



Uttara University

**Project Report
On
Impact of Employee Morale on Organizational Success**

Course Name: INTERNSHIP (INT631)

Submitted To

Farhana Mitu
Assistant Professor
School of Business

Uttara University, Dhaka.

Prepared by:

Jobayer Hossan
ID:2193061025
Batch: 50th
MBA FOR BBA
Major in HRM

Department of Business Administration

Uttara University , Dhaka.

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Letter of Transmittal

August 30, 2020

Farhana Mitu

Assistant Professor

School of Business, Uttara University , Dhaka.

Subject: Submission of project report on **Impact of Employee Morale on Organizational Success**.

Dear Madam,

With due respect, I would like to say that it's a great pleasure to submit a project report on **“Impact of Employee Morale on Organizational Success”** as part of the INT631 course. Last few months I gained several knowledge by doing this project. I have attempted my best to assemble all the information identified with the topic of this paper over the most recent couple of months.

Regardless of the different troubles confronted while setting up this report it was an extraordinary trial for me to work on **“Impact of Employee Morale on Organizational Success”** and I truly delighted in being a piece of the gathering.

I, therefore, pray and hope that you would be kind enough to accept my effort and oblige thereby.

Sincerely Yours,

Jobayer Hossan

ID: 2193061025,

50th Batch,

MBA for BBA,

School of Business,

Uttara University

Student's declaration

I declare that this is my original work and has not been presented for any other degrees at any other university.

Signature : Jobayer Hossan

Date: 30.08.2020

Jobayer Hossan

ID: 2193061025,

50th Batch,

MBA for BBA,

School of Business,

Uttara University

Supervisor's declaration

This is to certify that the project on **“Impact of Employee Morale on Organizational Success”** is prepared by **“Jobayer Hossan”**, ID: **2193061025**, Department of Business Administration of MBA FOR BBA from Uttara University. This report is an original work completed under my supervision.

She has permitted me to submit the project.

Farhana Mitu
Assistant Professor
School of Business

Acknowledgement

At the very beginning I would like to express my deepest gratitude to almighty Allah for giving me the strength and the composure to finish the task within the scheduled time. At the beginning of this report, I deem it is to record my appreciation & gratitude to a few persons who made my journey smooth and helped me to prepare this report in many ways. I am deeply in debt to my supervisor **Farhana Mitu** for his whole hearted supervision to me during the preparation of the report. Her suggestions and comments to make the report a good one was really a great source of spirit for me.

Also, Thank you to all of my friends for helping me by giving or sharing the information for preparing this project.

However, I tried very hard and worked very sincerely on this report to make an informative one.

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Acronym

OT	Organizational Trust
EM	Employee Morale

Summary

Employee morale is viewed as feelings of well-being an employee has in a workplace setting and it is proven to have a significant effect on job satisfaction and productivity. As morale describes the emotions and attitude, employees who are optimistic and happy tend to have high morale and employees who are pessimistic and unhappy have low morale. The research in this article focuses on the impact of employee morale on organization success. A relationship with the organization facilitates employees to develop trust and satisfaction that has an effect on developing positive morale. The plays of Morale are no less important for an industrial undertaking. The success or failure of the industry depends much on the Morale of the employees. This article describes the background of the term morale and the methods used by the industries to increase morale in the workplace. The outcome from this study is used for other factors in human resource management like Employee motivation and Job satisfaction.

Section - 1

1.0 Justification of the study

This study reflects on employee morale and discusses employee morale and its impact on the employee relation.

The study motivates me to improve the relations between the employees and the top-level management of a company. Employee morale refers to an attitude of satisfaction with a desire to continue and strive for attaining the objectives of an organization. Nowadays it is important to motivate them to keep their mind good. This will improve productivity.

I am interested in this topic because it will help an organization improve its productivity. This study will help an organization to follow and use them effectively in their organization.

This study will help me to increase my relationship with the employees of my company or if I do a job for a company, it will help me to keep a good relationship to keep effective morale.

Section -2

2.0 Objective of the study

The main objective of this study is to discuss the employee's morale and improve the productivity of an organization. Other specific objectives that were expected to be achieved from this study are-

- To study the Effectiveness of employee morale and its impact on employee relation
- To identify the level of satisfaction of employees towards the organization.
- To study various factors leading to employee morale in the organization.
- To suggest various measures to increase the morale of the employee.

