

Factors Motivating Employees in Public Sector Banks: An Empirical Investigation

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Abstract:

The aim of the study is to determine the Factors Motivating employees in the Banking Sector of Pakistan with respect to their demographic Reflections, In order to achieve the purpose the researcher was required to get the questionnaire filled from employees working at different organizational level in banks of Pakistan such as namely First Women Bank, National Bank of Pakistan and Sindh Bank. In order to get result different test were performed which shows that all the motivational factors and Hygiene factors taken in to account which

include “Fair wages and Promotion”, “Health and other services” , “Work environment” , “Job Specification”, “Prestige and Request” , “Management Policies and Style” , “Non-Cash Benefits”, “Sports” and lastly “Setting and Defining Goals” play a significant role in motivating employees. Thus helping Public banks of Pakistan to direct their focus on the above mentioned factors in order to not only retain employees but also increase their performance.

Key words: Motivation, Banks, Pakistan, Hygiene factors, Public Sector.

1. Introduction

1.1 Background of the study

The concept motive is defined as a drive that leads to the motivation of employees in the workplace. Motivation is a key factor in social services and equally valuable to the social work manager. Motivation is to maintain and control the behavior of desirable actions as a stimulant. The importance of motivation reflect simple in theory, but it is difficult to measure experience. Payment is often enough to make the organization of employees, but not sufficient to achieve its potential. Motivated employees to maintain a high level of innovation, while producing higher quality work at a higher level of efficiency. It is empirically tested that the level of motivation is relatively low in public sector organizations as compare to private sector organizations in developing economies and mainly in Pakistan. There are very few public sector organizations that keep their employees motivated and earn higher returns whereas banks are highly known for heavy work load, long working hours and least motivated employees. The gap in literature was identified to examine the factors which are responsible for low level of motivation of employees and their demographic reflections of public sector organizations in Pakistan therefore this study will focus on the Banking Sector.

Motivation "in a particular job and the employee contribution behavior" (Kocel 2003) is defined as the basic tools of financial rewards, incentives and psychosocial management and organization are discussed. Inspired ideas and instruments to encourage research refer to the description. To generate enthusiasm by the presence of international instruments is service organizations capable of "one size fits all". Employees are encouraged to work with the challenge of managing different devices for approval and implementation.

This research study is replication to the work done by (Safakli and Ertanin 2012), in his study he has focused on the banking sector of Northern Cyprus, in which he has studied the motivation as one of the main factors that contribute to employee presentation or the way staff perform are considered in relation to the banking division in the northern part of Cyprus. The results of this study indicated that the main factors that motivate employees include, fair pay and promotion, absolute health benefits and other social benefits and working environment. Another important discovery of this study was that the reward and promotion have the peak prospective for motivating workers carry out not differs according to demographic distinctiveness. Therefore, this research will be repeated in public sector banks in Pakistan to identify factors that affect the level of motivation of employees in the banking sector.

1.2. Objectives

- To examine the current level of motivation among bank employees
- To identify factors that can improve the motivation level and employee performance of bank employees in Pakistan
- To investigate the various motivational factor available to the employees of banking sector in Pakistan.

1.3. Scope

Now days due to increase competition from the private sector, the public sectors of Pakistan are looking for ways through which they could increase the performance of their employees and thus help them compete with the private sectors, increasing the performance of employees is not the only issue that public sector organizations of Pakistan are facing nowadays another important issues is of retention of employees, as employees dissatisfied with the public sector easily switch to private sector banks, which further increase their cost of doing business. This is the reason that now banking sector is looking towards motivating employees, the purpose of this study is to identify those specific factors that remain constant over time thus help banks in motivating employees, this study will not only help banking sectors but also other organization as well as the academic researcher by making a significant contribution to the literature.

1.4. Problem Statement

In any working environment, employees used to encounter several impediments while working. Such impediments may cause them to negotiate with some undesired feelings, which in turn to make them give mediocre of exemplary towards organizational productivity. The feeling can be deemed as motivation, to pursue desired course of action, or exhibition of indifference. In order to accomplish identified objectives of the study, the researchers aim at to empirically test the “Factors Motivating employees in the Banking Sector of Pakistan with respect to their demographic Reflections”

1.5. Hypotheses

H₁: Mean of all hygiene factors is equal to 0

H₂: Mean of all motivation factors is equal to 0

1.6. Significance / Justification

The major stakeholders of this research will be the employees of banks who feel themselves as least motivated due to repetitive tasks, long working hours and horizontal promotions. The other would be banks who are facing low employee productivity and ultimately the citizens of Pakistan who are facing low economic development of the country.

1.7. Limitations

Within the valid scope of the research, following are the limitations of our research:

- The study is restricted to private sector as the results in private sector may vary.
- Similarly their also a geographical constraints as the study again is limited to Karachi thus it could be accepted that the result may vary with respect to geographical location.

2 Literature Review

Nowadays, organizations are looking for various ways that could help them improve the performance of employees on which their organization success depends. This is the reason that researchers have motivation as the focus of their studies as according to them motivation play a significant role in increasing the performance of their employees (Tracy 1994). Thus is essentially one of the most important responsibility of organization to continuously motivate the employees, But on the major issue that organization face while motivating employees is that, what motivates one person may not be able to inspire others, thus organization need to identify common motivating factors that remain still over time.

