

Effect of motivational factors on employee engagement in the readymade garments industry in Bangladesh

Dalowar Hossan¹, Md. Raijul Islam^{2*}, Zuraina Dato' Mansor³, Ayub Nabi Khan⁴,
Nor Siah Jaharuddin⁵, Noor -E-Medina Suraiya Jesmin⁶

Abstract

This study investigates the effects of intrinsic and extrinsic motivational factors on employee engagement in the RMG industry in Bangladesh. Based on Herzberg Two Factor theory this study has followed quantitative approach to develop the hypotheses. The questionnaire has been adapted from the previous studies to conduct this study with five Likert measurement scales and self-administered questionnaire has been used to collect the data cross - sectionally from the total 387 respondents. The data have been analyzed by SPSS for respondents' demographic profiles and smart PLS3 for testing the hypothesis. The findings reveal that extrinsic motivational factors have significant effect on employee engagement more than intrinsic motivational factors.

Keywords: Employee Engagement, Extrinsic Motivation, Intrinsic Motivation, Readymade Garments (RMG)

1. Introduction

Employee engagement (EE) is not the problem but the 'symptom' that is likely buried deeper in an employee or an organization. It is a heightened emotional connection that employees feel for their organization and influences them to exert greater discretionary effort on work. The community of practitioners, including policymakers and employers, has been continually interested in the subject of EE, as they search for fresh approaches to reaching improved performance levels. This is another factor contributing to the importance of the employee engagement problem, particularly in organizational contexts. Employee engagement has also been recognized as a potent corporate tool for boosting worker productivity and enhancing key organizational performance indicators. Firms can boost productivity by encouraging people to spend their psychological energy in their jobs. Aon Hewitt on "treads in global employee engagement" has stated that Asia Pacific (APAC) is coming back in 2017 with a three-point rise. About 65% of the employee in APAC can be categorized as engagement, a slight increase as compared to 62% in 2016 and 63% globally in 2016 (shown Figure 1).

¹ PhD Candidate, School of Business and Economics, University Putra Malaysia, Selangor, Malaysia

² Lecturer, BGMEA University of Fashion & Technology, Dhaka-1230, Banglade

³ Associate Professor, School of Business and Economics, University Putra Malaysia, Selangor, Malaysia

⁴ Pro-VC, BGMEA University of Fashion & Technology, Dhaka-1230, Bangladesh

⁵ Senior Lecturer, School of Business and Economics, University Putra Malaysia, Selangor, Malaysia

⁶ PhD candidate, School of Management, Cardiff metropolitan university, United Kingdom

* Corresponding author email: raijul@buft.edu.bd

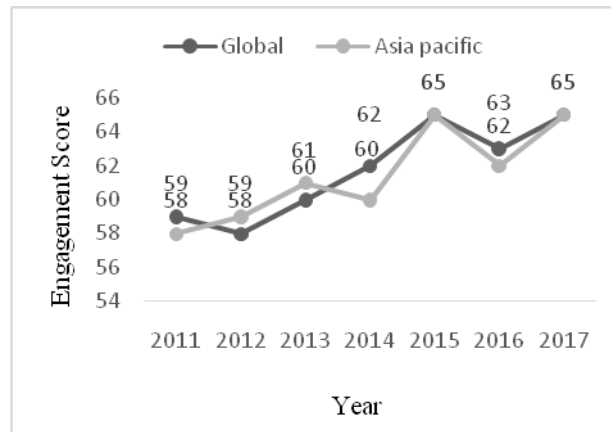


Figure 1. Employee engagement global vs Asia pacific

Aon Hewitt (2018) discovered some the motivational factors as the drivers for engagement such as rewards and recognition, senior leadership, and career development. According to past research for example, Seijts and Crim (2006), they have pointed out ten employee engagement factors that can attract, focus, and keep the most talented employees which include connection, career advancement, clarity in communication, conveyance of expectations, congratulations or recognition, contributions, control over own job, collaboration among employees, credibility in leaders, and Confidence in the company. Additionally, Anitha (2014) proposed employee engagement keys are leadership, ream, relationship with peer, training, career development and reward. Other indispensable attributes include organizational policies, procedures, structures, systems, and workplace wellbeing.

