

Effects of Motivational Factors on Employee Retention



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ABSTRACT

Employee motivation has always been a major difficulty for Business leaders and managers. Unmotivated employees are likely to expend little or no effort in their jobs, and stay away from the workplace as much as possible on flimsy excuses. Given a chance they would not mind exiting their organizations. On the other hand, employees who feel motivated to work are likely to be consistent, creative and productive. There has been a lot of research done on motivation by many scholars. New aspects of the issue of motivation are being explored threadbare with a view to enhance productivity. Every employee has different ways to be motivated. Employers need to get to know their employees very well and use different methods to motivate each of them based on their individual wants and needs. The study has been focused on the issue that to what an extent monetary and non monetary incentives contribute in the motivation of employees.

The focus of study is employees of Dewan Salman Fiber limited and data is collected from the different sub offices of DEWAN SALMAN in Islamabad and HATTAR.

Chapter 1

INTRODUCTION

INTRODUCTION

- Research Statement
- Objectives
- Company Introduction

RESEARCH STATEMENT

Motivation is one of the conventional components of managing along with planning, organizing and controlling. Many managers do different things for example: contests, place of people, shifts, teams, and departments, performance appraisals, presentation, production, sales quotas and commission pay. All these systems are implemented in the faith that they drive presentation. The statement of the research is:

What Are the Motivational Factors that help Dewan Salman Fiber Ltd. to retain Their Employees.

OBJECTIVES :

In this research the researcher will be looking in to the following aspects

1. To make a clear understanding about motivation and motivational incentives.
2. To understand that how we can apply it on fiber industry.
3. To see how effective is the application of incentives in a Fiber Industry.

4. To understand the relationship of motivational incentives and employee`s performance.
5. How the motivational factors can retain the employees of Dewan Salman Fibre.

INTRODUCTION TO DEWAN SALMAN FIBER LTD.

DEWAN SALMAN FIBRE LTD AT GLANCE

THE COMPANY:

Dewan Salman Fiber Ltd., (DSFL) is a joint project among Dewan Mushtaq Group, Mitsubishi Corporation of Japan and Samyang Corporation of Korea. It is one of the largest producer of polyester staple Fiber in Pakistan. Although the collective installed capacity of amalgamated DSFL is 199,500 tons per annum (tpa) i.e. 570 tons per Day (tpd), the company has already been successfully maintained the making level of 700 tpd since February 2001 as a result of scientific know-how gained over a decade long know-how in polyester manufacturing. During the period July 2000 to January 2001 the plant was working at an average capacity of 570 tpa. DSFL has also ventured into Acrylic Fiber and [Acrylic tow](#) manufacturing. DSFL Acrylic Fiber and Tow partition, having capacity of 25,000 tons per annum has commenced commercial operations in July 2000.

In October 1989 DSFL was started as a public limited company in Pakistan under the name of "Salmanese Fiber Limited". Which was a joint venture harmony of Dewan Textile Mills Limited, Dewan

Khalid Textile Mills Limited, Dewan Mushtaq Textile Mills Limited and a component of Dewan family, Mitsubishi and Samyang, signed in February 1990, and then the name of company was changed to Dewan Salman Fiber Limited. The company shares were listed on the stock exchanges of Karachi and Lahore in April 1991 and on the Islamabad Stock Exchange in 1993.

Acquisition Of DHAN Fibers Limited

DSFL acquired 200 million shares of DFL on 30th June 2000. which represented almost 67.4% of DFL's total outstanding paid-up capital. The total cost of acquisition was Rs.4,200 million at that time. Through this acquisition DSFL has enabled to further reinforce its existing market position.

To meet the cost of acquisition DSFL issued Rs.1600 million of the confidentially placed Term Finance Certificate (PPTFCs), in June 2000. In addition to the funds raised through PPTFCs the company met the acquisition cost obligations during bridge finance arrangement (Rs.1.4 billion) and from its internal possessions. The Bridge Finance facility has since been repaid.

As per terms and conditions of the Trust Deed dated 14th June 2000, the company is necessary to replace The PPTFCs with the listed TFC within a phase of one year from June 21; 2000. The Company has the alternative either to replace entire PPTFC with the TFCs or to redeem up to 25% of the face value of PPTFC through fractional cash redemption and replace the remaining 75% of the face value of the PPTFC with Listed TFCs. DSFL has decided to replace the whole (Rs.1600 million) PPTFCs with the listed TFCs. The present public section of Rs.200 million or any such incremental amount as may be expected by the exercise of

green shoe option, will be utilized to supplement the working capital of the Company.

Until 30th June 2000, DFL was the second largest manufacturer of PSF in Pakistan with a total manufacturing Capacity of 91,000 tone pa. The business was owned and managed by the Chakwal Group.

DSFL has following four area offices countrywide through which it performs the promotion of its products:

1. Islamabad Head Office.
2. Karachi Office.
3. Lahore Office.
4. Faisalabad Office.

All the regional offices report straight to Islamabad Head Office, from where all the marketing actions are controlled.

In the home market, DSFL has customers widen all over the country. Dewan has a collection of quality customers. At present there are 445 spinning mills operating in Pakistan, out of which about 220 mills are using PSF. There are 112 mills, which are using Dewan's polyester staple fiber. DSFL area marketing offices help to keep close contact with the customers.

After sales technological Services staffs are also stationed Islamabad and Lahore to be in time for any trouble shooting besides having regular visits to the customers' and competitors' mills.

During the year 2002, Dewan Salman Fiber Limited enjoyed a market share of over 50%.

DSFL is also considered as a trendsetter in the industry. It has been the top exporter of PSF. Till now; we had explored European and Middle East markets and are constantly in search of new markets.

Dewan's major power is its marketing team, which comprises of professionals and a group of people, who believes in teamwork and honesty.

(<http://www.dewangroup.com.pk/dsfl.htm>)

Approach

DEWAN SALMAN FIBER LTD its founders, board of governors, executives, staff and partner organizations and communities firmly believe that the myriad socio-economic problems and ecological and other issues relating to sustainable development cannot be resolved in a void. For their resolution we need to help promote democratization of the state and society at the community level as well as encourage good governance by raising public awareness on all issues at the grassroots, enhancing their skills and above all building their capacities. The organization's efforts to attain its objectives at the community level are supplemented by its national advocacy endeavour. DEWAN SALMAN FIBRE LTD believes that the processes of the policy making and formation of opinions both on the government and the community levels are interlinked.

The organization feels that the objective of sustainable development is intrinsically linked with democracy. An increased awareness about citizen's rights, the knowledge and skills to exercise those rights and self confidence are essential for the poverty alleviation and sustainable development. Thus public

education at the grassroots levels about the rights and the responsibilities as a citizen is essential for greater public good. Hence DEWAN employs participatory approach which truly represents the communities it works with and for to realize its objectives.

DEWAN SALMAN FIBRE LTD VISION:-

"Is to become leading market player in the FIBER sector"

(Dewan salman fiber ltd annual report 2006)

DEWAN SALMAN FIBRE LTD MISSION: -

The mission of Dewan Salman fiber is to be the finest Organization, and to

conduct business responsibly in a straightforward way.

Our basic aim is to benefit the customers, employees and shareholders, and to fulfill our commitments to the society. Our hallmark is honesty, initiative and teamwork of our people, and our ability to respond effectively to change on all aspects of life including technology, culture and environment.

We will create a work environment, which motivates, recognizes, and rewards achievements at all levels of the organization, because

IN ALLAH WE TRUST & IN PEOPLE WE BELIEVE

We will always conduct ourselves with integrity and strive to be the best.