Section 3

3.1 Methodology

This study had been conducted by analyzing 10 journal articles of famous researchers who have previously conducted several types of research on the same field. These articles are retrieved from renowned websites like researchgate.net etc. the study is based on the theoretical analytical approach to reach the results by reviewing the previous studies. The data were organized according to the relevance to the study about to be conducted. Data processing was done non-analytically to achieve the goal of the study.

3.2 Discussion

3.2.1 Introduction

Human resources are the most important asset in an organization. They are connected with organizational facets and functionalities and give meaning to their performances by achieving organizational goals. Therefore, the extent of employees' feelings is referred to as access to their morale. Employee morale refers to an attitude of satisfaction with a desire to continue and strive for attaining the objectives of an organization. Morale is purely blended with emotions. It is an attitude of an employee towards their jobs, superior and their organization. It is not a static thing, but it changes depending on working conditions, superior employees, colleagues, compensation, and so on. Morale Symbolizes A composite of feeling attitude and emotion that contribute to the general feeling of satisfaction is a state of mind and spirit affecting willingness to work which in turn affects individual and organization objectives, it describes the overall group satisfaction. Morale may range from very high to very low. High morale is evident from the positive feelings of employees such as enthusiasm desire to obey orders willingness to cooperate with, Poor or low morale becomes obvious from the negative feelings of employees such as dissatisfaction discouragement or dislike of the job. Employee morale is the concept and cases the rapidly increasing severe competition and employee attrition levels across various industries globally have made businesses take care of their employees as never before to boost their morale and

enthusiasm in order to retain them. Companies have accomplished wonders in terms of innovation, superior talent, good quality products, increased productivity, and soaring revenues. Building and sustaining morale in an organization is concerned with raising a strong business through its positive-minded people who always forward to going to work every day. Producing better products and services and creating an environment that attracts talented workforce to emerge as 'employee of choice'. Organization interest in knowing what the employee expects from their leaders, their work, the places, and implementing those desires and expectations create an infinite energy interest and zeal among the workforce.

3.2.2 Background of Employee Morale

According to Dalton t McFarland, morale is basically a group phenomenon that describes the level of favorable or unfavorable attitude of employees collectively to all aspects of their work the job the company, their tasks working conditions fellow workers superior, and so on. According To the classical approach, the satisfaction of basic needs is the symbol of Morale. According to Robert M. Guion "Morale Is defined as the extent to which the individual perceives that satisfaction stemming from total job satisfaction". According To Psychological Approach Morale is a psychological concept i.e., state of mind. According to Jurious Fillipo "Morale is a mental condition or attitude of individuals and groups which determines their willingness to cooperate". According to the social approach, some experts stated that Morale is a social phenomenon. According to Davis" Morale can be defined as the attitudes of individuals and groups towards their work environment and towards voluntary cooperation to the full extent of their ability in the best interest at the organization".

3.2.3 Types of Morale

High Morale will lead to enthusiasm among the workers for better performance. High Morale is needed as a manifestation of the employees strength, dependability, pride, confidence, and devotion. Some of the advantages of high Morale such as Willing Cooperation towards objectives of the organization, Loyalty To the organization and its leadership, Good Leadership, Sound Superior subordinate relations, High degree of employee's interest in their job and

organization, Bribe in the organization, Reduction In absenteeism and labor turnover, Reduction in a grievance, Reduction In industrial conflict, Teambuilding, Employee empowerment.

Low Morale indicates the presence of mental unrest. The mental unrest not only hampers production but also leads to the ill health of the employees. Low Morale exists when doubt in suspicion is common and when individuals are depressed and discouraged i.e., there is a lot of mental tension. Such a situation will have the following adverse consequences, High Rates of absenteeism and labor turnover, Decreased Quality, Decreased Productivity, Excessive Complaints and Grievances, Frustration among the workers, Lack of discipline, Increase errors, accidents or injuries.

3.2.4 High morale and low morale:

If the enthusiasm & willingness to work of a group is high we can say morale is high and vice versa justification good health is essential for an individual high. Morale is necessary for an organization's high morale represents an attitude for satisfaction with a desire to continue and willing to strive for the goals of the group under the condition of high morale, workers have few grievances frustrations and complaints. They are clear about the goals of the individual and organization and or satisfied with human relations in the organization.

3.2.5 Morale versus motivation

Morale should be distinguished from motivation. Although both are cognitive concepts they are quite different. Morale is a composite of feelings, attitudes, and sentiment that contribute to general feelings of satisfaction at the workplace. But motivation is something that moves a person's action. It is a process of stimulating activities to accomplish the desired goal.

