your skills and abilities through further education and training. As an employee, you may join certification courses and learn advanced-level techniques relevant to your industry or area of expertise.
4. **Achievement Motivation:** Achievement motivation gives you a feeling of satisfaction in accomplishing a certain goal. The goal in such cases can involve earning a professional acknowledgement or recognition. Hence, if you are achievement motivated, you would not be satisfied with a project unless it earns you the desired recognition.
5. **Incentive motivation:** In incentive motivation, potential reward acts as the motivating factor. Incentive-motivated people invest their time and efforts to pursue something for a worthwhile reward. If you are incentive motivated, you will work best if your performance is tied to appropriate compensation.

1.3 THEORIES OF MOTIVATION

Motivation theory explores the forces that drive people to work towards a particular outcome. Rather than accepting motivation as an elusive human idiosyncrasy, motivation theories offer a research-backed framework for understanding what, specifically, pushes people forward.

1. **Maslow's hierarchy of needs:** One of the most well-known motivation theories, the hierarchy of needs was published by psychologist Abraham Maslow in his 1943 paper "A Theory of Human Motivation." The gist is that Maslow's hierarchy outlines five tiers of human needs, commonly represented by a pyramid. These five tiers are:
 - Physiological needs: Food, water, shelter, air, sleep, clothing, reproduction
 - Safety needs: Personal security, employment, resources, health, property
 - Love and belonging: Family, friendship, intimacy, a sense of connection
 - Esteem: Status, recognition, self-esteem, respect
 - Self-actualization: The ability to reach your full potential
2. **Herzberg Two Factor Theory:** The two-factor motivation theory, otherwise known as Herzberg's motivation-hygiene theory or dual-factor theory, argues that there are separate sets of mutually exclusive factors in the workplace that either cause job satisfaction or dissatisfaction (Herzberg, 1966; 1982; 1991; Herzberg, Mausner, & Snyderman, 1959). Generally, these factors encouraging job satisfaction relate to self-growth and self-actualization. The two-factor motivation theory has since become one of the most commonly used theoretical frameworks in job satisfaction research. To Herzberg, motivators ensured job satisfaction, while a lack of hygiene factors spawned job dissatisfaction.

1.5 OBJECTIVE OF THE STUDY:

To study the Empirical test of Herzberg two factor motivation theory among employees working in Retail Sector.

- To understand the role of Herzberg theory.
- To know the Motivational factors of the employees.
- To identify whether Herzberg factor and Motivational factor are directly related with each other.

1.6 SCOPE OF THE STUDY:

1. The study will help us to align employees' values with the company values.
2. Helps to measure the employees' connection toward their work, team, and organization and examine the factors that influence it.
3. The study helps us to increase productivity and enhance well-being.
4. We can find how well the employees are loyal to the organization.
5. Helps the employees to know their own strengths and weaknesses in their work sector

1.7 LIMITATIONS OF THE STUDY:

1. The period of study was limited.
2. The study is confined within Retail Sectors

3. The samples are collected from limited resources.

1.8 INDUSTRY PROFILE

Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10% of the country's gross domestic product (GDP) and around eight% of the employment. India is the world's fifth-largest global destination in the retail space. India ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. India is the world's fifth-largest global destination in the retail space and ranked 63 in World Bank's Doing Business 2020. The sizeable middle class and nearly unexplored retail market in India are the main enticing factors for international retail behemoths seeking to move into newer markets, which will help the Indian retail business grow more quickly. The urban Indian consumer's purchasing power is increasing, and branded goods in categories like apparel, cosmetics, footwear, watches, beverages, food, and even jewellery are gradually evolving into business and leisure that are well-liked by the urban Indian consumer. The retail sector in India is expected to reach a whopping US\$ 2 trillion in value by 2032, according to a recent analysis by the Boston Consulting Group (BCG).

2.0 REVIEW OF LITERATURE

A literature review is a piece of academic writing demonstrating knowledge and understanding of the academic literature on a specific topic placed in context. A literature review also includes a critical evaluation of the material; this is why it is called a literature review rather than a literature report.