<http://www.dewangroup.com.pk/ms.htm>

Major Competitors:

ICI Polyester:

ICI Pakistan was a initiate in the PSF industry, which it entered into in 1982, with the commissioning of a 12, 000 tpa plant at Sheikhpura, at a cost of Rs. 630 million. ICI Pakistan with before installed capacity of 19,000 tons/annum of PSF has now undertaken a huge expansion project which has added another 63,000 tons/annum to its active capacity. ICI's PTA plant at Port Qasim and polyester fiber plant give support to each other - the PTA plant ensures prompt and ordinary supply to fiber plant and PSF plant by strong a bigger chunk of PTA produced in Pakistan. Global marketing network, active brand loyalty in Pakistan and diversified product variety give an edge to ICI over all other players in the Polyester Staple Fiber industry. ICI Polyester remains dedicated to the textile industry of Pakistan and believes in constant improvement in all aspects of the business to benefits its customers.

Ibrahim Fiber Company limited :

Ibrahim Fiber Company Limited, with a making capacity of 70ktpa is the second largest Polyester Staple Fiber producer in Pakistan. With the fresh merger company also possesses 134,170

spindles, which mainly produce Polyester Viscose Yarn. These spinning units make use of almost 25-26% of the PSF produced in IFL, and the remaining is sold in the familial market. Lurgi Zimmer AG in 1997 constructed the PSF plant for IFL. Zimmer is the worldwide leader in manufacturing systems for polymer and synthetic. This gives IFL an benefit in operating efficiency over other domestic PSF manufacturers and decrease the wastage ratio of the plant to 0.5% against an typical sector ratio of 2%.

Ibrahim Fibers imports raw materials, PTA and MEG, on 100% contract basis from Mitsui Chemicals and Dow Chemicals to uphold the quality of the product they produce and make certain regular supply.

GOVERNANCE STRUCTURE AND PROGRAMME MANAGEMENT:-

An independent board of governors sets DEWAN SALMAN FIBRE LTD policy and programmed directions, based on feedback from community and staff. DEWAN SALMAN FIBRE LTD board of governors plays an instrumental role in facilitating organizational development. The Executive Director is the administrative head of DEWAN SALMAN FIBRE LTD, responsible for program management with the collaboration of Program Heads. At the head office level Program Heads implement and co-ordinate the program. DEWAN SALMAN FIBRE LTD program are grouped in the following manner:

1- Core Programmers

- Sales, Marketing Social Mobilization and Development
- Advocacy Support Unit
- Sustainable Livelihood

2- **Support Programmers**

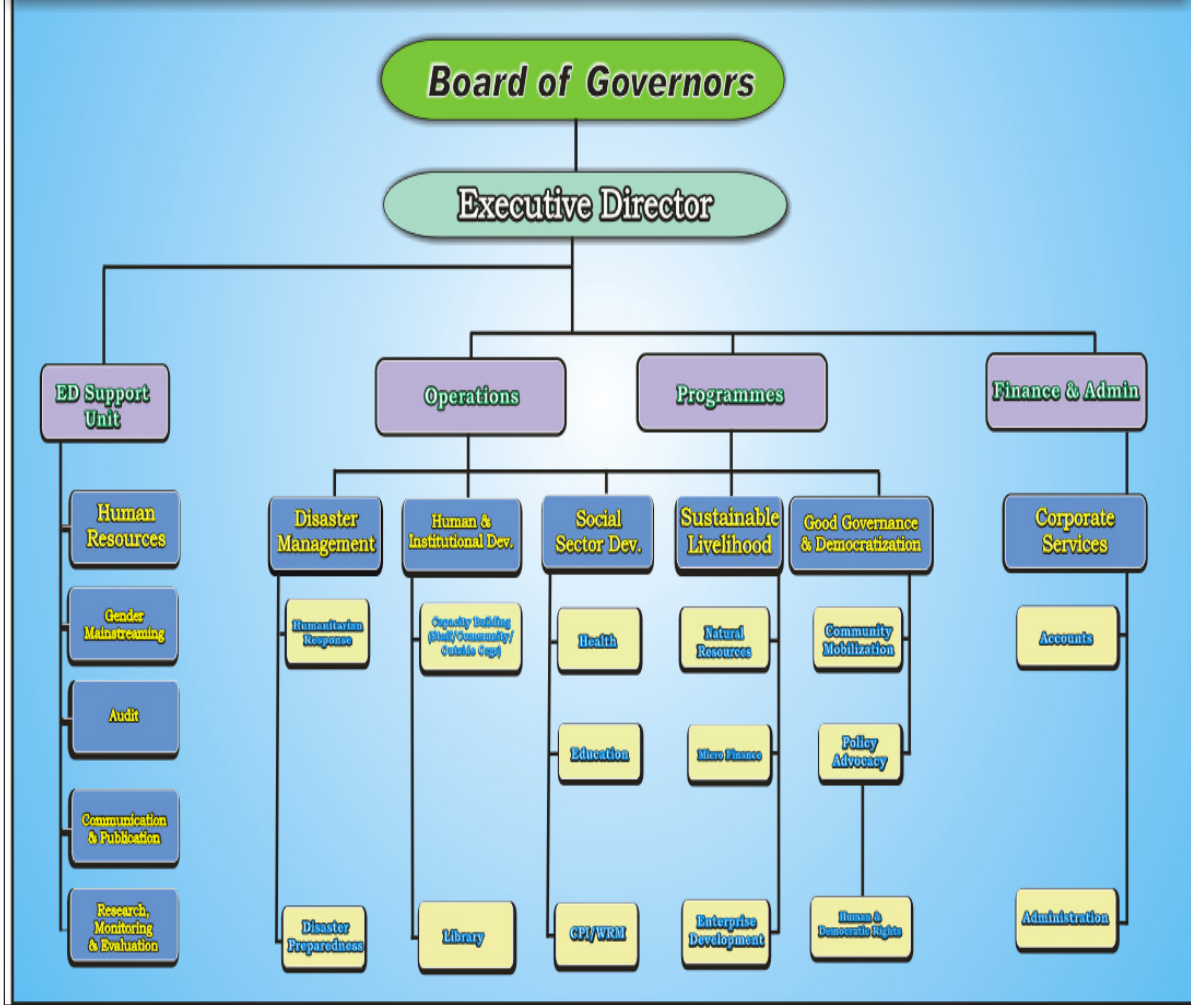
- Research Monitoring and Evaluation
- Human Resource Development