3.2.6 Morale affect productivity

Morale has a direct effect on productivity. High morale leads and to high productivity & low morale leads to low productivity.

3.2.7 Factors influencing morale

- Nature of work
- Service conditions
- Type of managers
- Interpersonal relationships
- Personal factors of an employee
- Consequences of low morale
- Lack of enthusiasm
- Low performance level
- Poor quality of work High rate of absenteeism
- High rate of labor turn over
- Excessive complaints and grievances
- Increase in conflicts in conflict in the workplace
- Loss due to mishandling of tools and machines
- Scope for industrial accidents
- Loss of goodwill

3.2.8 Significance of morale

Morale is an important part of organizational climate. It is a vital ingredient for organizational success. Because it reflects the attitude and sentiments of organizational members towards the organization's objectives & policies .morale is the total satisfaction that employees derive from their job, their workgroup, their boss, their organization, and their environment.

3.2.9 Indicator of low morale:

Low morale indicates the presence of mental unrest such a situation will have the following adverse consequences.

1. High rate of absenteeism
2. Excessive complaints and grievances
3. Frustration among the workers & Lack of discipline

4. Friction among the workers
5. Antagonism towards leadership of the organization

3.2.10 Measurement of morale

It is hard to measure morale directly as it is possible for the intangible state of mind of the workers. There are 4 methods that can be used for measuring the morale of the employee activity indirectly.

1. Observation
2. Attitude or morale survey
3. Morale indicators
4. Suggestion box

1. Observation

The managers can measure the morale of the employees keenly observing and studying their activities & behavior. Since the managers are close to the scene of action they can always find out behavior & report promptly. The objective is not a very reliable way of measuring morale.

2. Attitude or morale survey

The survey helps know the opinion of the employee by direct interview or by questionnaires. The effort is made to find out the view of employees about their job coworkers, supervisors, and the organization.

3. Morale indicators

Employee morale can be measured by examining company records regarding absenteeism, labor turnover, fluctuations in output, quality records excessive waste and scrap, training records, accident rate, and the number of grievances filed.

4. Suggestion box

Employees can be asked to put in their complaints, protests, & suggestions in a suggestion box even without disclosing their identity. Morale generates long term benefits such as improving goodwill & increasing productivity for the organization and satisfied employees are an asset to the organization.

3.3 Literature Review

Karen E. Mishra (1998) mentioned the team concept of GE that to build trust employers shared important information on the plant's operations with employees and addressed long-standing grievances between union and management. Employee morale is accomplished through encouraging open and honest communication, considering the feelings and viewpoints of others, and encouraging involvement and risk-taking in decision making. He concluded that team building has a long term positive relationship between employee morale and employee retention. Team performance, individual contribution, team evaluation, and coordination have a long term positive relationship between employee morale and employee retention. Team unity has no significant effect on employee morale and employee retention.

Fard et. al. (2010) specified that organizational trust leads to improved organizational effectiveness and has an impact on developing interpersonal relationships. The trust provides a basis for security and confidence in the intention and actions of supervisors, managers, and organizational leaders that result in a positive attitude, high performance, and high morale.

Ashraf Tag-Eldeen (2017) has investigated that workplace bullying has an impact on employee morale, performance, and turnover intentions. He found the significant effects of workplace bullying on the multiple organizational outcomes including morale and turnover intentions. Other drawbacks of these practices include undermining teamwork, lowering productivity, and increasing staff sickness, absence, and turnover rates. It also costs time and money, affects the quality of service delivery, and damages the organization's reputation.

Osama Samih Shaban (2017) examines the effect of low morale and motivation on employee's productivity and competitiveness. As low productivity and loss of competitiveness are outcomes of low morale and low motivation and may sometimes lead to further undesired symptoms such as absenteeism and sabotage. And he recommended the management to work on increasing productivity by increasing employee satisfaction through re-engineering systems and processes and providing incentives, education, and training.

Surya Rashmit Rawat(2015) revealed that there is an impacting leadership over employee morale and motivation and he mentioned leadership competencies such as communication, fostering trust, and team building that set a clear direction for the impact on morale. It is recommended the best fit between personality, age, experience, the attitude of the leader, and follower involves a lot of freezing, unfreezing, and refreezing exercises in accordance with the working environment. Therefore, he evaluated the significant impact of leadership over employee morale and motivation.

Daeij Al Hosni (2016) analyzed the main issues on the scrutiny of personal belongings and the effect of it on employee morale. He reveals that the employees understand the logic behind the measures, are not reluctant, and hence no negative impact on the employee's morale. He demonstrated that there is a strong association between employee privacy, trust, tolerance, and morale of employees. The major factors that impedes the security procedures are trust and privacy.

