

Effects of organizational team building on employees' morale & job retention

Sayma Zia¹

Abstract

It is a Cross sectional survey. The topic is "effect of organizational team building efforts on employee morale and employee retention." Cause and effect method is used in which sufficient type of causal research has been conducted as in this study the effects of organizational team building efforts are studied. Quantitative paradigms are used to assess the qualitative variables. In this study independent variable is team building and dependent variables are employee morale and employee retention. Instrument used is questionnaire of 73 items. The scale used is Ordinal Likert .5. The sample size is 387 from different sectors such as textile, service, oil and gas, blue chip, pharmaceutical. All levels of employees have been responded. Random sampling technique is used. Twelve hypotheses are proposed to test the relationship. Two are rejected and ten are accepted. Statistical technique used is simple linear regression to test the hypothesis. The result concluded is that team building has long term positive relationship between employee morale and employee retention. Team performance, individual contribution, team evaluation and coordination have long term positive relationship between employee morale and employee retention. Team unity has no significant effect on employee morale and employee retention.

Key words: Team building, morale, retention.



Available online
www.bmdynamics.com
ISSN: 2047-7031

INTRODUCTION

As this problem is a mounting concern of today's corporate world. The emphasis on team building efforts almost terminated the concept of individualism which leads to low employee morale and ultimately leads towards high turn over rate. It is also an emerging problem for the high achievers who are highly motivated towards recognition and self esteem. If this problem is not handled intelligently it will lead the organizations towards low productivity levels (Chen,Chen & Tsao, 2009).

Managers must recognize that they play a central role in effective teambuilding. However, to be successful, managers require a framework to guide their activities (Mealiea & Baltazar, 2005).

Multi level analysis indicated that the extent of teamwork at the company level of analysis moderated the relationship between individual perception of supervisor and job satisfaction (Griffin, Patterson & West, 2001).

LITERATURE REVIEW

Working together to achieve common objectives was the second component of the above definition. The common objectives imply that each member of team shares its objectives and identified whole heartedly with them. In other words by joining a team, the individual member 'sings on' to the team's objectives; he enters into a contract as a condition of becoming a member of the team (Acemoglu & Pischke, 1999).

Next component of the Team is commitment. The degree of commitment, with which an individual of the group involves, however, can vary enormously according to the circumstances. At the lowest level, he may have been compelled to join this particular team by the organization as a price of continuing his career in it or he may have involved with the team with enthusiasm when he joined, but has now become disillusioned or no longer accepts the way the objectives have changed over time (Monsen, Erik, Boss, & Wayne, 2009). The individual team member is in a team in order to satisfy his own personal needs which need not be identical with those of the team. The balance between the individual's contribution and the satisfaction of the needs, the more harmonious the team is like to be. The final component of the above definition was willing to forego personal autonomy to the extent necessary to achieve the common objectives i.e., by joining a team one has to limit his freedom to do as he likes (Acemoglu & Pischke, 1998).

¹ samlha1@hotmail.com, Assistant Professor, Bahria University, Karachi, Pakistan

Early research into employee morale was generally directed toward the fostering of group rapport or group solidarity and the internalization of management goals by employees. The expectation was that the achieving of these aims would have positive and beneficial effects on absenteeism, - spoiled work, productivity, etc. It soon became apparent, however, that industrial employee morale was something more than group rapport. For "good" morale or a high level of morale to be maintained in a work group, some other conditions must be present. Among the most important of these are some measure of "success" in achieving group goals and some kind of individual and personal satisfaction. It therefore became necessary to study both the work group and the individual. Studies of the individual have centered on his prevailing needs, expectations, attitudes, and motives. As a result, some of the most significant work in the area of human motivation has been done in industrial settings (Baehr, Melany & Richard, Renck, 1958).

