

AN EMPIRICAL ANALYSIS TO EXAMINE THE MOTIVATIONAL FACTORS AND ITS EFFECT ON BANK EMPLOYEES

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ABSTRACT

Aim- This paper aims at analyzing the impact of motivational factors on employees of public and private sector banks in Raipur city. **Design/methodology/approach –** Primary Data were collected through structured questionnaire containing 12 questions from public and private sector bank employees in Raipur city. The analysis was done through SPSS version 16. **Research Plan-** Primarily, factors effecting motivation was identified through literature review. After then chi square test was performed to identify the significant effect of demographic factor on motivational aspect. **Findings –** It has been found that employees were motivated and satisfied by good remuneration, training, good culture, rewards, incentives, correct feedback, job security, performance appraisal process etc. Also, it was also found that age and working conditions of the bank are independent in context to motivational level. **Practical implications –** Motivational Factors of employees of various designation differs across culture to culture & also it varies by employee skill and type of work, so same study may vary. **Originality–** The paper has a specific rationale and is an industry & region specific study. The findings of this study can be used for further research.

KEYWORDS: Employee Motivation, Intrinsic Motivation, Extrinsic Motivation, Banks.

The Indian banking industry nowadays has become customer centric. To strive in this competitive and challenging market, the organizations are bound to have an efficient and committed workforce because it is the human capital that accelerates the company's growth. To have that dedication, employee satisfaction is must, and to have that satisfaction, motivational factors whether intrinsic and extrinsic plays an important role.

This study focuses on analyzing the impact of motivational factors on employees in banks. We all know that there is difference in the work of employees of different designation, so the motivational factor may vary.

As far as employee motivation is concerned it is defined as a reflection of energy, commitment and creativity that a company's workers bring to their jobs (Luthans). The objective of motivation is to create condition in which people work with zeal, interest, and enthusiasm, with a high personal and group moral satisfaction with a sense of responsibility. Motivation techniques are utilized to enhance employee growth and for achieving a competitive edge. Motivation is considered so as to get:

- Highly satisfied workforce
- The workers will cooperate voluntarily
- Efficient Workers will strive to improve their skills and knowledge.
- Low rate of labor's turnover and absenteeism.
- Good human relations in the organization.

- Increased quality and quantity of products. Wastage and scrap will be less.

Motivation is of two types: Intrinsic and Extrinsic Motivation. Intrinsic Motivation is driven by an interest or enjoyment in the task itself, and exists within the individual rather than relying on any external pressure. It is based on taking pleasure in an activity rather working for external reward. Extrinsic Motivation on the other hand is a construct that occurs whenever an activity is done in order to attain some result. Common extrinsic motivation is rewards like money and grades and threat of punishment. Understanding and maintaining employee motivation is very much necessary for a company. By knowing what encourages their employees, a company will be able to execute different policies to increase their performance. In order to understand employee motivation, one must realize that different things motivate different employees. Since it is impossible to meet every employee's needs, the company must develop that incorporates all of the elements of employee motivation.

LITERATURE REVIEW

Theoretical Concept

The term motivation derived from the Latin word *movere*, meaning "to move" (Retainer, 1998). Motivation represents "those psychological processes that cause the arousal, direction, and persistence of voluntary actions that are goal oriented

There are two main types of motivation: intrinsic and extrinsic.

Intrinsic Motivation

Occurs when people are internally motivated to do something because it either brings them pleasure, they think it is important, or they feel that what they are learning is significant.

Extrinsic Motivation

Comes into play when an individual is compelled to do something or act a certain way because of factors external to him or her (like money or good grades).

Motivation Theory: Many motivation theories related to human needs:

1. Content Theory
2. Abraham Maslow's hierarchy of need theory
3. Herzberg's two-factor theory
4. Aldermen's ERG theory
5. McClelland's acquired needs theory

A brief description of the above theories will be provided.

Content Theory

It explains why human needs change with time. Another theory that attempts to explain human behavior is Process theory. Content theory includes the work of David McClelland, Maslow and other psychologists as they attempted to explain why human needs change, but not how they change.

Content theories explain the specific factors that motivate people. In other words, they answer the question what drives behavior?.