Monga,Verma, Monga(2015) in their research paper authors have tried and identified a crucial understanding at ICICI Bank. Himachal Pradesh which examined the level of employee satisfaction at 6 branches in Himachal Pradesh which has 80 employees, results found was from the analysis of data revealed that employee morale can be highlighted only by increasing various employee welfare measurements and appreciate good work from superior which makes employee productivity high.

Singh, Jain (2013) states that the employee's overall presentation commonly mirrors the lesson of the organization. In comparison with administration, cheerful employees speak positive about organization and they reinforce the workplace and increment the worker's spirit and

representative's fulfillment to improve representative execution and profitability, which at last outcomes in high benefits, consumer loyalty, and also client maintenance.

Upadhyay, Gupta (2012) elucidate that the satisfied educates us that Satisfied representatives are accounted for to have high determination. Welfare measures and work encounter does not really identify with fulfillment. Therefore, it's suggested that the organization ought to accommodate sufficient welfare measures yet ought not trouble itself by expanding the cost of some portion of it in voracity to procure the aggressive edge and proclaim itself as the most wanted organization.

Senthilnathan, Rukshani (2013) the main focus of the study clarify that the hierarchical trust and employee spirit progress with their related segments, and factors lead to an increase once productivity.

Section - 4

4.1 Discussion

Objective-1: I wanted to learn about the effectiveness of employee morale and its impact on employee relations. I learned how employee relationships can increase an organization's productivity. **Karen E.Mishra (1998)** mentioned in his article that Employee morale is accomplished through encouraging open and honest communication.

Objective-2: I learned that satisfaction is the symbol of morale. **Osama Samih Shaban (2017)** stated that productivity can be increased by employee satisfaction.

Objective-3: I have also learned various factors that can affect leading to employee morale in the organization.

Objective-4: I have learned various measures that can increase employee morale in the organization.

- **Ashraf Tag-Eldeen (2017)** has investigated that workplace bullying has an impact on employee morale, performance, and turnover intentions.
- **Osama Samih Shaban (2017)** examines the effect of low morale and motivation on employee's productivity and competitiveness.
- **Daeij Al Hosni (2016)** analyzed the main issues on the scrutiny of personal belongings and the effect of it on employee morale.
- **Upadhyay, Gupta (2012)** suggested that the organization ought to accommodate sufficient welfare measures yet ought not trouble itself by expanding the cost of some portion of it in voracity to procure the aggressive edge and proclaim itself as the most wanted organization.
- **Senthilnathan,Rukshani (2013)** the main focus of the study clarify that the hierarchical trust and employee spirit progress with their related segments, and factors leads to an increase once productivity.

Section - 5

5.1 Future Forward

1) Did I find any topic of inquiry from my current work? What can I do next?

Ans: I found that employee morale can increase productivity. Lots of organization does not focus on this topic too much. They should focus on it for their success. In the future, I can work on employee morale which will lead to organizational success.

2) What question now (at the end of my work) hit my mind?

Ans: I have several questions these are hitting on my mind they are-

- How I Can Boost Employee Morale in the Workplace?
- What's the morale condition in our country organizations?

3) While pursuing my topic of interest I came across some questions which I consider important but I don't have a good understanding of them. What are those questions?

Ans: I came across the following question are:

- Is all the organization needs to increase the morale of their employees?
- Is it difficult to increase morale on the illiterate people?

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APPENDICES

Appendix I Introducing Consulted Article

Sl	Article Title	Author(s)	Journal Name	Volume & Issue	Year	Publisher
1	Preserving employee morale during downsizing	Karen E.Mishra	Massachusetts Institute of Technology	39(2)	1998	Researchgate
2	Employees morale in public sector: Is organizational trust an important factor?	Fard et. al.	European Journal of Scientific Research	46(4): 378-390	2010	Researchgate
3	Investigating the Impact of Workplace Bullying on Employees' Morale, Performance and Turnover Intentions in Five-star Egyptian Hotel Operation	Ashraf Tag-Eldeen	Tourism and Travelling	1:4-13	2017	Researchgate
4	The Effect of Low Morale and Motivation on Employees' Productivity &	Osama Samih Shaban	International Business Research	10(7):1-7	2017	Researchgate