3- **Organizational development**

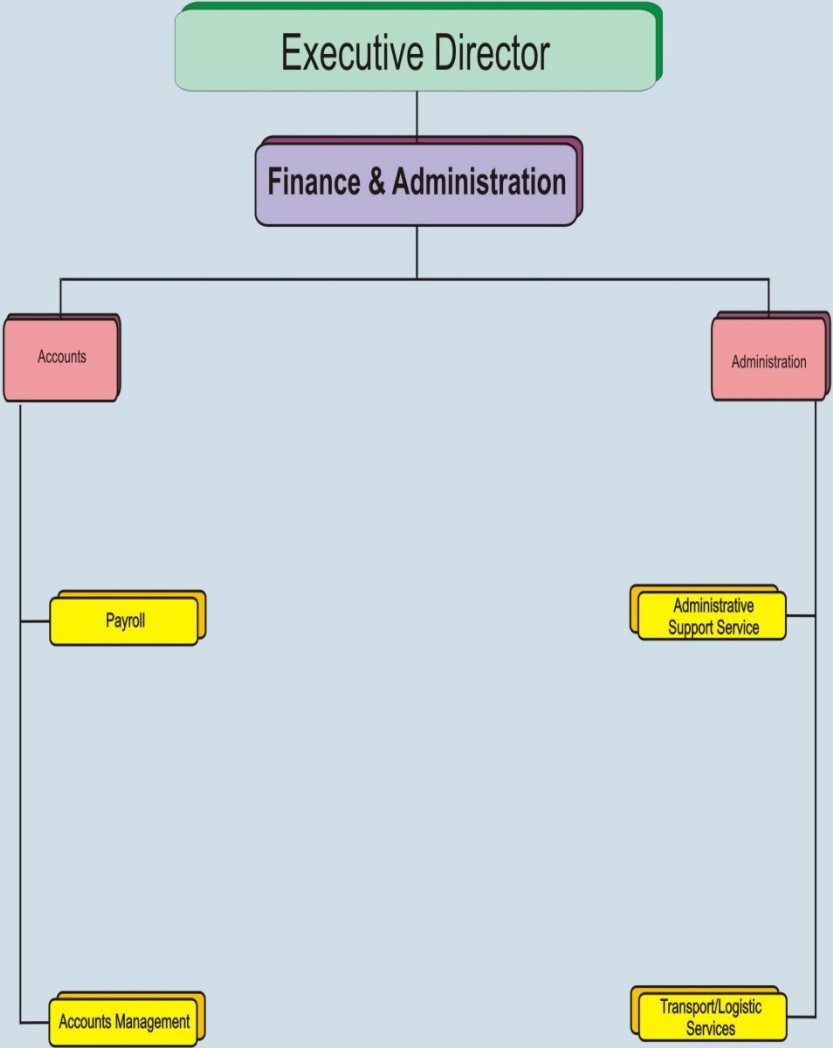
- Executive Director Support Unit
- Resource Development Cell
- Finance and Administration.

Five zonal offices manage field operations. Programmed based in the head office provides technical backstopping to zones in the field programmed implementation. Zonal offices have two to three clusters, the smallest unit of operation in DEWAN SALMAN FIBRE LTD. A pair of field co-coordinators facilitates community in the mobilization, development and advocacy process.

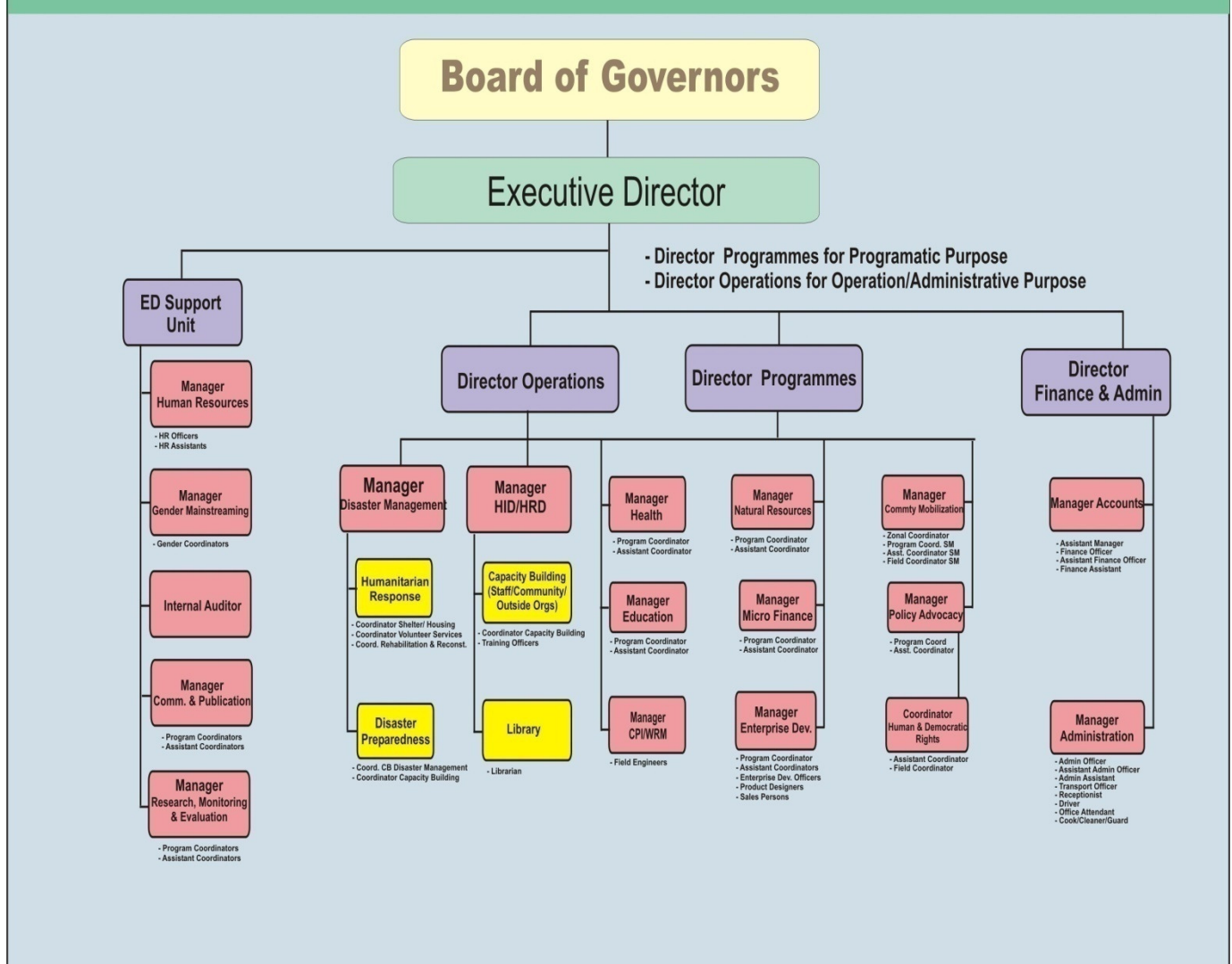
Organogram of Functions



Organogram of Functions



Organogram of Reporting Functions



CHAPTER 2

LITERATURE

REVIEW

WHAT IS MOTIVATION?

WHAT IS MOTIVATION?

Motivation matters a lot in the success of any organization and it also has a direct effect on employee's performance. If employee is motivated he will perform well and ultimately lead the organization to success. So first we have to know that, **what is motivation?**

Motivation can be defined as;

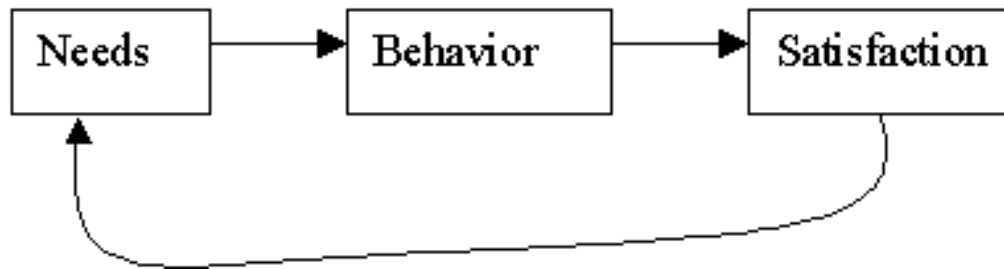
"Something inside people that drives them to action".

This motivation differs from one person to another, It means that different people are motivated from different things. For example, one person can be motivated from money but the other can be motivated from recognition in front of others. In other words motivation forces a person to work hard so that he can show better performance. Motivation comes from within a person so we can say that Motivation emerges from needs, values, goals, intentions, and anticipation of a person. So that's why motivation of one person differs from another's because the needs of two person may not be same. Hence the managers are required to deal with their staff according to their needs and goals.