In other words, the content theory is highlighting the factors inside individual that influence the people behavior. It divides these needs to primary needs and secondary needs. Primary needs: Needs that deal with the physical aspects of behavior and are considered unlearned. These needs are biological in nature and relatively stable. Their influences on behavior are usually obvious and hence easy to identify. Secondary needs: Needs that are psychological, which means that they are learned primarily through experience. These needs vary significantly by culture and by individual.

Abraham Maslow's Hierarchy of Need Theory

It is one of the important theories related to motivation. Maslow defines the need as physiological or psychological deficiency that a person feels the compulsion to satisfy. This need can create tensions that can influence a person's work attitudes and behaviors.

Maslow's hierarchy of needs is often portrayed in the shape of a pyramid, with the largest and most fundamental levels of needs at the bottom, and the need for self actualization at the top. The most fundamental and basic four layers of the pyramid contain what Maslow called "deficiency needs" or "d-needs": Esteem, friendship and love, security, and physical need.

Herzberg's Two-Factor Theory

The theory to which we now turn often is referred to as the two-factor theory, designation that has its rationale in the dual nature of its approach to the sources of job satisfaction, and ultimately job motivation. The initial source of the theory was a comprehensive review of the literature on job attitudes and satisfaction undertaken by Herzberg and his associate at Psychological Service of Pittsburgh (Herzberg, Mainer, Peterson, and Capwell 1957)

Hygiene Factors

These include salary, job security, working conditions, organizational policies, and technical quality of supervision. Although these factors do not motivate employees, they can cause dissatisfaction if they are missing.

Satisfiers or Motivators

Include such things as responsibility, achievement, growth opportunities, and feelings of recognition, and are the key to job satisfaction and motivation.

Aldermen's ERG Theory

Clayton Aldermen's ERG (Existence, Relatedness, and Growth) theory is built upon Maslow's hierarchy of needs theory. To begin his theory, Aldermen's collapses Maslow's five levels of needs into three categories. Existence needs are desires for physiological and material well-being. (In terms of Maslow's model, existence needs include physiological and safety needs) Relatedness needs are desires for satisfying interpersonal relationships. Growth needs are desires for continued psychological growth and development.

McClelland's Acquired Needs Theory

David McClelland's acquired needs theory recognizes that everyone prioritizes needs differently. He also believes that individuals are not born with these needs, but that they are actually learned through life experiences. McClelland identifies three specific needs:

Need for Achievement is the drive to excel.

Need for Power is the desire to cause others to behave in a way that they would not have behaved otherwise.

Need for Affiliation is the desire for friendly, close interpersonal relationships and conflict avoidance.

McClelland associates each need with a distinct set of work preferences, and managers can help tailor the environment to meet these needs. High achievers differentiate themselves from others by their desires to do things better.

REVIEW FROM RESEARCH PAPERS

Motivation can also define as internal and external factors that stimulate desire and energy in people to be continually interested in and committed to a job, role, or subject, and to exert persistent effort in attaining a goal.

In the research study of Employee Motivating in Private Organization, Motivating is the work managers perform to inspire, encourage and impel people to take action (Louis Allen 1986). To motivate the employees, the employee must be reached to reach him there must be a completed understanding of the complexity his make-up (Louis Allen 1986). In fact, motivation can best be accomplished when workers are able to merge their personal ambitions with those of the organization.

Campbell and Pritchard (1976) in defines motivation as a set of independents and dependent relationships that explains the direction and persistence of an individual's behavior holding constant the effects of aptitude, skills, understanding of a task and the constraints operating in the work environment .

OBJECTIVES OF THE STUDY

The objectives of the study are:

1. To have an in depth knowledge of concept of motivation
2. To analyse the key motivational factors that affect employee motivation

3. To know the dependency level of demographic factor on employee motivation

RESEARCH METHODOLOGY

The research processes is carried out to a series of a designed series of steps, which are required to be taken in the Chronological order.

Problem Identification

The first and foremost step in this research is process is to identify the problem chosen for investigation. This step is very significance, ones it is said, "A problem well identified is half way to solution".

Research Design

A research design is master plan or model for the conduct of formal investigation. Once the formal investigation is decided, the researcher must formulate the formal plan of the investigation. For this project, exploratory research is applicable. Exploratory research often relies on secondary research such as reviewing available literature and/or data, or qualitative approaches such as informal discussions with consumers, employees, management or competitors, and more formal approaches through in-depth interviews, focus groups, projective methods, case studies or pilot studies.