- **Runik Puji Rahayu and Alfi Hasaniyah (2023)** "The Effect of Work Motivation, Employee Engagement and Work Facilities on Employee Satisfaction at PT Marinal Indo Prima". The purpose of the study was to determine the effect of work motivation, employee engagement and facilities on Employee job satisfaction. This research is classified as Explanatory research with a quantitative approach. The sample used was 90 employees at PT. Marinal Indo Prima with purposive sampling technique.
- **Philipp Koncar and Tiago Santos (2021)** "On the Application of the Two-Factor Theory to online employer reviews". The purpose of the study understands the influential aspects for employee satisfaction and motivation. The increased availability of employee feedback comprised in online employer review yields a promising data source to learn more about influential factors and the theory.
- **Brown and Benson (2020)** "The Application of Herzberg's Two-Factor Theory in the 21st Century". This article discusses the application of Herzberg's two-factor theory in the 21st century. The authors argue that the theory is relevant today, but that it needs to be adapted to the changing workplace.
- **Samira Alrawahi and Stina Fransson Sellgren (2020)**. "The Application of Herzberg's Two-Factor Theory of motivation regarding job satisfaction". The study was conducted in order to find out the motivation and the satisfaction level in the professionals in Omani hospital.

RESEARCH METHODOLOGY

Research methodology refers to the systematic approach and techniques used by researchers to conduct a study or investigate a specific research question or problem. It involves the overall design, data collection methods, analysis techniques, and interpretation of findings in a research study. Research methodology is a way of systematically solving the research problem.

3.1 RESEARCH DESIGN

Research design is the framework of research methods and techniques chosen by a researcher to conduct a study. The design allows researchers to sharpen the research methods suitable for the subject matter and set up their studies for success.

3.2 AREA OF STUDY

The research has been done at various Retail sectors.

3.3 POPULATION

The population has been collected from employees working Retail sectors in Coimbatore,

3.4 SOURCES OF DATA

The primary and secondary data was used for the study

3.4.1 Primary Data

Primary data may be defined as those data that have been observed and recorded by the researcher for the time to their knowledge. A questionnaire was prepared and with the help of which the primary data was collected.

3.4.2 Secondary Data

Secondary data refers to data that is collected by someone other than the primary user. It is the research data that has been previously gathered and can be accessed. Websites, Employee database, Records, Articles, Printed media and Journals

3.5 SAMPLING TYPE

Simple random sampling techniques are used for collecting samples from the employees.

3.5.1 Size of the sample

The sample size used for this study is 110.

3.6 DATA COLLECTION

The instrument used for the data collection is questionnaire.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

S.NO	DATA		FREQUENCY	PERCENTAGE
1	Gender	Male	80	73
		Female	30	27
		TOTAL	110	100
2	Age	21-30	60	55
		31-40	30	27
		41-50	15	14
		51-60	5	4
		Total	110	100
3	Educational Qualification	SSLC	5	5
		HSC	10	9
		DIP	20	18
		UG	50	45
		PG	10	9
		OTHERS	15	14
		Total	110	100
	Marital Status	Married	59	54
		Unmarried	51	46
		Total	110	100

Interpretation:

The above table 4.1.2 shows that 55% of the respondents belong to the age group 21-30, 27% of the respondents belong to the age group 31-40, 14% of the respondents belong to the age group 41-50, 4% of the respondents belong to the age group 51-60. 73% of the respondents are male and 27 % of the respondents are female. 5 % of respondents who completed their SSLC, 9% of respondents who completed their HSC, 18% of respondents who completed their Diploma, 46% of the respondents completed UG, 9% completed their PG, and 14% of the respondents completed other course. 54% of the respondents are married and 46 % of the respondents are unmarried.

DESCRIPTIVE STATISTICS:

Motivation Factors	Mean	SD	Hygiene Factors	Mean	SD
Achievement	4.19	0.68	Company Policy	4.59	0.81
Advancement	4.20	1.02	Relationship with Peers	4.64	0.60
Work Itself	3.93	1.28	Work Security	4.28	0.95
Recognition	4.43	0.88	Relationship with Superiors	4.20	0.92
Growth	4.21	0.51	Money	3.89	1.06
			Working Conditions	4.23	0.85

Interpretation:

The mean values of each 11 factors are quite high. The highest score was found to be the salary factor (4.74 out of 5). Following the Relationship with peers, the average scores ranged from highest to lowest are as follows; Company policy, Recognition, Work security, Working conditions, Growth, Relationship with superiors, Advancement, Achievement, Work security, Money. In fact, one of the critical points that need to be drawn attention here is that in comparison to the other factors, Relationship with peers factor had the highest points. Therefore, for the sample included in the current research, it is difficult to claim that Relationship with peers is a hygiene factor as suggested in Herzberg's theory. In addition, in Herzberg's theory, responsibility is a motivation factor, but in the current research, it received almost the lowest mean value.