As discussed above that Motivation comes from within a person and depends on the needs, goals, beliefs, thoughts and ambition of a person. In short, they are the managers of people. These researchers or students of motivation provide managers with

tools and techniques with the help of which they can measure performance and productivity of employees.

Overall, the basic perspective on motivation looks something like this:



(Source: www.analytictech.com)

According to this diagram motivation involves three things: needs, behavior and satisfaction. Every person in this world have definite needs and wants. These needs and wants forces a person to take certain action. These actions taken are called "behavior". These actions please the needs and wants of a person which brings "satisfaction" and as a result this satisfaction changes the needs and wants of a person either by making them more intense or by moving to other needs and wants.

The model shown above can also be elaborated by adding one more component i.e. "reward" between "behaviors" and "satisfaction". these rewards are set by the employer or manager in order to motivate the employees. The rewards include "bonuses and increment". Actually this reward helps to please the needs which the employee has and as a result it brings satisfaction which ultimately motivates the employee and his performance and productivity increases.

Tools and techniques for motivation:

There are two kinds of employees in an organization. One kind of employees think that they have to work hard and work at their best because of this is what they are hired for and they think that it is an obligation upon them to fulfill their job. And the other kind of people want to fulfill their job just because they want to finish it and get away with it. There are both kinds of people working in the organization so the employer must know about the concept of motivation. Motivation involves many things such as bonuses, increments benefits, appreciation and recognition in front of others. Motivation helps the employees to perform at their best and as a result the business becomes profitable.

In order to derive the best performance out of the employees motivation is required. Every person thinks about his interests to be fulfilled and if the interest of a person is satisfied it brings motivation. So we can say that the key to motivation lies in on sentence i.e. "what is there for me". But most people think that the people who think about their own interest are "selfish". People think negative about people who work for self interest but actually people are motivated only if their own interest is satisfied. If a person knows that completing a certain job will satisfy his needs or serve his interest only then he can perform well. In short we can say that understanding the concept of self interest is the only way to understand the need of employees and bring motivation.

Dr. Gerald Kuschel, author and Professor Emeritus, has stated in his book "Reaching the Peak Performance Zone", there are several

variables involved in motivation. **Among them are intensity, durability, context and value (reward).**

Motivation intensity. It means that how much struggle a person will put to get a reward. As we discussed earlier that different people are motivated from different things so as same prize offered by employer cannot motivate two persons because it is possible that this prize is important for one employee but not for other. So the level of motivation depends upon the importance of a prize for an employee. The perception of an employee about a prize will tell about the intensity of motivation i.e. highly motivated, slightly motivated or little motivated.

Durability: Durability means that how long the motivation lasts. A person can be motivated for a longer time only if he/she is provided with rewards on after other or in other words we can say that if the motivation is reinforced it lasts longer. Motivation also lasts longer if it is reinforced intermittently. It means that the reward should not be given as a whole or at once it should be given gradually. Because reward is given at once, person will become happy and motivation leads to an end. On the other hand if it is given intermittently a person will always expect the reward and remain motivated. The other thing which helps the motivation to last longer is when the reward is given to employee. If the reward is immediately given after the employee performs his job this will increase the intensity of motivation. In this way the employee has no confusion in his mind that what he/she is rewarded for. For example if an employee is given a task to write an application and the reward for this is that he/she should be offered a lunch he will feel more motivated but on the other hand if you tell him that "you

owe one" so it might be possible that he/she forgets that what is this reward, for after some time. But in the first case the instant reward i.e. lunch will keep him motivated for longer. Similarly if the manager promises his employee to give him a reward he will not feel motivated because it might be possible that he forget his promise. It is also possible that reward for one person may be perceived as a penalty by other. So a manager is required to carefully implement the reward system according to the employees.

Context: Context means that when, where and how the return is given to the employee. In other words, we can say that at what time, at which place and in which way the return is delivered. Actually the context depends upon the culture of the organization. Like the behavior of humans the culture of organization also differs from one another. it means that the reward offered in one organization may not be suitable for other organization because their culture differs. For example appreciation in front of others may have worth in one organization but may not be respected or, may be meaningless in other organization and it can be a demotivator in some organizations.

Therefore the motivation depends on the value that a particular culture gives to a reward. De motivation means that a person is not committed to perform the job or he is not doing effort to complete the job. One major demotivating factor in the organization is **Negative reinforcement**. Negative reinforcement include things like: being harsh to employees, deducting pay, penalties, or showing disrespect in front of other employees. These things are being used in organizations since a very long time.

Positive reinforcement is better as compared to negative reinforcement. Positive reinforcement includes things, such as recognition, respect, praise, better effective conditions, money, paid vacations, fringe benefits, prizes, etc. rewards are of two types i.e. intrinsic and extrinsic. When we think about motivation or rewards the first thing that comes to our mind is money, promotions or bonuses. These rewards are called extrinsic factors. Actually these rewards are given by external forces which motivate you to do some work. On the other hand there are intrinsic rewards. They are inner rewards which come from within you. The intrinsic rewards are more effective as compared to extrinsic. The motivation which comes through intrinsic rewards last longer.

The following motivations are already present:

- Enjoy the work for its own interest and satisfaction
- Statements and activities like sharing visions, missions, leadership, authority, administration and responsibility
- Feeling comfortable for competition of work with excellence.
- Having some key point for success.
- Work with cooperation and helping out others.
- Integrity and honesty helps to move upward in a competitive environment.

Some of the following usually motivate average peak performers:

- Trustful relationship
- Cooperated mission
- Continuous development
- Benchmarking progress
- Same benefits
- Money

HOW motivation can be increased:

Measures taken to increase Motivation

As discussed above that motivation depends upon different needs and factors and these needs and factors differ from one person to another. So it is necessary that the manager should identify these needs and factors for each employee and then deal with each employee according to his/her needs. The best way to identify these factors is by doing the appraisal of employees.

The appraisal of employees is not suitable if the organization has small number of employees because in such organization one can easily control and look that what factors motivate the employees. So therefore there it is not required to use appraisal system. On the other hand if the organization have large number of employees, So that it is difficult to organize them for one person then it is necessary to appoint the assistants to identify the motivational factors.

There are two approaches to motivate your employees so a manager has to decide which approach to use. These approaches are financial and non financial encouragement. These approaches not only depend on the needs and wants of the employees but these also depend on the budget of the company. If the company has enough budgets then the company should give financial rewards and if the companies have deficit budget then the company should introduce nonfinancial rewards. But there must be stability between the two approaches. If a manager gives enough non financial rewards but on the other hand gives poor pay to employees, it will not be an effective approach.

a) Financial Incentives

If the organizations depend upon the quantity of production of employee's in such organizations financial rewards are the most common motivational factors. In such organization, employees are rewarded on the basis of production i.e. they are paid on the basis of the quantity they produce. So in this way they are motivated to produce more products to earn more money. If a business relies on sales then the organization should introduce a commission based reward system. It means that the employee should be rewarded a commission on sales. This will motivate employee to do more sales and ultimately the performance will increase and the organization will become profitable.

One may even introduce **favorable packages in terms of** increasing wages or salaries like car benefits, health insurance, bonuses or loans (without insurance) from the business. Mostly these policies have more worth as compared to increase in salaries.

Another financial benefit to encourage is to offer company share from its profit, like, 4%, which should be divided among the employees. These measures can handle the working or progress in a group in the business but in this scenario people take advantage from other people's work if they do not pull their own weight to help increase goodwill. Profit sharing does not play an important role but it just give advantage or benefits to some employees and up to some extent it increases effectiveness.