Data Collection Method

The purpose of data collection is to obtain information to keep on record, to make decisions about important issues, to pass information on to others. There are two types of data collecting method:-

Primary Data

Consist of surveys through questionnaire, observation, interviews and focus groups, which shows that direct relationship between potential customers and the companies. The observation method is the most commonly used method especially in study related to behavioral sciences. For this research, structured questionnaire is taken.

Secondary Data

Secondary data is data collected by someone other than the user. Common sources of secondary data for social science include censuses, surveys, organizational records and data collected through qualitative methodologies or qualitative research.

Sampling Size

In this project the sample, size is 100 whose responses are carried out by structured questionnaire.

Sampling Plan

Whatever the method adopted for collecting data, it is quite possible to meet one all or to collect the information to whole population the only possible is to made selection from them. This sample means a small group taken from a large lot. For this research, Simple random sampling is taken.

HYPOTHESIS

H₀: Age and working conditions of employees are independent of motivation

H₁: Age and working conditions of employees are dependent on motivation

DATA INTERPRETATION

On the basis of questions asked to the respondents.

1. I am satisfied with my remuneration.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	26	26.0	26.0	26.0
Satisfied	60	60.0	60.0	86.0
Neutral	13	13.0	13.0	99.0
Dissatisfied	1	1.0	1.0	100.0
Total	100	100.0	100.0	

Interpretation: Maximum employees are satisfied with remuneration given by the bank.

2. I have been trained enough for my job.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	17	17.0	17.0	17.0
Satisfied	59	59.0	59.0	76.0
Neutral	17	17.0	17.0	93.0
Dissatisfied	4	4.0	4.0	97.0
Highly dissatisfied	3	3.0	3.0	100.0
Total	100	100.0	100.0	

Interpretation: Many of the employees are satisfied with the training provided by the bank.

3. I am satisfied with the culture of my bank.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	25	25.0	25.0	25.0
Satisfied	58	58.0	58.0	83.0
Neutral	13	13.0	13.0	96.0
Dissatisfied	3	3.0	3.0	99.0
Highly dissatisfied	1	1.0	1.0	100.0
Total	100	100.0	100.0	

Interpretation: Maximum employees are satisfied with the culture of their bank.

4. I am happy with the reward and incentives given by the bank according to my work.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	11	11.0	11.0	11.0
Satisfied	7	7.0	7.0	18.0
Neutral	15	15.0	15.0	33.0
Dissatisfied	67	67.0	67.0	100.0
Highly dissatisfied	0	0	0	100.0
Total	100	100.0	100.0	

Interpretation: Maximum employees are not satisfied with the rewards & incentives given by their bank.

5. I am satisfied with the relationship with my superiors.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	10	10.0	10.0	10.0
Satisfied	22	22.0	22.0	32.0
Neutral	31	31.0	31.0	63.0
Dissatisfied	31	31.0	31.0	94.0
Highly dissatisfied	6	6.0	6.0	100.0
Total	100	100.0	100.0	

Interpretation: Most of the Employees are having neutral feeling or are dissatisfied with relationship with their superiors.

6. My boss gives proper feedback to my complaints.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	26	26.0	26.0	26.0
Satisfied	51	51.0	51.0	77.0
Neutral	21	21.0	21.0	98.0
Dissatisfied	2	2.0	2.0	100.0
Highly dissatisfied	0	0	0	100.0
Total	100	100.0	100.0	

Interpretation: Employees of the bank are satisfied with the feedback given by their boss.

7. The atmosphere of my bank is safe.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	31	31.0	31.0	31.0
Satisfied	42	42.0	42.0	73.0
Neutral	26	26.0	26.0	99.0
Dissatisfied	1	1.0	1.0	100.0
Highly dissatisfied	0	0	0	100.0
Total	100	100.0	100.0	

Interpretation: Maximum employees feel safe in their bank.

8. I feel unsecured for my job.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	0	0	0	0
Satisfied	4	4.0	4.0	4.0
Neutral	45	45.0	45.0	49.0
Dissatisfied	37	37.0	37.0	86.0
Highly dissatisfied	14	14.0	14.0	100.0
Total	100	100.0	100.0	

Interpretation: Many of the employees have neutral feelings about the insecurity of their job.