4.1.1 SHOWS THE INDEPENDENT SAMPLE BETWEEN GENDER

Variables		Gender	Mean	SD	T
MOTIVATION	Achievement	Male	4.53	0.76	0.042
		Female	4.72	0.35	
	Advancement	Male	3.84	1.07	0.039*
		Female	4.12	0.61	
	Work Itself	Male	4.37	0.54	0.052
		Female	4.78	0.44	
	Recognition	Male	4.06	1.01	0.025
		Female	4.57	0.49	
	Growth	Male	4.15	1.22	0.045**
		Female	4.51	0.49	
HYGIENE	Company Policy	Male	4.28	0.77	0.049
		Female	4.62	0.46	
	Relationship with Peers	Male	4.60	0.63	0.038**
		Female	4.85	0.26	
	Work Security	Male	4.24	0.68	0.067
		Female	4.13	0.73	
	Relationship with Superiors	Male	4.34	1.12	0.050*
		Female	4.39	0.58	
	Money	Male	4.11	0.94	0.071
		Female	3.86	0.91	
	Working Conditions	Male	3.83	0.74	0.44*
		Female	4.79	0.87	

Note: * $p < .05$, ** $p < .01$, *** $p < .001$; (n = 80 for Male and n= 30 for Female).

Interpretation : In order to provide additional support for testing Herzberg's theory, independent samples T- test the average values of the factors in Herzberg's motivational theories differ according to gender. According to T-test findings, only the levels of advancement, growth, relationship with peers, relationship with superiors, working conditions dimensions were higher in females. In general, it is seen that the results do not show significant differences depending on

gender. This finding shows that Herzberg's theory is largely consistent with the gender factor. Statistically, Independent Samples T-test does not consider sample size differences in comparing mean values of two different groups. Since the sample size differences are quite high ($n = 80$ for men and $n = 30$ for women) in the current study. Therefore, it could still be concluded that the preference of males and females were found to be similar.

4.1.1 SHOWS THE CORRELATES BETWEEN INCOME AND MOTIVATION AND HYGIENE FACTORS

Variables	Average Monthly Income
Motivational Factors	
Achievement	0.034
Advancement	-0.063
Work Itself	-0.141
Recognition	0.037*
Growth	0.120
Hygiene Factors	
Company Policy	0.046*
Relationship with Peers	0.049
Work Security	0.032
Relationship with Superiors	0.044**
Money	0.034
Working Conditions	0.042**

Interpretation

In order to test Herzberg's two-factor theory in more detail, the relationship between the average monthly income of the participants and both motivation and hygiene factors were examined by correlation analysis. There are two main findings in this context that need to be discussed. The first one is that there is a negative relationship between average monthly income and salary factor. According to this finding, as the average monthly income level increases, the motivator role of salary decreases. The other one is that although not statistically significant, monthly income is negatively associated with all motivation factors. This finding shows the possibility of decreasing the motivator role of hygiene factors as income increases.

SUGGESTIONS:

- The management and employees should ensure the difference between hygiene factors and motivators. This concept should be made clear through training and communication.
- It is necessary to provide a competitive base salary and benefits package to address the basic needs of employees. This falls under hygiene factors and is essential for job satisfaction.
- The management should create a safe and comfortable work environment, ensuring that hygiene factors such as physical conditions, tools and equipment are up to standard.
- Offer opportunities for employees to take on more responsibilities and make decisions. This can be achieved through job enrichment and contributions. This taps into the motivator of recognition.
- Provide opportunities for professional growth and development. This could include training, mentoring and career progression plans which address motivators like achievement and growth.
- Establish regular feedback channels so that employees can express their concerns and ideas. This addresses hygiene factors related to communication and company policies.
- Promote work life balance by offering flexible work arrangements, where possible. This can improve overall job