In most organizations, employees do a job well but at the same time they do not care about the quality of the product. They have no concern with the quality. In this scenario bonuses should be introduced to enhance the effectiveness and productivity. This salary and wages(bonuses) will be up for assessment two times a year and as a result there performance is appreciable due to which overall performance will be good for example, the standard like completion of task as well as individual sales records, achievements of target, and other business activity. This will motivate the employee for further achievement and more productivity which will not only enhance the company performance but also help company to gain competitive benefit: and of course, the feeling of achievement (priceless).

b) Non-financial Incentives

Although money does not have very crucial and important role for motivation of employees but other factors play a vital role by awarding them with perks and privileges like authority and influence etc. These things motivate an employee to work more hard. This enables them to reach the goals of a business within a very specific time. Trust is also a major factor for the motivation of employees. Different organizations deal and tackle

with employees in their own perspective to get more benefits by utilizing fewer efforts.

Keeping in view the motivation, these strategies should be implemented so that the results could be improved.

Job enlargement

In this process an employee is given extra tasks of same sort as previously done and his/her work is enlarged in a broader way e.g. a contractor is not only given the contract to build a house but also given authority to purchase material of it. This will motivate him/her and build trust between employees.

Job rotation

This process is related to the circulations and changes in the tasks of the employee. When an employee is stuck to a particular job then at some time he/she gets bored of job. In order to correct, he/she should be given several tasks like transferring him/her to the different departments and divisions like finance, marketing and admin etc.

Job enrichment

In this process an employee is given extra authority and empowerment to complete the task so that he/she could be motivated towards the business. Like an employee not only produce products but also is given authority for marketing it through multiple channels advertisements, electronic media or brochures etc.

APPLICATION OF EMPLOYEE MOTIVATION THEORY AT WORKPLACE

Basically employee can be motivated through different examples and lessons which leave a deep impact on the performance of individual and as well as the performance of the company. Overall productivity of the organization increases. There should be reward award system which motivates the employee. Motivation at workplace is basically an important factor which plays a vital role for the development of organization and also increases the profitability of the company. Following are the main elements which directly affect organization in good sense:

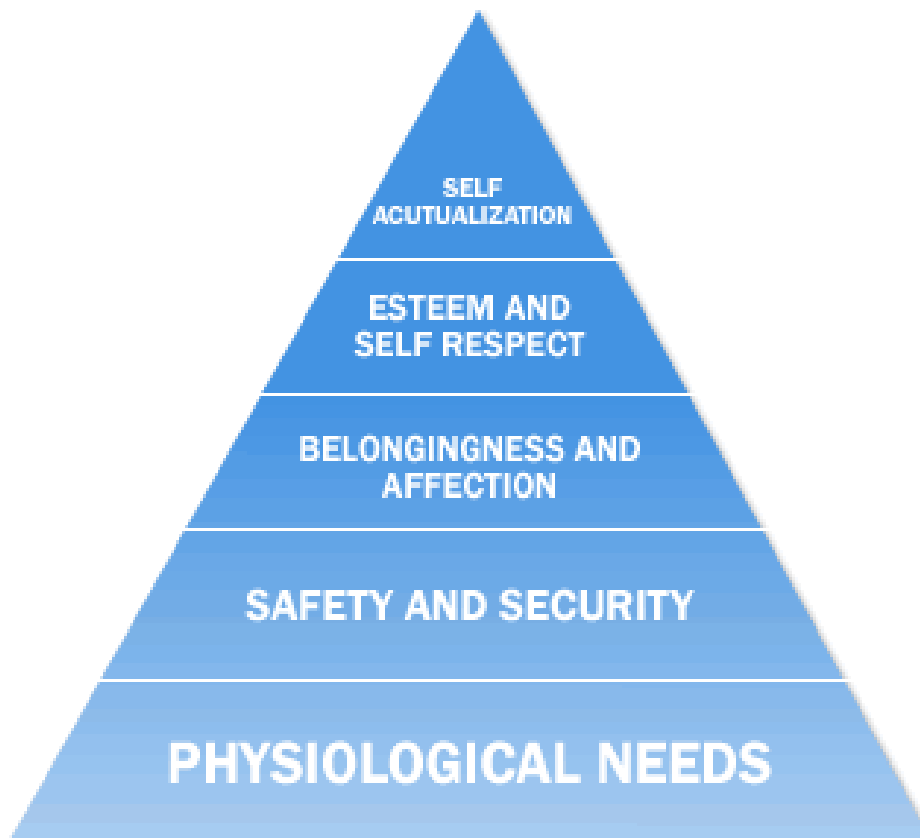
- Performance.
- Productivity.
- Profitability.
- Communication system between team and management.
- Quality.

THEORY SUPPORTING THE BENEFITS OF TANGIBLE AND INTANGIBLE REWARDS IN MOTIVATION:

The theory of human motivation perks is used in developing the best solution that is the most effective solution and it also draws on the rudimentary theories of human behavior. The implications of these theories are much more difficult but some of the implications that can be used are discussed below.

The Implications of Maslow's Hierarchy of Needs

The monetary awards should be met with the existing rewards before going through performance perfection program. The incentive criteria should be settled down according to the need of the employee and his/her expectations. Only award those are given in monetary terms like cash is not enough to motivate an employee but if the award and medals are given to the employee which he can show as a proof and present in front of someone is more helpful in motivating the employee to perform more.



Incentive programs are mainly based upon the Behavioral Model which was derived from the work of noted psychologist B.F. Skinner. The representation explains how positive consequences can dramatically shock an individual's behavior. Processes providing positive consequences help organizations attain business results. In order to change behavior, participants must recognize what you want them to do and what they will receive for doing it. Participants must also collect constant feedback to know where they stand in relation to the goal.

Employee Training

What is training?

Reasons behind employee training and development

Training and development can be needed for so many reasons for a single employee or a set of employees. Some of reasons are:

- When there is a presentation skill needed according to the performance appraisal.
- Training and development is necessary to find out the standards by following them, others can also improve their skills.
- It enables the organization to come up with a complete plan of training and development of professionals of organizations.
- To become a part of the plan that ends in bringing change in an organization.
- It also helpful in order to check the reliability of new training plans that whether they are working properly or not and

is it achieving the desired goals for which that training was been established.

- Normally it used to train the employees about predetermined objectives and explicit goals.

Now we will discuss about the different types of trainings which can be given to employees at different levels so that they can change and reshape their behaviors and come up with a positively changed behavior.

METHODS OF TRAINING:

Communications:

As we know that now a days the working trends are getting change on day to day basis and this changing trend bring so many languages and customs because now people of different areas and different backgrounds are working together therefore its necessary for every organizations that they must introduce some basic mode of communication within an organization and then the organization must conduct some training sessions to make that communication mode familiar to all employees like if organization decides that from now to onwards all the official communication will be made through emails then they must conduct some training sessions for those who are not very much familiar with internet.

Computer skills

In this technological world when it is even hard to think an organization without Computers and latest technology we think that it's the primary responsibility of an organization that if

they still have some employees who are not very much familiar with computers, they must conduct training sessions for those peoples. Just not even that as we know that now software are getting change not on daily but on hourly basis so its primary responsibility of organization to make all of its employees familiar with changing technology through training sessions.

Customer service

As we know that in Pakistan now not even a single company in fiber business exist for which we can say that this company has a monopoly in the market so we can say that end of monopoly and increase in competition in the market makes it almost impossible to understand the needs and wants of the customers. Therefore we can say that they must divert their attention in that aspect as well that what tools should be used to get the better understanding of customer because once you understand the customer, sooner or later you will be in a position to take monopoly in market but for that you need to designed those training tools.