	Competitiveness in Jordanian Industrial Companies					
5	Impact Of Transformational Leadership Over Employee Morale And Motivation	Surya Rashmit Rawat	Indian Journal Of Science And Technology	8(6): 25-34	2015	Researchgate
6	THE EFFECT OF SECURITY PROCEDURES ON EMPLOYEE MORALE	Daeij Al Hosni	International Journal of Management Innovation & Entrepreneurial Research	2(2):24 -33	2016	Researchgate
7	Study of Job Satisfaction of Employees of ICICI bank in Himachal Pradesh	Anubhuti Monga, Narinder Verma, O. P. Monga	Resource Management Research	5(1):18 -25	2015	Researchgate
8	A Study Of Employees' Job Satisfaction And Its Impact On Their Performance	Singh, Jain	Journal of Indian Research	1(.4): 105-111.	2013	Researchgate
9	Morale, Welfare measures, Job Satisfaction	Upadhyay, Gupta	The Key Mantras for Gaining Competitive Edge, IJPS	2 (7)	2012	Academia

10	A Review on the Relationship between Organizational Trust and Employee Morale	Senthilnathan, Rukshan	SSRN Electronic Journal,		2012	Researchgate
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Appendix II

Compilation of Objectives/ Purposes/ Questions/Hypotheses Addressed by the Articles

Article	Objectives/ Purposes/ Questions/Hypotheses
1	Objectives is to preserve Employee Morale during Downsizing
2	The application of this project is for decision makers and managers for considering factors and affairs related to morale and trust in organization.
3	Investigating the impact of workplace bullying on employees' morale, performance and turnover intentions in five-star Egyptian hotel operation
4	To examine the effect of low morale and motivation on employees' productivity and competitiveness.
5	To study the impact of transformational leadership over employee morale and motivation if any
6	The objective of the study is to critically analyze the main issues on the scrutiny of personal belongings and the effect of it on the employee morale and to understand the due impact so as to find out a simplified work atmosphere in order to increase task force retention.
7	To assess the level of job satisfaction of employees of the ICICI bank.

8	Objective of the study is as follows: • To identify the factors which influence the job satisfaction of employees. • To identify the impact of employees' job satisfaction on their performance. • To identify the factors which improve the satisfaction level of employees.
9	To find out if the welfare measures provided by the company is satisfactory or not.
10	The primary objective of this study is to examine the relationship between (OT) and (EM).

Appendix III

Compilation of Methods

Article	Methods
1	The research program began in the late 1980s and draws on extensive interviews with top managers who have implemented downsizings, surveys of employees who have both been laid off and survived downsizings, and in-depth case studies of companies that have successfully downsized
2	The research method is based on descriptive analysis and the population is included in public services' organizations employees.
3	descriptive analytical approach
4	The primary data needed for the study objectives were collected through a survey conducted among different Jordanian industrial companies.
5	This research is based on primary as well as secondary data. Primary data was collected through a questionnaire survey and in depth interview of a sample of 378 employ-ees of three different educational institutions
6	The study was conducted with 260 employees working in the Oil fields of Sohar

	industrial port, Oman.
7	Quantitative Method
8	Descriptive method
9	Primary as well as secondary Using Questionnaire
10	Quantitative Method

Appendix IV

Complication of Conclusions

Article	Conclusions
1	Drawing on findings from an ongoing research program on effective strategies for downsizing, they argue that maintaining the trust and empowerment of survivors is essential to minimize costs and realize the expected gains.
2	Have considered different components affecting organizational morale, among them organizational trust is regarded as the most effective component and the analytical model examines the correlation between them.
3	Employees morale has become invaluable for maintaining outstanding organizational performance and retaining employees.
4	The effect of low morale and motivation on employees' productivity and competitiveness.
5	Towards the end, the researcher found that there is a significant relationship between transformational leadership and employee's morale & motivation.
6	The effect of security procedures on the employee morale .
7	After the analysis of statistical data and findings arrived, it can be concluded that

	employees in the ICICI bank in Himachal Pradesh nurture differential level of satisfaction across organizational variables, such as, salary/ compensation, training and development, the nature of job, work life balance, colleagues relationship, job security, chain of communication or relationships, decision-making, welfare measures, rewards and recognition, attitude of superiors, roles of the employees, working conditions, team work promotion policies etc.
8	Employee attitudes typically reflect the moral of the company.
9	Satisfied employees are reported to have high morale. Welfare measures and work experience does not necessarily relates to satisfaction.
10	This study considered this as an issue in public sector and attempt to investigate the relationship of the organizational trust to employee morale from employees.