The first approach developed out of the classical "needs psychology" and includes those theories which stress the personal determinants of morale. In this approach, "needs" are seen as giving rise to "drives" which aim at the satisfaction of these "needs." A dichotomy between basic and acquired needs is generally made. Basic needs are those having a physiological substratum such as hunger, thirst, and sex; whereas derived or acquired needs are largely social, such as the need to achieve status and self-esteem and the need to affiliate with other people. Studies concerning the personal determinants of morale include those of McGregor, Burling, Allport, and Fraser. The second approach to the definition of morale deals with a hierarchy of needs. The most systematic development of this concept is given by Maslow. Very briefly, the theory holds that when basic needs are satisfied "higher" needs emerge which dominate the organism until these in turn are fully or partially satisfied. The physiological needs (hunger, thirst, sex, etc.) are regarded as the most basic and prominent. When these are satisfied, "higher" needs arise which are more social in nature and which concern the realization of the self. A third approach, stemming from the perspectives of Elton Mayo, led to an emphasis upon the significance of interactions among members of a working group. It is held that, in work as in other activities, one of man's strongest characteristics is to be continuously associated with his fellows (Jackofsky & Ellen, 1984). The investigations at the Hawthorne plant of the Western Electric Company during the years 1927-1932 led to the conclusion that overriding the effect of changes in physical working conditions (such as levels of illumination, wage incentives, hours of work, length and position of rest pauses) upon output were the feelings and sentiments attached to being an integrated part of a special work group. The investigations made a very significant contribution in calling attention to the existence and importance of the "social" motives in industry and in showing the need to investigate the pattern of group activity. Among the most systematic approaches to a theory of motivation applied to both individual and group patterns of behavior is the "field theory" as formulated by Lewin. Axtor (2001) has summarized the findings of individual studies applying field theory which have helped establish the importance of the view earlier formulated by the Hawthorne investigators. Levels of motivation and morale are not necessarily the end effects of specific incentives, i.e., of specific elements in the work situation or specific items of personnel practice. Levels of motivation and morale are a result of the total work situation and of its many overlapping dynamic interrelations which involve both the individual and the smaller groups in a larger social field (Baehr, Melany & Richard, Renck 1958)

RESEARCH METHOD

Method of Data collection

Personal survey technique is used for final data collection. The instrument used is questionnaires and filled by the employees of different organization through personal visits or emails. The participants received a survey packet in their organizations. The packet consisted of a questionnaire. Questionnaire consist of the scales to measure their initial reactions to their organization, a short demographic survey (including personal information privacy concerns and experience with organization), and an informed consent sheet. The respondents were asked to read the instructions and fill the questionnaire accordingly.

Sample Size

It comprises of nearly 387 Respondents, 420 questionnaires were send for data collection from which 387 are received.

Sampling Technique:

For the data collection convenience sampling was used. The data was collected through the HR Managers and employees of different departments and different designations. Different sectors were taken in the study to observe the problems related to particular sector.

Instrument of data collection:

Questionnaire was used as an instrument for the collection of data.

Insert table-1 here

Cronbach's Alpha was .993 which is greater than .5. Therefore, it was concluded that the variables used in this particular study are reliable to measure the constructs.

Statistical technique

Simple linear regression is used because the problem involves a single independent variable. To improve the prediction many sub-dimensions of independent variables are used. The accuracy is improved by using a constant in the regression mode termed as intercept α which represent the value of dependent variable (Employee Moral and Employee Retention) when the independent variable (Team Building) have a value of zero. The estimated change in the dependent variable (Employee Moral and Employee Retention) for a unit change of independent variable (Team Building) is the regression co-efficient β . It shows the extent to which the independent is associated with the dependent variable.

Research Model Developed

Regression Variate:

$$Y = \alpha + \beta X \text{ (Team Building)}$$

Y=Dependent Variable (Employee Moral, Employee Retention)

a= Constant, β =Regression co-efficient

X=Team Building

RESULTS

The model summary of the hypothesis reports R Square of 0.599. The significance value for the estimation of Organizational team building is less than 0.05, i.e., 0.00 indicating that the effect is significant. It means that there is long term relationship between organizational team building efforts and employee retention. The intercept / Constant value of 0.219 is due to sampling error, and the real constant term appropriate to the population is zero. The regression co-efficient of 0.840 indicates that an increase of one unit of Organizational team building is associated with an increase in the average number of employee retention held by 0.840 also does not differ significantly zero. The researcher assumed that they should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of team building in the simple regression model is .032. Does, the calculated t value is 26.142(Calculated as $.840 \div .032$) with the significance level of 0.000 which shows that the co-efficient is significantly different from zero with a high degree of certainty(100%) it can be interpreted that the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is significant at the level of 0.00 (100%) so the hypothesis is accepted. Thus the Prediction equation for calculating Employee Morale is