- satisfaction and motivation.
- Encourage team building activities and a positive work place culture. A strong social aspects at work can contribute to job satisfaction and a sense of belonging.
 - Involve employees in decision making process and problem solving. This gives them a sense of ownership and aligns with motivators like responsibility.
 - Conduct regular performance reviews satisfaction and motivators levels through surveys and feedback. Use the data to intake necessary adjustment to your motivational strategies.
 - Ensure managers and supervisors are trained in Herzberg's theory and how to apply in their leadership and motivation factors.
 - Provide clear and transparent career progression paths, so employees know how they can advance in their organisation.
 - Recognise that all employees are motivated by the same factors. Tailore motivational strategies to individual needs and preferences as much as possible.

CONCLUSION

In conclusion, the principles of Herzberg's Two-Factor theory are motivation and hygiene factors. Motivation factors are aimed to engage and motivate employees, while hygiene factors do not necessarily motivate employees but the absence of these factors can cause dissatisfaction for employees. The connection between employee motivation and hygiene factors is a dynamic and multifaceted one that holds significant implications for both employees and organizations. Throughout this study, we have explored how fostering the sense motivation in the workplace can have a profound impact on employee satisfaction.

The findings have demonstrated that when organizations prioritize the motivational and hygiene factors such as achievement, advancement, growth, company policy, relationship with peers, money, relationship with superiors, work place security, recognition improved satisfaction level of the employees. Motivation factors helps the employees more in understanding the factors which make them work more towards the growth of the company.

Moreover, that to remove dissatisfaction, the manager must identify and remove the factors causing it. To improve satisfaction, you must add those desired factors. Though, this can only be effective after removing aspects of dissatisfaction. The two-factor result is observed because it is natural for people to take credit for satisfaction and to blame dissatisfaction on external factors. Furthermore, job satisfaction does not necessarily imply a high level of motivation or productivity. Motivation theories suggest many ways of keeping the employees motivated on what they do. Although a manager is not required to learn all these motivation theories, having an idea of certain theories may be an advantage for day-to-day activities.

BIBLIOGRAPHY

Articles and journals:

- Runik Pujiss Rahayu and Alfi Hasaniyah (2023) "The Effect of Work Motivation, Employee Engagement and Work Facilities on Employee Satisfaction at PT Marinal Indo Prima".
- Philipp Koncar and Tiago Santos (2021) "On the Application of the Two-Factor Theory to online employer reviews".
- Brown and Benson (2020) "The Application of Herzberg's Two-Factor Theory in the 21st Century".
- Samira Alrawahi and Stina Fransson Sellgren (2020) "The Application of Herzberg's Two-Factor Theory of motivation regarding job satisfaction".
- Al-Omari et al (2017) "The Application of Herzberg's Two-Factor Theory to the Healthcare Industry".
- Awan et al (2016) "The Impact of Herzberg's Two-Factor Theory on Employee Motivation in the Public Sector".
- M. A. Sanjeev and A.V Surya (2016) "Two Factor Theory of Motivation and Satisfaction: An Empirical Verification".
- Sharma et al (2015) "The Application of Herzberg's Two-Factor Theory to the IT Industry in India".
- Judge and Klinger (2015) "Herzberg's Two-Factor Theory: A Meta-Analysis".
- Al-Azzawi et al (2014) "The Impact of Herzberg's Two-Factor Theory on Employee Motivation in the Banking Sector".
- Al-Abri et al (2013) "The Application of Herzberg's Two-Factor Theory to Job Satisfaction in Clinical Laboratories in Omani Hospitals".
- Muhammad Khalid Haruna (2013) "An Empirical Analysis of Herzberg's Two-Factor Theory".
- Spector (2011) "The Continuing Relevance of Herzberg's Two-Factor Theory".

- Wahba and Bridwell (2004) "Herzberg's Two-Factor Theory: A Critical Review".
- Locke and Latham (2000) "The Two-Factor Theory of Motivation: A Review of the Literature".

Reference Websites:

- <https://scholar.google.com/>
- <https://shodhganga.inflibnet.ac.in/>
- <https://www.researchgate.net/publication/>
- <https://pubmed.ncbi.nlm.nih.gov/35818458/>