

# Importance of Incentives Based on McClelland's Need Theory of Construction Industry in the Office Establishment

Ar. Prajkta Vijaykumar Galande

*M. Arch (Architectural and Construction Project Management)*

**Abstract**—For the smooth going of work performance in the office establishment, it is necessary to identify the needs of employee and the behavioral changes from the past to present employee. In the same way the needs of the employees have also changed as per the time constraint. If we give employees money, they will ask for position or vice versa. If we give them money and power, they will ask for responsibilities, challenges, growth. So the question arises: what are the needs of the employees? Hence, it is important to know the opinion of the employee needs. Therefore, this research aims in studying the incentives based on the McClelland's Theory of Needs in the construction Industry and its importance in the office establishment.

**Key words:** needs theory, incentives, construction, and industry.

## INTRODUCTION

Abraham Maslow developed his hierarchy of needs hypothesis. This listed the following essential human wants, in order of importance: physiological needs, safety needs, and needs for belonging, self-esteem, and "self-actualization." Later, David McClelland, in his 1961 book, "The Achieving Society," expanded on this work. He recognised three motivators that he believed we all had: the desire for achievement, the want for affiliation, and the need for power. People's qualities will alter depending on their dominant motivator. These motivators, according to McClelland, can be learned (which is why this theory is sometimes called Learned Needs Theory). According to McClelland, we all have three motivating drivers, independent of our gender, culture, or age, and one of these will be our main motivating factor. Considering these needs, incentives based on McClelland's theory are identified and studied accordingly.

## BACKGROUND OF THE PROBLEM

For the smooth going of work performance it is necessary to identify the needs of employee and the behavioral changes from the past to present employee. It is very essential to understand the changes that has undergone from past to the current situation so as to identify the employee needs. If we give employees money, they will ask for position or vice versa. If we give them money and power, they will ask for responsibilities, challenges, growth. So the question arises: what are the needs of the employees?

## NECESSITY OF THE RESEARCH

As per the McClelland's needs theory, we can identify the needs of employees in the office establishment. McClelland's hypothesis can assist us in identifying the major motivators of our team members. This information can then be used to impact how we create objectives and give feedback, as well as how we inspire and reward team members. We can also utilize these motivators to construct or design the task to match our team members better.

## RESEARCH METHODOLOGY

**LITERATURE STUDY:** From literature we learn the McClelland's needs theory and incentives with reference to its importance for work performance.

**QUESTIONNAIRE SURVEY:** Open-ended and close-ended questions are used to study opinions of the employees.

**ANALYSIS:** To analyze the employee positive response for fulfillment of their needs and importance of incentives based on McClelland's needs' theory.

**STATISTICAL METHOD:** In this method, descriptive statistical analysis and Z-test is used for analysis which is described as below:

a. Descriptive Statistics: The analysis of primary data related to the qualitative aspects of the different parameters of the study area randomly collected from the Employee respondents (n = 30) from the from the construction companies in Pune was done using various statistical tools like bar charts, pie diagrams, percentages, simple average, Standard Deviation (S.D.), Variance.

b. Tests used for analysis: Since sample size selected for employee respondents is large (n = 30), hence it is assumed that the randomly selected sample data is normally distributed. So, to test various hypotheses, 'Z'-test is applied.

**RESEARCH GAP:**

“Incentives provided for motivating employees are not given much and required attention and importance they deserve. One of the least & ignored researched topics in the Indian construction business is employee motivation through incentives.”

Hypothesis of this research: As per the employee needs, various incentives in the office setup are important for motivating the employees in the construction industry

**LITERATURE STUDY**

David McClelland, a psychologist, presented the Acquired Needs Theory. He claimed that an individual's needs are the outcome of life experience. Leaders may encourage subordinates by identifying individual requirements and devising strategies to help them meet those needs.

There are just three needs, according to McClelland.

- (a) Need of achievement (nAch): to set & achieve high standards.
- (b) Need of power (nPow): the desire to exert control over one's surroundings.
- (c) Need of affiliation (nAff): to establish and maintain interpersonal relationships.

**SAMPLING TECHNIQUE: CLUSTER-RANDOM SAMPLING**

The study's overall demographic is made up of highly experienced construction industry experts. In general, these respondents are asked to rate the importance of the enumerated human elements in relation to the performance of organisation-related activities. Hence, the sampling technique used for this research is

cluster-random sampling technique. So, the sample collection is done as follows:

Selected 6 construction companies from Pune. 3 are Foreign based and 3 are Indian based construction companies. Questionnaire surveys were distributed to experienced construction industry professionals. 5 responses from each organization. Total 30 respondents are considered as 100%.