$$\text{Employee Morale} = 0.769 + 0.600(\text{Team Building})$$

For the employees retention the results show that there is positive relationship between organizational team building and employee retention. The model summary reports R Square of 0.430 .The significance value for the estimation of Organizational team building is less than 0.05, i.e., 0.00 indicating that the effect is significant. The intercept / Constant value of 0.769 is due to sampling error, and the real constant term appropriate to the population is zero. The regression co-efficient of 0.600 indicates that an increase of one unit of Organizational team building is associated with an increase in the average number of employee moral held by 0.600 also does not differ significantly zero. The researcher assumed that they should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of Organizational team building in the simple regression model is .032. Does, the calculated t value is 18.564 (Calculated as $.600 \div .032$) with the significance level of 0.000 which shows that the co-efficient is significant different from zero with a high degree of certainty(100%) it can be interpreted as the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is Significant at the level of 0.00 (100%). It shows that there is

long-term relationship between organizational team building efforts and employee retention. Thus the regression equation for calculating Employee retention is

Employee Retention =0.219+0.840(Team Building)

For team unity the significance value for the estimation of employee morale is less than 0.05, i.e., 0.012 which is greater than 0.05 indicating that the effect is non-significant. It means that the hypothesis is rejected. On the other hand team unity has no effect on employee morale.

For team performance the model summary reports R Square of 0.455. The significance value for the estimation of Team performance is less than 0.05, i.e., 0.00 indicating that the effect is significant. It means that more the team performance more is the employee morale. The intercept / Constant value of 0.983 is due to sampling error, and the real constant term appropriate to the population is zero. The regression coefficient of 0.518 indicates that an increase of one unit of team performance is associated with an increase in the average number of employee morale held by 0.518 also does not differ significantly zero. So it is assumed that they should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of team performance in the simple regression model is .032. Does, the calculated t value is 19.519 (Calculated as $.518 \div .027$) with the significance level of 0.000 which shows that the coefficient is significant different from zero with a high degree of certainty (100%) it can be interpreted as the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is significant at the level of 0.00 (100%).It means that the hypothesis is **accepted**. The result shows that team performance has significant effect on employee morale.

For team contribution the results show that there is positive relationship between team coordination and employee morale. The model summary reports R Square of 0.437. The significance value for the estimation of team coordination is less than 0.05, i.e., 0.00 indicating that the effect is significant. It means that more the team contribution more is the employee morale. The intercept / Constant value of 1.003 is due to sampling error, and the real constant term appropriate to the population is zero. The regression coefficient of 0.502 indicates that an increase of one unit of team coordination is associated with an increase in the average number of employee morale held by 0.502 also does not differ significantly zero. So it is assumed that they should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of team contribution in the simple regression model is .027. Does, the calculated t value is 18.260 (Calculated as $.502 \div .027$) with the significance level of 0.000 which shows that the coefficient is significant different from zero with a high degree of certainty(100%) it can be interpreted as the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is significant at the level of 0.00 (100%).It means that the hypothesis is **accepted**. The result shows that team contribution has significant effect on employee morale.

Individual contribution has significant effect on employee morale is shown by the results so there is positive relationship between Individual contribution and employee morale. The model summary reports R Square of 0.411. The significance value for the estimation of Individual contribution is less than 0.05, i.e., 0.00 indicating that the effect is significant. It means that more the individual contribution more is the employee morale. The intercept / Constant value of 1.076 is due to sampling error, and the real constant term appropriate to the population is zero. The regression co-efficient of 0.461 indicates that an increase of one unit of individual contribution is associated with an increase in the average number of employee morale held by 0.461 also does not differ significantly zero. So it is assumed that they should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of individual contribution in the simple regression model is .027. Does, the calculated t value is 17.301 (Calculated as $.461 \div .027$) with the significance level of 0.000 which shows that the co-efficient is significant different from zero with a high degree of certainty(100%) it can be interpreted as the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is Significant at the level of 0.00 (100%).It means that the hypothesis is **accepted**. The result shows that Individual contribution has significant effect on employee morale.