Readymade Garment (RMG) industry

The Ready-Made Garment (RMG) industry plays a significant role in Bangladesh's economy. Around 5876 factories were present in 2012, but only 4222 remained the following year. According to researchers, the number reduced could be related to worker disengagement, labor unrest and national political uncertainty (Rahman & Ehasan, 2017).

Poor living conditions, delayed incentives, an international conspiracy, the forcible role of police departments, stress from staff and thugs, lack of education, political turmoil, a heavy workloads, a lack of advancement possibilities, as well as other factors all contributed to labour unrest in the RMG sector (Rahman & Ehasan, 2017). Additionally, Sarker and Afroze (2014) noted that the employees will be happy if the employers in the RMG sectors are capable to offer suitable non-financial and financial advantages to the workers. Due to this circumstance, it was decided that RMG industries required attention when the research was necessary to address the problem of productivity enhancement and companies closing as a result of worker discontent.

Literature in the past suggests that the manager needs to understand that motivation may encourage workers to put out their full attempt (Krogh, 2010). As a company's most valuable resource, employees must be motivated and satisfied in order to work at their best. Nevertheless, it is the responsibility of the leader to inspire the team, not the other way around (Krogh, 2010). Khatun (2017) suggested that the RMG sector should have appropriate motivational factors that will bring employee engagement. Very few scholars like Ahsan and Hossain (2019) have studied motivational factors on job satisfaction in the RMG industry. There is a dearth of research on the influence of motivating factors on EE in the RMG industry of Bangladesh. Therefore, this study

is going to investigate the effect of intrinsic and extrinsic motivational factors on EE in the RMG industry in Bangladesh.

2. Literature Review

Motivational Factors and Employee Engagement

EE is directly impacted by motivational factors (Bergstrom & Martinez, 2016; Khan & Iqbal, 2013). Mehmood et al. (2013) indicated that an appealing and appropriate compensation system enables the firm to boost EE and performance management. Devi (2016) and Kathirvel (2010) focused on job stability, earnings, conditions of employment, relationships with higher authority and work colleagues, incentives and recognition, relationships with management, training, health condition, training, safety, stress relief and so on. They examined the factors at many organizations (for example, Jaganath Textile industries, Murugan Mills, Saradha Mills, Sugana Textile Mills and Cambodia Textile Mills in Coimbatore) and found that These are the key elements that significantly impact an organization's environment, which in turn has a big impact on people's engagement and productivity. Effective incentive programs go beyond simply meeting an employee's fundamental needs to boost their commitment to the company. Organizational awards strengthen excellent work behaviors and considerably improve each staff work, according to Mujtaba and Shuaib (2010). The administration can keep a highly engaged staff in the company and recruit a pool of suitable applicants by using reward systems. Successful businesses utilize incentives to encourage and hold onto their most skilled personnel. Higher levels of EE are related to rewards that have a beneficial effect. According to Ghanbahadur (2014), intrinsic factors to determine intrinsic job happiness include ability utilization, achievement, creativity, freedom, moral ideals, responsibility, and acknowledgment. He found that the Irish accountants and American engineers were motivated by their jobs inherently. Jones and Sloane (2007) Surveyed employment in Europe in 2002. They observed that positive correlations exist between employee work satisfaction, occupational prestige, and work activity. Advancement, development, and acknowledgment therefore are sources of motivation (Dartey-Baah & Amoako, 2011) to increase EE by satisfying the employee (Khan & Iqbal, 2013). According to Vanam (2009), relationships with supervisors and other job resources have a good, substantial association with EE. Work demand is decreased by pay, career possibilities, job stability, relationships with peers and supervisors, position clarity, and skill diversity. The 15 mid-sized enterprises chosen from the Nigerian states of Oyo, Kwara, Osun, and Ogun were evaluated by Remi et al. (2011). These organizations are engaged in the manufacture company, academic consultancy, restaurant and lodging services, transport companies, retails, and accommodation facilities. They discovered that the hygiene factors for the employee in Nigeria include job security, decent working circumstances, good earnings, and so on. Supervision, working environment, interpersonal interactions, compensation, job security, and corporate policy and administration are all hygiene variables (Khatun, 2017).