Diversity

The most important aspect of training is diversity here diversity means that you must give different types of training to different peoples like first of all there is need to understand that what kind of training is suitable for what type of person and then design training sessions according to the skills of employees.

Ethics

Now when people have different choices in the market and they can reject you just because of some minor mistake it is very

important for the organization that how it deals with their customer because now customer demands more value and respect. So organization must train its employee that how to deal in market with clients as we also study the marketing rule that customer is always right. It is not just enough to give lectures on ethic but organization must keep an eye on the behavior of their employees towards their customers.

Human relations

Training is also very helpful in lessening the misunderstandings and to resolve the conflict and it brings a major positive change in the attitude and behavior of employees especially after some ethical training because after that they are able to ignore the minor disputes and conflicts. So we can say that training has some pleasant impacts on the human and social behavior or an employee.

Quality initiatives

Initiative plays the fatal role in mounting the value of unlike things for example benchmarking, total quality management and quality circles.

Safety

Safety is the most important aspect while when you are on job. So here Training plays a very vast and integral part to understand the different types of equipment and chemicals which can be very harmful for the human life while working with them without any know how and training. So for these kinds of jobs training before job is very necessary.

Benefits from employee training and development

These could be the following positive results which could be obtained from training and development.

- Training keep continue to motivate the employees and increase the job satisfaction among employees.
- Training is the most effective tool to boost the working competency of employees that results in their own financial benefits which they get from employer against their improved services.
- Training increases the chances of adding new ideas from customers.
- It helps to condensed employee turnover.
- When properly ethical training is being given to the employees the ultimate result of this training is that, it Increases goodwill and value of the organization.
- Risk management e.g. training about sexual harassment, diversity training etc.

External trainings

External training which include foreign training as well as seminars and conferences, short training workshops, exposure trips and long term training or education.

The employees sent to abroad for Participation in seminars/conferences, usually sent through proper invitation and on sponsorship. Normally organizations sponsored such abroad trips but these are for high level managers. Sometimes due to lack of time they sent abroad on very short notice that even HRD department is not even taken in to notice on that. Not even after the event is over. The Other training and workshops

program invitations are usually referred to the concerned departments and then decisions are taken. Exposure trips are a bit tricky where responsibilities are not clearly defined. HRD sometimes is involved in arranging logistics otherwise focal points make all the arrangements themselves. A system for long term training has yet to be developed.

The system looks perfectly fine and it is recommended that it may persist as it is excluding that HRD must have information regarding chipping in seminars and workshops as its function is to coordinate all HRD activities. For exposure training options the library and information centre should provide enough information otherwise the logistics arrangements may be made by the focal points.

Training needs

When the overall job performance of the employees is falling or they are fail to produce the expected outcomes from their jobs then it is understood that they need to give some training relative to their jobs so that they can regain their job performance. It is on the manager end that when he feels that now the performance of his subordinates is gradually falling he must pay special attention towards that subordinate and he must motivate his subordinate for revival. It is on the manager end that when he notices that now the productivity is on falling trend then it simply means that it is requiring a special attention to increase the skills of employees. There are some other problems as well except the employee problems like some time it happens that raw material doesn't reach on time to the production line it also must be tackle seriously to identify the problem like where the problem is exist at the employee end or because of some other reason.

Other than the productivity measures the high rate of refusal and a high amount of scrap page also gives a clue that there is a need exists to train employees. If in the organization the accidents are reporting at alarming rate it means that there is certainly a place which is requiring a particular attention and training session is necessary for that area to give some basic know how about the problem and its solutions. Training session is also necessary when an employee shifted to any other department so that he can understand the work properly normally the term which we use for that is job rotation.

The training process should be taken in mind in some order or sequence. For example if the productivity of firm is falling sometimes it doesn't means to go for training, training sessions must be engaged in sequence and only apply when it is really needed. Some times the cost of training is so high, even it could be more its outcomes. In such situations organization mostly do not prefer to training sessions. Training must be judged on the basis of performance, abilities, skills, and the opportunity to perform. The manager must compare the cost of training here The responsibility of managers is to compare the cost of training not only in terms of monetary but also with the performance of employees. Like the manager must set some standards which they have to meet after training sessions of employees and he must clarify that what he is expected from his employees. The skills and abilities those needs to be polished should be accurate according to what this training is held and which are needed from them to add value to the organization.

Determining a need for skills training:

The first major step in developing a skills training program is to determine the organization's need for such a program. Well we can determine the need for training skills for an organization from two very basic points includes.

First concern should have to be that this training session might be expensive so the resulted outcome must meet the expected result which the manager has set in his mind because if it fails to meet the desired outcomes then there is no use of this heavy budgeted training.

Secondly that the training is that much contemptible that it can't bring any improvement in employee's performance but it might destroy their abilities. Workers who join skills training program and remain under trained for the tasks their jobs require can be dejected, dissatisfied and perhaps ex-employees.

All the time the management team and human resource development staff must be vigilant for any indications that employees need additional training. Excessive customer complaints about service could indicate a need for training. Similarly excessive waste material could indicate that machine operators need more training. In a department when there is high employee its means that now the supervisor or the in charge of the department need some extra training for leadership skills.

Excessive mistakes by employees might indicate a need for remedial reading, mathematics and other basic trainings according to the need of an employee to achieve the goal of an organization. In an organization management should analyze:

- Organization needs
- Job specification
- Present skills level of employees

Organization needs:

This requires needs of any organization depends on three things that include the number of employees, different groups of skills and that need on each stage and the parts of the firms which require it for the given time period. One portion of the organizational analysis for instance might zero in on determining which departments want how many qualified employees and when they will be needed.

The human resource department of the company decides about the policies of the company which they present in front of employees and they also decide that to which extent these policies are presented to employees because as we all know that in each and every organization there are some secrets which cannot be present in front of all employees.

Well here it is also necessary to mention that some new employees may have already gained training but even in that case they need some additional coaching after hiring to become familiar to job and to understand the knowhow of job.

Job specification:

Most of the organization not only in Pakistan but also worldwide issues written job specification at the time when they advertise about the job and by cautiously examining those specifications, its responsibility of the human resource department that they must have a clear view about the skills for specific jobs. It's the duty of human resource department that they must ensure that the job specifications are updated, complete and correct. Here human resource staff should have some discussion with the responsible supervisors that what special kind of job

specifications are required to accomplish the task it can be very helpful here.

The human resources department should compare the written job specifications with the supervisor's perceptions of the skills they believe workers should have for each job. Here it's the responsibility of the supervisor that he must indicate any specific skill about which he thinks that employees are lacking at that area.

Present skill level of employees:

An analysis of qualification and skills of worker as shown by the personnel files assuming that they are up to date and accurate can assist in determining training needs. With the cooperation of human resource staff performance appraisal results can be analyze by the supervisor for identification of skills decencies. After that, the analysis can also be very helpful to devise the training program according to these specific skills to cope up the gap of organizations need and the present qualification of employees. So the appraisal system should be designed in a way that it becomes helpful for skills deficiencies identification.

IMPORTANCE OF TRAINING:

Training Need Assessment is one of the imperative processes for training. It contributes the individuals who have not passed through the specific progress. It makes the output standards more specific and comprehensive. It measures the individual's capacity and potentialities as well as the

weaknesses in the training field. It also measures the competence and can assess/measure the performance.

Training is always an important thing to keep in consideration. It is in our strategy to train and develop our employees. In order to lead the business world we have to focus on it. This is our objective to compete and to lead. It cannot be done until every person links with this organization including the president has its personal will to invest in the training session in either way. This is a central concept to development. It's the need to get the best persons and to attract them to work for us. And it is the need to turn to the next level.