Team evaluation has significant effect on employee morale. The results show that there is positive relationship between team evaluation and employee morale. The model summary reports R Square of

0.425. The significance value for the estimation of team evaluation is less than 0.05, i.e., 0.00 indicating that the effect is significant. It means that more the team performance more is the employee morale. The intercept / Constant value of 1.047 is due to sampling error, and the real constant term appropriate to the population is zero. The regression co-efficient of 0.485 indicates that an increase of one unit of team evaluation is associated with an increase in the average number of employee morale held by 0.485 also does not differ significantly zero. So it is assumed that it should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of team evaluation in the simple regression model is .027. Does, the calculated t value is 18.380 (Calculated as $.485 \div .026$) with the significance level of 0.000 which shows that the co-efficient is significant different from zero with a high degree of certainty(100%) it can be interpreted as the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is Significant at the level of 0.00 (100%).It means that the hypothesis is **accepted**.

The model summary for team unit and employee retention reports R Square of 0.007. The significance value for the estimation of team unity is greater than 0.05, i.e., 0.00 indicating that the effect is not significant. The analysis of variances F test is used and the value of F is also not significant. It means that the hypothesis is rejected. The result shows that team unity has no significant effect on employee retention.

The results for team performance and employee retention show that there is positive relationship between Team Performance and employee retention. The model summary reports R Square of 0.575. The significance value for the estimation of team performance is less than 0.05, i.e., 0.00 indicating that the effect is significant. It means that more the team performance more is the employee retention. The intercept / Constant value of 0.586 is due to sampling error, and the real constant term appropriate to the population is zero. The regression co-efficient of 0.690 indicates that an increase of one unit of team performance is associated with an increase in the average number of employee morale held by 0.586 also does not differ significantly zero. So it is assumed that they should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of team performance in the simple regression model is .028. Does, the calculated t value is 24.873. (Calculated as $.586 \div .028$) with the significance level of 0.000 which shows that the co-efficient is significant different from zero with a high degree of certainty(100%) it can be interpreted as the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is significant at the level of 0.00 (100%) It means that the hypothesis is **accepted**. The result shows that team performance has significant effect on employee retention.

The results show that there is positive relationship between team coordination and employee retention. The model summary reports R Square of 0.626. The significance value for the estimation of Team coordination is less than 0.05, i.e., 0.00 indicating that the effect is significant. It means that more the team performance more is the employee retention. The intercept / Constant value of 0.552 is due to sampling error, and the real constant term appropriate to the population is zero. The regression co-efficient of 0.710 indicates that an increase of one unit of team Coordination is associated with an increase in the average number of employee morale held by 0.710 also does not differ significantly zero. So it is assumed that they should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of team between team coordination in the simple regression model is .026. Does, the calculated t value is 26.822 (Calculated as $.710 \div .026$) with the significance level of 0.000 which shows that the co-efficient is significant different from zero with a high degree of certainty(100%) it can be interpreted as the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is Significant at the level of 0.00 (100%).It means that the hypothesis is **accepted**. The result shows that team between team coordination has significant effect on employee retention.

The results show that there is positive relationship between Individual contribution and employee retention. The model summary reports R Square of 0.653. The significance value for the estimation of Individual contribution is less than 0.05, i.e., 0.00 indicating that the effect is significant. It means that more the Individual contribution more is the employee retention. The intercept / Constant value of 0.586 is due to sampling error, and the real constant term appropriate to the population is zero. The regression

co-efficient of 0.688 indicates that an increase of one unit of Individual contribution is associated with an increase in the average number of employee retention held by 0.688 also does not differ significantly zero. So it is assumed that they should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of team between Individual contributions in the simple regression model is .026. Does, the calculated t value is 28.444 (Calculated as $.688 \div .024$) with the significance level of 0.000 which shows that the co-efficient is significant different from zero with a high degree of certainty (100%) it can be interpreted as the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is Significant at the level of 0.00 (100%).It means that the hypothesis is **accepted**. The result shows that Individual contribution has significant effect on employee retention.