Throughout the centuries, two basic types of motivation, extrinsic and intrinsic motivation, have been identified and explored in a variety of circumstances. This research used these categories in determining the motivation factors that influence EE. Past research suggested that intrinsic and extrinsic motivation could promote individual employee intentions, actions regarding activities and behaviours (Lin, 2007). Despite the fact that several hypotheses have been offered to explain individual motivation to do work-related activities, little is known about the underlying variables affecting intrinsic and extrinsic motivation, particularly when it comes to EE (Lin, 2007).

3. Theory and Research Framework

Herzberg's two-factor theory relates to employee satisfaction and discontent, which are connected to EE. This view claims that inner elements are what motivate people such as employee satisfaction is influenced by success, the work itself, growth, acknowledgment, innovation, freedom, accountability, capacity to use, and ethical principles. If these factors are not met at work, the employee will not be happy, but they will not be dissatisfied either (Davies, 2007).

3. Theory and Research Framework

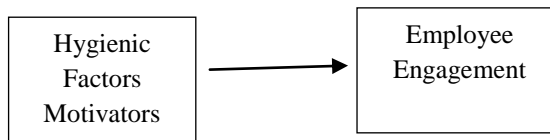


Figure 2: Herzberg two factors theory

On the other side, extrinsic motivating variables include elements like job security, compensation, relationships with coworkers and supervisors, the workplace atmosphere, corporate policy, authority, variety of work, and advancement. These elements do not guarantee employee contentment, but their absence will result in an unhappy workforce. Based on the discussion above two hypotheses have been developed:

H1: There is significant effect of extrinsic motivational factors on EE in the RMG industry in Bangladesh

H2: There is significant effect of intrinsic motivational factors on EE in the RMG industry in Bangladesh.

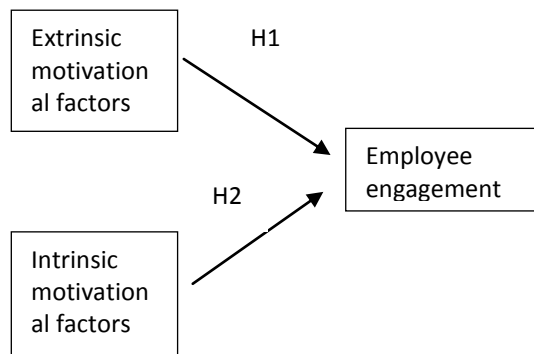


Figure 3. Research Framework

4. Methodology

Based on empirical data, self-administered structural closed ended questionnaire had been used for this study to collect the data cross-sectionally from the total 387 employee of 15 RMG companies in Dhaka, Bangladesh. Non probability specifically convenience sampling technique had been used to draw the sample from entire population. Questionnaire had been adapted from the previous studies. The scale “Utrecht Work Engagement (UWES)” of EE, developed by Schaufeli et al. (2006) and tested by Vanam (2009) have 9 items questionnaire to measure 3 dimensions (vigor, dedication, absorption) of EE. In measuring motivational factors, the scale

developed by Weiss et al. (1967) and used by Ghanbahadur (2014) named the “Minnesota Satisfaction Questionnaire” were adopted. The motivational factors distinguished between intrinsic and extrinsic motivational factors. Accomplishment, the job itself, progress, promotion, and acknowledgement are examples of intrinsic motivating factors. Extrinsic motivating factors include job stability, salary, relationships with peers and supervisors, workplace conditions, corporate policies and procedures authority, variation, and development. Every question was evaluated using a 5-point Likert scale, with 1 being the strongest disagreement and 5 being the strongest agreement. Regarding demographics analysis, SPSS was utilized, and the PLS-SEM technique was applied to investigate the hypothesis.