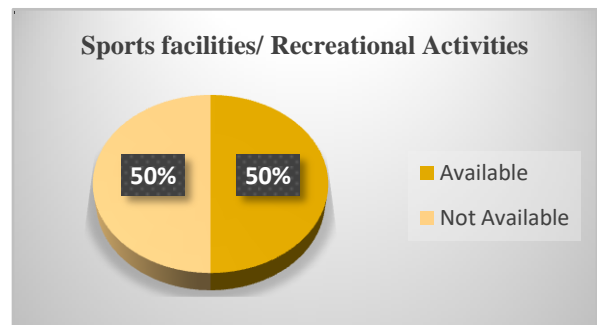
**DATA ANALYSIS: INCENTIVES BASED ON MCCLELLAND’S THEORY:**

**NEED FOR ACHIEVEMENT:** 1) Sports and Recreational Activities

Table No. 2: Sports Facilities/ Recreational Activities

Employee Opinion	No. of Respondents	%
Available	15	50
Not Available	15	50
Total	30	100

Source: Primary Data



**Chart No. I: Sports Facilities/ Recreational Activities**  
According to 15 (50%) Employee respondents the sports facilities/recreational activities are provided to employee while 15 (50%) are denying that the availability of sports facilities/recreational activities in their company.

Hypothesis: According to employee respondents the facility of Sports facilities/ recreational activities in their office is significantly more important.

Table No. 3: Sports Facilities/ Recreational Activities Rating

Employee Opinion	No. of Respondents	%
1 Not Important	3	10.00
2 Less Important	2	6.67
3 Neutral	4	13.33
4 Important	11	36.67
5 Most Important	10	33.33
Total	30	100.00

Source: Primary Data

Hypothesis testing: From the above table no.3, it can be found that

Sample size = 30, Sample Mean = 3.767, Sample Variance = 1.633

Calculated value of Z = 3.285 (One-sided test at 5% level of significance),

Value of 'P' at 5% level of significance = 0.00186

So, the result is significant as  $P < 0.05$ .

According to employee respondents the facility of Sports facilities/ recreational activities in their office is significantly more important.

a) NEED FOR AFFILIATION –

1)Conducive work environment

Table No. 4: Conducive Work Environment

Employee Opinion	No. of Respondents	%
Available	24	80
Not Available	06	20
Total	30	100

(Source: Primary Data)

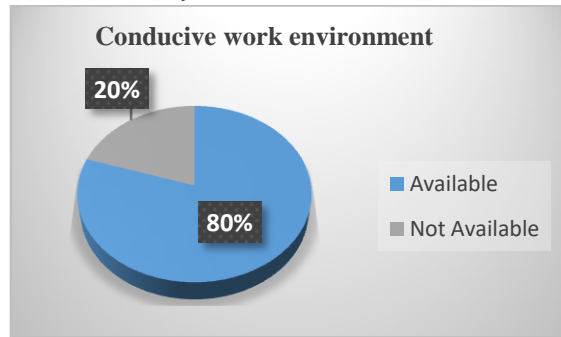


Chart No. II Conducive Work Environment

According to 24(80%) Employee respondents the working environment is conducive to employee while 6(20%) are denying that the availability of conducive working environment in their company.

Hypothesis: according to employee respondents the conducive work environment in their office is significantly more important

Table No. 5: Conducive Work Environment Rating

Employee Opinion	No. of Respondents	%
1 Not Important	1	3.33
2 Less Important	1	3.33
3 Neutral	1	3.33
4 Important	17	56.67
5 Most Important	10	33.33
Total	30	100.0

Source: Primary Data

Hypothesis testing: From the above table 5.31, it can be found that

Sample size = 30, Sample Mean = 4.133, Sample Variance = 0.809

Calculated value of Z = 6.901 (One-sided test at 5% level of significance),

Value of 'P' at 5% level of significance  $< 0.0000$

So, the result is significant as  $P < 0.05$ .