The results show that there is positive relationship between team evaluation and employee retention. The model summary reports R Square of 0.628. The significance value for the estimation of Team evaluation is less than 0.05, i.e., 0.00 indicating that the effect is significant. It means that more the team evaluation more is the employee retention. The intercept / Constant value of 0.568 is due to sampling error, and the real constant term appropriate to the population is zero. The regression co-efficient of 0.700 indicates that an increase of one unit of team evaluation is associated with an increase in the average number of employee morale held by 0.700 also does not differ significantly zero. So it is assumed that they should not be used for purposes of prediction or explanation. The appropriate test is t test. The standard error of team evaluations in the simple regression model is .025. Does, the calculated t value is 27.772 (Calculated as $.700 \div .025$) with the significance level of 0.000 which shows that the co-efficient is significant different from zero with a high degree of certainty(100%) it can be interpreted as the co-efficient is different from zero and should be included in the regression equation. For the analysis of variances F test is used and the value of F is Significant at the level of 0.00 (100%).It means that the hypothesis is **accepted**. The result shows that team evaluation has significant effect on employee retention.

CONCLUSION

The conclusion of this study is based on categorical results achieved through a cross sectional survey. It suggests that organizational team building efforts are obligatory to boost employee morale which will in turn increase the employee retention. Team building itself is a vast term which has so many sub dimensions. Form those sub dimensions team performance, individual contribution, team co-ordination, team evaluation were used in tested and proved that they play a pivotal role in enhancing employee morale and employee retention. The literature review also supported the study. It predicts the solution of these two rising problems in the corporate. As the globalization increases the problem of increasing employee morale is also increased. Through the findings of this study employers can increase the morale by increasing the organizational team building efforts in the organization.

Similarly, retaining of good and competent employees in order to increase the intellectual capital of the organization is the biggest challenge of our corporate. To overcome this problem organizational team building efforts again plays a vital role to address this problem.

REFERENCES

- Acemoglu, D. and Pischke, J-S, (1998), Why Do Firms Train? Theory and Evidence, The Quarterly Journal of Economics, 113, 79-119.
- Acemoglu, D. and Pischke, J-S, (1999) , Beyond Becker: Training in Imperfect Labour Markets, The Economic Journal, 109, 112-142.
- Autor, D.H, (2001) , Why Do Temporary Help Firms Provide Free General Skills Training?, Quarterly Journal of Economics, 116 , 1409-1448.
- Barnard, M.E. and Rodgers, R.A, (2000), How are Internally Oriented HRM Policies Related to High-Performance Work Practises? Evidence from Singapore, The International Journal of Human Resource Management, 11 (6): 1017-1046.
- Baehr, Melany E. & Richard, Renck. (1958). The Definition and Measurement of Employee Morale. Johnson Graduate School of Management, Cornell University, 3(2), 157-184.
- Che Chen, Yin, Chi Chen, Yun & Tsao, Ya-Lun, (2009). Multiple Dimensions to the Application for the Effectiveness of Team Building in ROTC, 129(4), 742+.

Griffin, Mark A., Patterson, Malcolm G. & West, Michael A., (2001). Job Satisfaction and Teamwork: The Role of Supervisor Support. *Journal of Organizational Behavior*, 22(5), 537-550.

Jackofsky, Ellen F.,(1984). Turnover and Job Performance: An Integrated Process Model, *The Academy of Management Review*, 9(1), 74-83.

McKnight, Harrison, Ahmad, Sohel, & Schroeder, Roger G.,(2001). When Do Feedback, Incentive Control, and Autonomy Improve Morale. *Journal of Managerial Issues*, 13(4), 466+.

Monsen, Erik & Boss, R. Wayne,(2009). The Impact of Strategic Entrepreneurship Inside the Organization: Examining Job Stress and Employee Retention. *Entrepreneurship: Theory and Practice*, 33(1), 71+.

Mealiea, Laird, (2005) A Strategic Guide for Building Effective Teams. *Public Personal Management*, 34 (2), 141+. Available at: <http://www.shrm.org/about/foundation/news/Documents/1006EmployeeEngagementOnlineReport.doc> - September 17, 2007 { Acemoglu, D. and Pischke, J-S, (1998), Why Do Firms Train? Theory and Evidence, *The Quarterly Journal of Economics*, 113, 79-119. <http://www.shrm.org/about/foundation/news/Documents/1006EmployeeEngagementOnlineReport.doc> - September 17, 2007 [assessed 23/01/2011]

Reliability Statistics (table-1)	
Cronbach's Alpha	N of Items
.993	73