5. Data Analysis and Findings

5.1 Respondents’ profile

Most of the respondents were male (67%), 179 (46.3%) respondents were 18-25 years, 114 (29.5%) were 26-33 years, 40 (10.3%) were 34-41 and 54 (13.9%) respondents were below 18 years old. 226 (58.4%) were married among them. 195 (50.4%), 157 (40.6%), 29 (7.5%) and 6 (1.6) respondents had completed primary, secondary, Higher secondary and bachelor education, respectively. 124 (32%), 69 (17.8%), 72 (18.6%), 37 (9.6%), 12 (3.1%) and 73 (18.8%) respondents earned Taka 7001 to 9000, 9001 to 11000, 11001 to 13000, 13001 to 15000 and more than 15000 respectively. The working duration of 114 (29.5%) respondents, 93 (24%), 68(17.6%), 67 (17.3%) respondents were 55-60, 48-54, 61-66, 67-72 hours per week and 45 (11.6%) respondents work more 72 hours per week.

5.2 Hypothesis Testing

5.2.1 Evaluation of Measurement Model

Convergent validity

It is important to evaluate the measurement model before analyzing the structural model. Measurements of construct reliability, convergent validity, and discriminant validity can be used to analyze the measurement model. Composite Reliability (CR) should be used to evaluate the study's internal consistency, and the threshold value should be at least 0.7. based on the Table 4, the value of composite reliability is 0.813 (EE), 0.846 (intrinsic motivational factors) and 0.873 (extrinsic motivational factors) disclose that the three constructs have high levels of internal consistency. Some items of extrinsic and intrinsic motivational factors like, job itself, creativity, independence, moral values, relationship with peers, working condition, company policy and procedure have been deleted because of lower outer loadings. The values of Cronbach’s alpha (CA) are also at accepted level (Table 1).

Validity of convergence was also examined. The degree of convergence of individual construct in relation to the measure of another construct is known as convergent validity denoted by average variance extracted (AVE). This refers to how well a latent concept elaborates the differences between its indicators. Table 1 demonstrates that all AVE values are above 0.47 and above the suggested standards, making them all acceptable.

Table 1. Convergent validity, CR and AVE

	Outers loadings	CA	CR	AVE
Employee Engagement		0.751	0.813	0.473
Vigour1	0.368			
Dedication1	0.549			
Dedication2	0.666			
Vigour2	0.793			
Absorption1	0.796			
Absorption2	0.676			
Extrinsic Factors		0.829	0.873	0.496
Authority	0.686			
Relationship with supervisor	0.601			
Variety	0.689			
Advancement	0.790			
Salary	0.699			
Job security1	0.677			
Job security2	0.773			
Intrinsic Factors		0.777	0.846	0.490
Ability utilization	0.535			
Achievement	0.819			
Responsibility	0.720			
Recognition1	0.867			
Recognition2	0.721			
Growth	0.438			

Discriminant validity

To determine the extent of shared variance across the model's latent constructs, researchers frequently utilize the Fornell and Larcker criteria (1981). According to Fornell and Larcker's (1981) guidelines, the Table 2 findings show adequate or enough discriminant validity, in which the square roots of AVE (diagonal) are greater than correlation (off-diagonal) for all of the reflective constructs.