A training need exists when there is a gap between present skills and knowledge of an employee and the skills and knowledge the organization is requiring or will require for an active performance.

Behavior change resulting in performance improvement is directly related with investment on the training program of an organization which is readily measurable. Training unlike is a mean to an end not an end itself. People are the key to the future success of any organization. Quality is the key feature for the assigned job and it is competent people who assure quality. Training to recognized standards and qualifications is the route to quality performance.

Incentives and Employee Recognition

INTRODUCTION

Incentives and employee acknowledgment are effective elements of hiring and retaining agency aptitude. This means providing incentives and recognition of employees for their performance and acknowledging their contributions to the agency's task. There are many ways to acknowledge contributions and good presentation, from providing a sincere "Thank You!" for a specific job well done to establishing a proper cash incentive and recognition awards program. Agencies have the authority to:

- Design extensive encouragement and recognition programs
- Grant awards to Federal employees to know individual and/or group performance or the achievement of pre-established goals.

TYPES OF INCENTIVES AND EMPLOYEE RECOGNITION

This tool contains information/regulation on the subsequent types of incentives and recognition:

- Cash awards - rating-based and other
- Referral bonuses
- Quality pace increases
- Honorary and informal recognition
- Time-off.

Associated Web sites are included at the end of each award description

Web sites related to incentives and employee acknowledgment:

<http://www.opm.gov/perform/reward.asp>

<http://www.opm.gov/perform/articles/2000/jun00-3.htm>

Incentives and Employee Recognition

Cash Award:

Agencies have discretionary ability to grant an employee a lump-sum cash award based on a "Fully Successful" or better rating of evidence. These are called rating-based cash awards. These cash awards do not enlarge an employee's basic pay. Awards based on the rating of record can be up to 10 percent of salary, or up to 20 percent for exceptional performance. (5 U.S.C. 4302, 4503, 4505(a); 5 CFR 451.104)

Agencies may also award other cash awards. A cash award can be granted to an employee, independently or as a member of a group, in recognition of accomplishments that contribute to the efficiency, wealth, or other improvement of Government operations. Agencies may grant up to \$10,000 without exterior approval, up to \$25,000 with Office of Personnel Management (OPM) sanction, and in excess of \$25,000 with Presidential approval. (Department of Defense (DoD) does not need OPM approval for awards up to \$25,000, but awards over \$25,000 must be accepted by the President.) Award payments are subject to the aggregate limitation on total pay identical to the rate of pay for Executive Level I. (5 U.S.C. 45; 5 CFR 451)

Cash awards Web sites:

<http://www.opm.gov/perform/reward.asp>

<http://www.opm.gov/perform/articles/2000/jun00-3.htm>

Referral Bonuses:

Federal agencies can use the enticement awards authority under chapter 451, title 5, U.S.C., to provide incentives or acknowledgment to employees who bring new talent into the agency, usually by establishing a precise award such as a

referral bonus. Each agency must settle on whether the use of referral bonuses is appropriate and establish criteria for giving them to employees.

Referral bonuses Web site:

<http://www.opm.gov/perform/articles/2001/spr01-1.htm>

Incentives and Employee Recognition:

Agencies have discretionary power to accelerate an employee's pay by granting a quality step increase. A quality step add is an additional step increase that agencies may grant to an employee who has received the highest ranking of record available under the applicable performance evaluation program. This would be "Outstanding" or Level 5 if such a level is available, and has met the agency-developed supplementary criteria required for programs that don't use a Level 5 summary. Superiority step increases are basic pay increases for all purposes. Agencies can award no more than one quality step increase to an employee within a 52-week period, and such add may not cause the employee's pay to go beyond the maximum rate of the grade. There is no authority to grant quality pace increases to Federal Wage System employees. (5 U.S.C. 5336; 5 CFR part 531, subpart)

Agencies can develop voluntary and informal recognition programs that use recognition items as awards to recognize person and group performance. Recognition items must meet certain criteria. For honorary awards, the item must:

- Be something the beneficiary could reasonably be expected to value, but not something that conveys a intellect of monetary value.
- Have a lasting trophy value.

- Clearly symbolize the employer/employee connection in some fashion.
- Take an appropriate form to be used in the public area and to be purchased with public funds.

For informal recognition awards, the item must be of in name only value and take a proper form to be used in the public sector and to be purchased with public funds.

(5 U.S.C. 4503; 5 CFR 451.104(a))

Web sites related to honorary and informal recognition awards:

<http://www.opm.gov/perform/articles/1999/nonmongd.htm>

<http://www.opm.gov/perform/articles/003.htm>

<http://www.opm.gov/perform/articles/011.htm>

Time-Off:

Agencies may grant time off from duty without accuse to leave or loss of pay as an award to individuals or groups of employees.

(5 U.S.C. 4502; 5 CFR 451)

Time-off awards Web site:

<http://www.opm.gov/perform/articles/1999/jun99-4.htm>

Employee incentive programs have always been a necessary tool for the HR department in many organizations. Incentives inspire people, and to quote Steven Silbiger "*Motivation is an elusive animal that all organizations want to capture*".

Incentive programs in the form of contests are typically more interesting because they offer to participants the part of competition that is inherent in the human nature.

CHAPTER 3

Theoretical Framework and Variable of Interest

THEORETICAL FRAME WORK

The theoretical work is a foundation on which the entire research project is based. The relationship between the literature survey and the theoretical framework is that the former provides a solid foundation for developing the latter. Theoretical framework also elaborates the relationships among the variables.

After completing literature survey and defining problem there is need to develop framework. Here we try to discuss the interrelationship among the variables that are deemed to be integral to the dynamics of the situation being investigated.

IMPORTANT VARIABLES

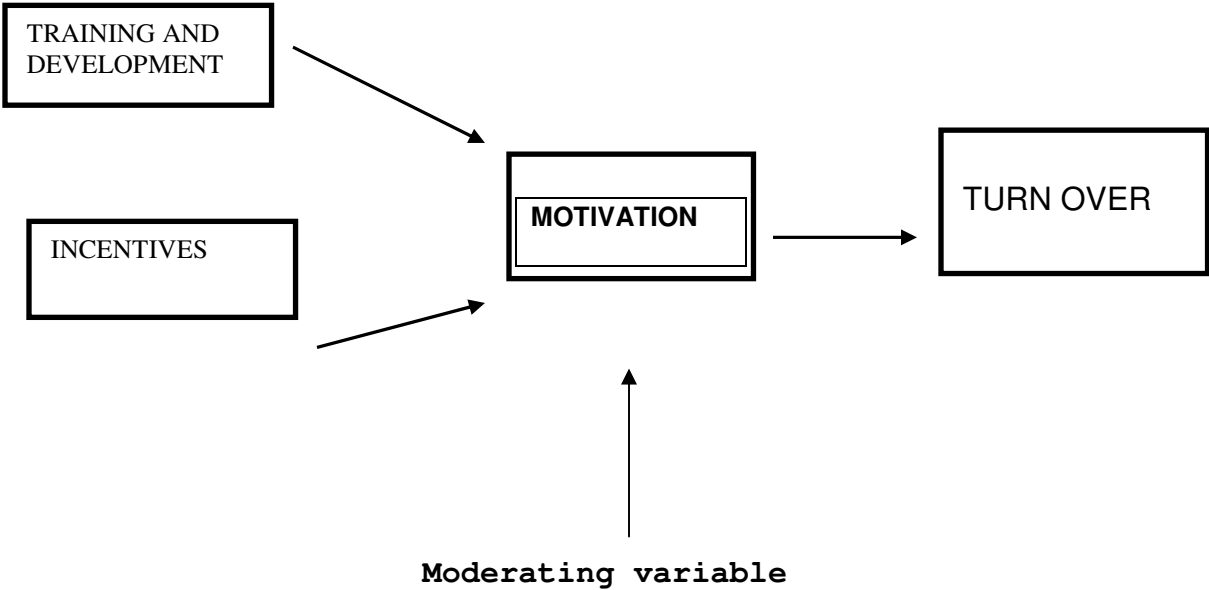
Different variables can affect the Motivation of any company; we are considering all-important variables that can affect Motivation of employees.