Hence, according to employee respondents the conducive work environment in their office is significantly more important.

a) NEED FOR POWER : 1. Involvement in company's decision making

2. End the work and go without time restriction

- Involvement in Decision Making:

Table No. 9: Involvement in Decision Making

Employee Opinion	No. of Respondents	Percentage
Available	25	83.33
Not Available	05	16.67
Total	30	100

Source: Primary Data

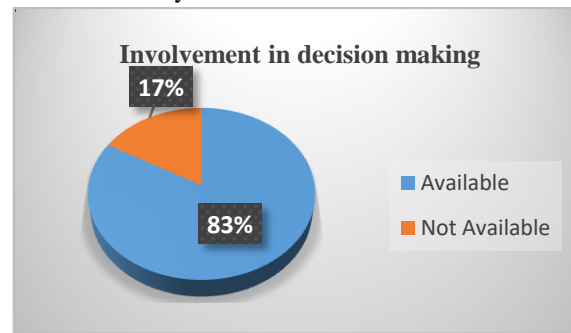


Chart No. V: Involvement in Decision Making

According to 25(83.33%) Employee respondents the employees are allowed to involve in the decision making while 5(16.67%) are denying that the availability of involvement in decision making in their company.

Hypothesis: according to employee respondents the involvement in decision making in their office is significantly more important

Table No. 10: Involvement in Decision Making Rating

Employee Opinion	No. of Respondents	%
1 Not Important	1	3.33
2 Less Important	2	6.67
3 Neutral	1	3.33
4 Important	3	10.00
5 Most Important	23	76.67
Total	30	100.00

Source: Primary Data

Hypothesis testing: From the above table 5.29, it can be found that

Sample size = 30, Sample Mean = 4.50, Sample Variance = 1.1552

Calculated value of Z = 7.644 (One-sided test at 5% level of significance),

Value of 'P' at 5% level of significance  $< 0.0000$

So, the result is significant as  $P < 0.05$ .

Hence, according to employee respondents the involvement in decision making in their office is significantly more important.

- End the Work and Go (Without Time Restriction):

Table No. 11: End the Work and Go (Without Time Restriction)

Employee Opinion	No. of Respondents	%
Available	00	00
Not Available	30	100
Total	30	100

Source: Primary Data

From the above table no. 5.19, it can be observed that all 30 (100.00%) respondents admitted that the facility of end the work and go (without time restriction) is not available for them.

Hypothesis: According to employee respondents the End the work and go facility in their office is significantly more important

Table No. 12: End the Work and Go (Without Time Restriction) Rating

Employee Opinion	No. of Respondents	%
1 Not Important	03	10
2 Less Important	02	6.67
3 Neutral	02	6.67
4 Important	07	23.33
5 Most Important	16	53.33
Total	30	100

Source: Primary Data

Hypothesis testing:

From the above table 5.27, it can be found that Sample size = 30, Sample Mean = 4.0333, Sample Variance = 1.826

Calculated value of Z = 4.1879 (One-sided test at 5% level of significance),

Value of 'P' at 5% level of significance < 0.000

So, the result is significant as  $P < 0.05$ .

Hence, according to employee respondents the end the work and go facility in their office is significantly more important.

### CONCLUSION

- Need of achievement (nAch):

Sports facilities/Recreational facilities can refresh the employees and can maximize their abilities so that they are fully utilized and exploited, this will boost organizational productivity and thus employee can achieve their goals and take the organization at higher level.

- Need of power (nPow):

It consists of the desire to exert control over one's surroundings. Involvement in decision making of the organization can explore the employee mindset and employee's need will be satisfied as decision making can make employee to have the power of interfering in the company's important tasks. End the work and go without time restriction will improve the work performance dedication as no donkey work is required to do and every employee will be aware of his own responsibilities. Thus, every employee will have the power of scheduling their own time and doing their other jobs without any time constraint from the organization.

- Need of affiliation (nAff):

Affiliation is needed to establish & maintain interpersonal relationships. Conducive work environment, training programs & participation in professional conferences can lead to the employee discussions and thus belongingness or the affiliation needs are fulfilled.

### REFERENCES

- [1] "McClelland's Three Needs Theory: Power, Achievement, and Affiliation". Education Library. 2021-05-23. Retrieved 2021-05-23
- [2] Importance of Incentives and Motivation Human Element in Construction Industry. (2017, May 5). In irjet.net. <https://www.irjet.net/archives/V4/i5/IRJET-V4I5295.pdf>
- [3] International Research Journal of Engineering and Technology (IRJET) e-ISSN: 2395 -0056 Volume: 04 Issue: 05 | May -2017 www.irjet.net p-ISSN: 2395-0072