Table 2. Fornell - Larcker Criterion

	Y1	Y2	Y3
Employee engagement (Y1)	0.658		
Extrinsic motivational factors (Y2)	0.701	0.704	
Intrinsic motivational factors (Y3)	0.682	0.570	0.700

5.2.2 Evaluation of Structural Model

R Square, f Square and Predictive Relevance

The value of R square is 0.61 indicating that extrinsic and intrinsic motivational factors can account for 61% of the variance in the EE. f square to examine the relative impact of a predictor construct with regards to the endogenous construct. Based on the result in Table 3, extrinsic

motivational factors (0.369) and intrinsic motivational factors (0.302) have a large and medium effect size (f square) on EE subsequently. Fornell and Larcker (1981) suggest the model is predictively relevant if the value of the Q square is larger than zero. The values of Q Square for EE in Table 3 show that it is greater than zero, indicating that it has predictive validity.

Table 3. f Square, R Square, Predictive Relevance

	f ²	R ²	Q ²
Employee engagement (Y1)		0.609	0.226
Extrinsic motivational factors (Y2)	0.369		
Intrinsic motivational factors (Y3)	0.302		

Path coefficient

Table 4 depicted that there is significant effect of extrinsic motivational factors on EE (b=0.462, t=5.465, p<0.001); and intrinsic motivational factors and EE (b=0.418, t=4.790, p<0.001).

Table 4: Direct Effect (Path Coefficient)

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Extrinsic motivational factors > Employee engagement	0.462	0.470	0.085	5.465	0.000
Intrinsic motivational factors > Employee engagement	0.418	0.416	0.087	4.790	0.000

6. Discussion

The study examines the effect of motivational factors on EE in RMG in Bangladesh. Testing the influence of extrinsic motivational factors on EE is the first hypothesis. The result suggests that the extrinsic motivational factors have a significant effect on EE (Table 4), and the f squared (0.369) proposes that extrinsic motivational factors give 37% effect (Table 3) on EE, which is largely significant. Thus, Hypothesis H1 has been accepted. Relationship with peers, working condition, company policy and procedure have no role on extrinsic motivational factors. The second hypothesis is to examine the effect of intrinsic motivational factors on EE. The p value is 0.00 (Table 4) and the f squared (0.302) suggests that these factors give 30% effect (Table 3) on EE, which is moderately significant. Thus, hypothesis H2 has been accepted. Some items like Job itself, creativity, independence, moral values have no contribution in intrinsic motivational factors in RMG industry in Bangladesh.

The study reveals that motivational factors have a significant effect on EE that is supported by the study of Hossan (2021a), Hossan (2021b), Hossan et al. (2021), and the R squared (0.609) suggested that motivational factors give 61% variance on EE according to Table 3, which is moderately significant. This result is similar to Bergstrom & Martinez (2016) and Putra et al. (2017). The findings are in line with and similar to Bergstrom and Martinez (2016) and Khan and

Iqbal (2013) and show that when these elements for the employees are raised, it will also boost their level of engagement. Extrinsic motivational factors have more impact on EE than intrinsic motivational factors in RMG industry in Bangladesh and the result is similar to Hossan et al. (2022).

RMG industry has emerged as biggest earner of foreign currency for this developing country situated in the South Asia. Due to increasing demands of garments worldwide and availability of cheap labour in Bangladesh, the manufacturers has created ambitious target to earn more than \$50 billion by 2021. RMG has a bright future, which Mickensey predicted will be \$45 billion by 2015. However, the sector's actual contribution in 2016 was only \$26 billion. According to the average output during the previous few years, this projected a lower production than anticipated. According to Rubel et al. (2017), the Bangladeshi RMG industry's workforce was not engaged due of the frequent turnover of the employee.

EE is caused by extrinsic motivational variables such as authorities, relationship with supervisor, variety, advancement, salary, and job security, as well as intrinsic motivational factors such as ability usage, achievement, responsibility, recognition, and growth. Based on this study, managers should focus more on above extrinsic motivational factors (hygienic factor) to the employee. Otherwise employee will not be engagement in their work and managers also need to focus the intrinsic motivational factors (motivators) for the better engagement of the employee according to Herzberg two factors theory in RMG industry in Bangladesh.