DIAGRAM

After the thorough study of literature survey we deduct some variables which can become a cause that can affect the motivation and keeping in mind we make schematic diagram of the theoretical frame work so that the reader can see and easily comprehend the theorized relationship.

Independent variables

Dependent variables



CHAPTER 4

Research Questions

Research questions

- 1: Increased motivation has a -ive relation with Turnover?
- 2: Training and Development has +ive relation with motivation, which in turn leads to decrease in turnover?
- 3: Incentives has a +ive relation with motivation, which in turn leads to reduced turnover?

CHAPTER 5

Research Design

Purpose of study

The study we have conducted is Descriptive in nature. It is under taken in order to ascertain and to describe the characteristics of the variables of interest in a situation. It is also hypothesis testing in nature because we are testing certain relationship as well.

Type of investigation

Type of investigation conducted is correctional one, as the relationship between the variables has to be identified. Both variables are related with the dependent variable.

Study setting

In case of the Motivational factors which retain the employee of Dewan salman fiber ltd, the study is field study as it is co-relational done in natural environment. None of the factors were manipulated or kept under controlled environment.

Unit of analysis

Unit of analysis are the employees. As the questionnaires are filled by them and their responses will effect the research statement. So unit of analysis is individual.

Time horizon

Study is cross sectional as the data is only being collected once.

Sampling Design

The method of sample taking adopted by us was the Random sampling. The sample consists of 55 employees from regional office of Dewan salman fiber ltd at Islamabad.

Data Collection Methods

The primary method of data collection for this particular study is questionnaire. A detailed questionnaire regarding all aspects of research has been developed. Varied instruments have been used in this research for evaluation of collected information.

CHAPTER 6

Limitations

LIMITATIONS

- Size of sample is too small because only sub offices of Islamabad and Hattar are considered for data collection.
- Time constraints
- Respondents' attitude was not very cooperative because they were very busy.

CHAPTER 7

Findings and Conclusion

FINDING AND OBSERVATIONS:-

STAFF TURNOVER:-

Staff turnover rate among Field Coordinators (FC) is 33.33% and at Head Office level is 44.45%. High turnover rate is one of the contributions in slow growth of HRD operations.

WORKLOAD:-

During the year work load per Field Coordinators worked out to be 4 clients per FC on average, which is too low. FC is also engaged in other program activities and spends more than 90% of the time on other activities. The common cost thereof is apportioned @25% generally to programmed activities, but the actual time spent is about 10% only. Ineffective monitoring and unsatisfied staff are the key reasons for low productivity of staff. Low productivity results in very high cost of operations.

TRAININGS:-

Extensive training program should be based on the organization need and address the capacity building in the areas that directly relate to field operations i.e. human resource development and calculating interest rate and performance ratios.

WORKING ENVIRONMENT:-

1. There are significant differences between actual roles and responsibilities between actual and responsibilities and formal definition of function.

2. While there are established entry level salaries for most positions, these levels are often ignored, leading to significant divergences among salary levels of people working in similar positions and with similar skills.

3. Growth opportunities exist. Major changes, however, need to be made in order to ensure the system work fairly and efficiently.

4. An incentive system exists. However, major changes need to be made in order to ensure that the system is objective, fair and contributes to the productive goal of the organization.

5. Employees participate in planning, they, however, feel that they don't have access to supervisors or upper management.

Conclusions

One employee is different from the other employee, So in this term their behavior do varies. Now I would like to tell you what consequences I had revealed from my research .When employees were asked, is money sufficient to motivate them, 30% answers were dissatisfied, they said they also wants an admiration from their managers, so that they could keep on putting their best effort into work.

And on other side when employees was asked that whether they should be rotated in various departments, so that to improve their performance the answer from those employees were not good enough they said that they would feel good if they got the opportunity to learn more in their department, because that would be an addition to their knowledge regarding the field they are in rather going to other department would merely divert their attention.

When these employees were asked, does training and development program help them out in enhancing performance; their answer for

this was adequate because for them this workshop will be institute where they could make themselves more efficient in their work.

When employees were suppose to answer that, do they lose motivation due to less value for incentives?

The employees were in favor of this statement they think that their motivation go down when reward is lacking either it is appreciation or in form of bonus payment.

When employees were asked, are they looking forward for recognition from their supervisor?

The answer from them was a big 'Yes' because it give them a feeling that their work is worth keep them standing in a high position and worth of appreciation by the high staff member like supervisor.

The employees thinking do alter in ways, which is shown by the consequences mentioned above. For some self-esteem is more important than monetary incentive. And for few monetary incentive matters much than appreciation. And for some bother matters a lot. Hence from our outcome we had proved that either it is monetary incentive or non-monetary incentive though they are important for making employees good at their job. These motivation and reinforcement would lead employees to work better ways.

CHAPTER 8

Appendix

APPENDIX

QUESTIONNAIRE

I am the student of Bahria University Islamabad. We are doing a research project on the topic 'what are the motivational factors which retain the employees of Dewan Salman Fiber Ltd. We need your cooperation in gathering some information. The information will be used for educational purpose only. Thanks for your assistance.

Demographics

Gender: Female Male

Please identify your age range _____ years.

Total Experience _____ years.

Experience on current job _____ years.

Type of job

- Permanent
- Part time
- Contract

Number of educational years _____.

Please choose the best option:

	Very Satisfied	Somewhat Satisfied	Neutral	Dis-satisfied	Very Dissatisfied
Monetary and non monetary incentives both are equally essential for motivating the employee					
Is money enough to motivate employee					
How do incentives impact an employee's motivation to work?					

Clear path for career advancement leads to better productivity?					
How can employers improve incentive systems in the workplace?					
Training and development programs help an employee enhance performance on the employee?					
Do employees lose motivation due to less value for incentives?					
Do employees support company paid foreign trips rewarded as an incentive for showing up to mark performance?					
Do employees support company paid foreign trips rewarded as an incentive for showing up to mark performance?					
Employee feel motivated when management expands his network of duties?					
Assigning authority in one's work is actually an important reward?					
Employee shows more interest in work if they are assured of incentives being delivered as announced.					
Do rotation of employees in various departments to make him familiar with multiple tasks act as an important motivation tool to improve performance?					
Are you satisfying the orientation training within the organization?					
Dose training program fulfill your training needs?					

Does training method encourage transfer the knowledge, skills from training to the job?					
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Please indicate your level of agreement with each of the following statements:

	Very Satisfied	Somewhat Satisfied	Neutral	Dis-satisfied	Very Dissatisfied
Frequency of bonus					
Awards					
Job rotation					
Benefits offered					
Access to company-sponsored training and seminars					
Connection between incentive and performance					
Recognition received from your supervisor					
Your supervisor's active involvement in your career development					

What is the most valued incentive for an employee and why?

Ans:

What specifically will motivate employees to perform at their peak?

- Monetary Incentives
- Non monetary incentives
- Both of above
- None of above
- Others: Please Specify:

I will actively look for a new job in next year?

 YES

 NO

I often think about quitting?

YES

NO

I probably look for a new job in next year?

YES

NO

If you have any suggestions or opinion related to my project or questionnaires please specify:

Ans.

CHAPTER 9

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