9. I am doing my job as per my qualifications.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	14	14.0	14.0	14.0
Satisfied	26	26.0	26.0	40.0
Neutral	15	15.0	15.0	55.0
Highly dissatisfied	36	36.0	36.0	91.0
Highly dissatisfied	9	9.0	9.0	100.0
Total	100	100.0	100.0	

Interpretation: Maximum of the employees thinks that they are not doing job as per their qualification.

10. Time to time performance appraisal is conducted at my bank.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly satisfied	25	25.0	25.0	25.0
Satisfied	50	50.0	50.0	75.0
Neutral	16	16.0	16.0	91.0
Dissatisfied	8	8.0	8.0	99.0
Highly dissatisfied	1	1.0	1.0	100.0
Total	100	100.0	100.0	

Interpretation: Maximum employees are satisfied with the performance appraisal program conducted by their bank.

11. My bank provide user friendly environment for new technologies.

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Satisfied	26	26.0	26.0	26.0
Satisfied	55	55.0	55.0	81.0
Neutral	16	16.0	16.0	97.0
Dissatisfied	3	3.0	3.0	100.0
Highly dissatisfied	0	0	0	100.0
Total	100	100.0	100.0	

Interpretation: Many agrees on providing user friendly environment by their bank for new technologies.

12. My bank allows me to maintain a balance between my professional and personal life

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Satisfied	26	26.0	26.0	26.0
Satisfied	55	55.0	55.0	81.0
Neutral	16	16.0	16.0	97.0
Dissatisfied	3	3.0	3.0	100.0
Highly dissatisfied	0	0	0	100.0
Total	100	100.0	100.0	

Interpretation: Most of the employees of the bank are satisfied with the balance provided by the bank between their personal and professional life.

Hypothesis Testing

H₀: Age and working conditions of employees are independent of motivation

H₁: Age and working conditions of employees are dependent on motivation

Chi-Square Tests

	Value	D f	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.809 ^a	9	.455
Likelihood Ratio	10.738	9	.294
Linear-by-Linear Association	.392	1	.531
N of Valid Cases	100		

Interpretation: As the calculated value is 0.455 which is less than 0.5, the null hypothesis is accepted and the alternative hypothesis is rejected. So we can conclude that age and working conditions of the bank are independent of motivation.

FINDING OF THE STUDY

From the above analysis, the findings can be given as:

1. Employees feel motivated if they get fair remuneration.
2. Most of the Employees are satisfied by the training provided to them by their bank, also many of them appreciate that exposure of new technology is there.
3. Good culture of the bank motivates the employees.
4. Proper feedback given by the boss motivates the employees.
5. Employees feel motivated if they feel that they are safe in organization and a Sense of job security also motivates the employees.
6. Employees feel motivated with time to time performance appraisal.

The employees also feel that their bank provides for the Work life Balance, so that they can make a balance between their professional and personal life. Though many employees are not satisfied by the incentives and remuneration by their organization and also they feel that they are not doing the job as per their qualification.

Hypothesis Testing

Since the calculated value of the analysis is 0.455 which is less than 0.5, therefore null hypothesis is accepted. So we can conclude that age and working

conditions of the organization are independent of the motivation.

SUGGESTIONS

Money being a great motivator affects the motivational level of the employees which in turn influence their efforts. To eradicate this problem, the organization should try to go for skill based pay. Another Negative orientation was found in the way the employees feel that they their qualification and work content is not at par. Through skill based pay method, this problem can be solved. To improve their sense of belongingness, more time for leisure activities should be provided to the employees. Also informal gathering should be conducted at small time intervals.

LIMITATIONS OF THE STUDY

1. The questionnaire location was limited only to Raipur.
2. The questionnaire about employees' motivation has been filled by some people who are working in non-motivation environment.
3. The length of the questionnaire is too short to cover all the factors responsible for employee motivation

CONCLUSION OF THE STUDY

Every employee in the organization needs a motivation program which will affect his/ her productivity. It is clear to all managers, motivating the employee will yield a very high production rate and highly motivated employee invests his / her best efforts in carrying out each and every element of his / her duties and responsibilities.

Based on the organization environment, job satisfaction will come on the picture to build the employee loyalty. Enhanced job performances of the employee will add value to the organization itself and to the employee's productivity. The empirical results of this study show that the motivation of the employee has advantages to the employee and the organization and the organization will keep the loyalty of the employee at the high peak. Also, the employee will trust his / her organization, supervisor and top management.

From above analysis and facts, it is very clear that business organizations can survive and grow by taking care of their employees.

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