7. Implication

The study has important implications on both practical and theoretical levels. The majority of the prior research on EE mainly conducted on western context. This study is significant in that it included respondents from the operational level of RMG, which frequently includes low-income workers who have high expectations of their employers in terms of their ability to overcome unhappiness and fulfill their needs for motivation and fulfillment.

In this study, the motivating factors on EE are validated using the Herzberg two factors theory. Before concentrating on how to boost EE, management must make greater efforts to raise the level of employee happiness and motivation.

The management of the RMG sectors in Bangladesh must focus on creating motivating elements, particularly extrinsic values. In order to demonstrate a strong level of support and commitment from the employers, managers must be able to communicate their expectations and concerns to their employees in a clear and appropriate manner.

8. Limitations and Recommendations

Extrinsic and intrinsic motivation were the only two key factors included in this study; additional predictors, such as culture and leadership styles, were not taken into account. Therefore, these factors may be incorporated in later investigations. Future studies can use longitudinal and multilevel data instead of the cross sectional and single source data. This is so that participants would be able to provide deeper insights based on analysis, debates, and explanations using longitudinal and multilevel data.

9. Conclusion

The findings reveal that extrinsic and intrinsic motivational factors (authority, relationship with supervisor, variety, job security, advancement, salary, ability utilization, achievement, responsibility, recognition, growth) have significant positive effect on EE in RMG in Bangladesh. But the influence of extrinsic motivational factors (authority, relationship with

supervisor, variety, job security, advancement, salary) are more significant on employee engagement than intrinsic motivational factors (ability utilization, achievement, responsibility, recognition, growth). Therefore, the policymakers and managers of RMG should focus on extrinsic motivational factors more, compared to intrinsic motivational factors to rise production in the industry by engaging employees.

References

- Ahsan, S. H., & Hossain, M. (2019). Measuring the Factors Affecting Employees Job Satisfaction in Readymade Garments Industry : Bangladesh Perspective, 8(1), 17-23.
- Anitha, J. (2014). Determinants of employee engagement and their impact on employee performance. *International Journal of Productivity and Performance Management*, 63(3), 308–323.
- Bergstrom, E., & Martinez, M. G. (2016). The Influence of Intrinsic and Extrinsic Motivation on Employee Engagement: A qualitative study of the perceptions of managers in public and private sector organizations. *Umeå School of Business and Economics*.
- Dartey-Baah, K., & Amoako, G. K. (2011). Application of Frederick Herzberg's Two-Factor theory in assessing and understanding employee motivation at work: a Ghanaian Perspective. *European Journal of Business and Management*, 3(9), 1–8.
- Davies, S. J. (2007). *Security supervision and management: The theory and practice of asset protection*. Amsterdam, Netherlands: Butterworth-Heinemann/Elsevier.
- Devi. (2016). A case study on leadership and employee engagement in the textile and garment industry. *BIMS International Journal of Social Science Research*, 1(2), 46–60.
- Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics.
- Ghanbahadur, R. (2014). To test the effectiveness of Hygiene-Motivation factors on Irish Accountants and American Engineers in predicting Intrinsic-Extrinsic job satisfaction. *Journal of Personnel Psychology*, 20, 369–80.
- Hossan, D. (2021). Effect of leadership style on employee engagement with motivational factor as mediator (2021) *Academy of Entrepreneurship Journal*, 27 (Special Issue 2), 1-15.
- Hossan, D. (2021). Moderating role of motivational factor between the relationship of leadership style and employee engagement (2021) *Academy of Strategic Management Journal*, 20 (Special Issue 2), 1-14.
- Hossan, D., Mansor, Z.D., & Jantan, A. H. (2021). Motivational Factors and Mediating Role of Leadership on Employee Engagement in Ready-Made Garments Industry in Bangladesh. *CityUniversity eJournal of Academic Research (CUeJAR)*, 3(3), 135-151.
- Hossan, D., Mansor, Z.D., Al Mamun, M.A., Saif, A.N.M., Jantan, A.H (2022). Effects of leadership styles and motivational factors on worker engagement: an empirical study on the ready-madegarments industry in Bangladesh. *Global Business and Economics Review*, 27 (1), 96-115.
- Islam, A., & Hamzah, A., Saimoon, A. (2017). Factors affecting female s ' participation in leadership, 7(10), 535–542.
- Jones, R.J & Sloane, P. (2007). *Low Pay, Higher Pay and Satisfaction in Wales*. Wales, Routledge Tayler & Francis Group Jenica.

- Kathirvel, N. (2010). A Study on the Morale of Employees with Reference to Textile Industries in Coimbatore. *The IUP Journal of Management Research*, 4(3), 61–81.
- Khan & Iqbal. (2013). An investigation of the relationship between work motivation (intrinsic & extrinsic) and employee engagement: A study on Allied Bank of Pakistan.
- Khatun, R. (2017). Job Satisfaction of RMG Sectors in Bangladesh : A Study on Female Workers of AKH Group, *International Journal of Humanities & Social Science Studies (IJHSSS)*, 3(6), 97–106.
- Krogh. (2010). A Theoretical Discussion of Motivation and Leadership In the Danish Public and Private Sector. Aarhus School of Business.
- Lin, H. F. (2007). Effects of extrinsic and intrinsic motivation on employee knowledge sharing intentions. *Journal of information science*, 33(2), 135-149.
- Mujtaba, B., & Shuaib, S. (2010). An equitable total rewards approach to pay for performance management. *Journal of Management Policy & Practice*, 11(4), 111–121.
- Putra, E. D., Cho, S., & Liu, J. (2017). Extrinsic and intrinsic motivation on work engagement in the hospitality industry: Test of motivation crowding theory. *Tourism and Hospitality Research*, 17(2), 228-241.
- Rahman, M. M., & Ehasan, M. A. (2017). Public opinion towards the worker dissatisfaction in ready-made garment (RMG) industry of Bangladesh. *Global Journal of Management and Business Research*, 17(5), 43-53.
- Remi, A. J., Abdul-Azeez, I. A., & Toyosi, D. S. (2011). An Empirical Study of the Motivational Factors of Employees in Nigeria. *International Journal of Economics and Finance*, 3(5), 227–233.
- Rubel, M. R. B., Kee, D. M. H., Quah, C. H., & Rimi, N. N. (2017). Ethical Climate and Employee Turnover Intention in the Ready-Made Garment Industry of Bangladesh. *Global Business and Organizational Excellence*, 36(2), 61–73.
- Sarker, M. A. R., & Afroze, R. (2014). Can HRM Practices Improve Job Satisfaction of Ready Made Garment (RMG) Workers in Bangladesh? An Alternative Solution to Recent Unrest. *International Journal of Business and Management*, 9 (10), 185–194.
- Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006). The measurement of work engagement with a short questionnaire: A cross-national study. *Educational and Psychological Measurement*, 66(4), 701–716.
- Seijts, G. H., & Crim, D. (2006). What engages employees the most or, the ten C's of employee engagement. *Ivey Business Journal*, 70(4), 1-5.
- Tahir A., Mehmood S, & Ramzan D, (2013) Managing Performance through Reward System, *Journal of education and Research for Sustainable Development*, 3(1), 12-24.
- Vanam, S. (2009). Job engagement: examining the relationship with situational and personal factors. San José State University.
- Weiss, D., Dawis, R., England, G. & Lofguist, L. (1967). Manual for the Minnesota Satisfaction Questionnaire, Minnesota: Industrial Relations Center: University of Minnesota.