Encourage employees to understand the changing nature of organizations has become more important. Organizations increasingly globalized and decentralized

structures shift from a traditional hierarchical structure to the team concept (Erez and Eden 2001). Layoffs and life changing employment trends, with high levels of anxiety as recognized by Reynolds (1992) has a significant impact on the workplace. This workplace encourages workers to develop satisfaction, organizational commitment regarding job design and job related activities (Vroom and Desi 1970).

An important task of leadership is an attempt to place ability in employees to achieve organizational goals and motivation is a vital and complex part the work (Islam and Ismail 2008). This is in fact motivates employees to regulate the change (Brown and Radhakrishna 1991). This enable to understand the manager to motivate the employees to help them to classify and solve many organizational problems (Schaefer 1977).

According to MacMillian (2007) what motivates an individual is difficult to determine as the preferences of vary from one individual to other, thus one of the biggest blunders made by managers is overestimating or underestimating the mind of their employees. But in order to get efficient and effective work from the employees it is necessary for the managers to determine what are the drivers or factors that motivate employees to give their full potential (Hahn and Klenier 2002, Westover 2008). Thus a great amount of time is spent by managers to determine how the employees are motivated but even with such a hard input, they still feel a lack in getting an apparent picture of what motivates their employees (Creech 1995).

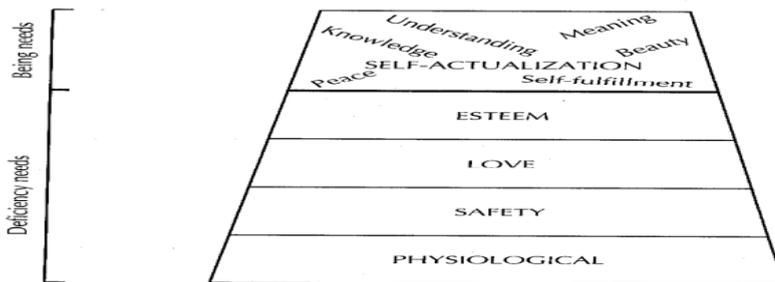
Kovacs (1995) sought to know how changes in incentives with in the period of 50 years affect the private sector managers and their subordinates in the long run. This event found that managers keep the same 10 rating factor of motivation, thinking constantly to motivate employees, however, there is a significant change in the attitude of their subordinates. For instance, the subordinate sequence of motivating factors on a

10 point rating scale vary when compared with sequences of factors rated by managers such as the staff placed a similar factor on fifth position which was placed by their managers on first. This phenomenon is also hold up by Wiley (1997), he thought, but there are some encouraging values over time, you can order your favorite changed. Around these misconceptions, administrators can create costly salaries and incentive plans (Jurkiewicz, Massey and Brown 1998), so it is important to know the real motivation.

2.1 Abraham Maslow “Theory of Needs”

"Hierarchy of Needs Theory" The support of Abraham Maslow achieved only when the basic level, people can be motivated to go to the next level. Physiological needs at the base of metrics for self-realization in high (Schermerhorn 2003).

There are four categories of needs discussed by Maslow the theory, these needs must be satisfied before a person can achieve unresponsive.



Maslow's Hierarchy of Needs (Em Griffin, "A First Look at Communication Theory", McGraw-Hill)

The needs are set in a hierarchical order; the upward scale is made by fulfilling one priority of needs which are set at their time level. Maslow focuses on material, security, love and Esteem needs (Ruthankoon and Ogunlana 2003) Physiological needs are at the foundation of this range, while self-realization is at the top. The brief descriptions on Needs are as follow.

- Physiological Needs
- Safety Needs
- Love and Belongingness Needs
- Esteem Needs

2.1.1 Physiological needs are basic

Food, water, sleep, oxygen, sex, freedom of movement, and a soft body temperature when one of them is in short supply, we are too hot or too cold, sad, excited hunger, thirst, fatigue, breath shortness, sexual frustration, jail, or are feeling pain. These irritants compel us to seek the missing commodity (Murphy and Athanasou 1999). So the body would rest. Maslow saw human beings dissimilar. However, when material needs are met they no longer important. Once the need is satisfied it no longer motivates.

2.1.2 Safety Needs

The safety needs are mainly associated with psychological needs which include security, peace and freedom. Once the physical/ basic needs are met human beings automatically shifts towards psychological needs.

2.1.3 Love and Belongingness Needs

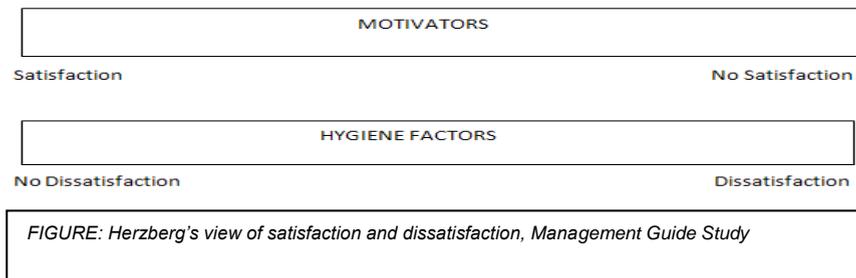
An individual move towards love and belongings needs after he is able to satisfy his safety needs. With love and belongingness needs here the researcher means the need to be associated, accepted and understood by other people living in the society. Through the satisfaction of these needs an individual is able to protect himself from the pain of rejection loneliness. According to Maslow the need for love and belongingness is very delicate and vary again from person to person as there are some individuals for whom love, affection does not matter , whereas some value respect more than love. Despite all of this the order prescribed by Maslow is (Griffin, Ledbetter and Sparks 2001)
Physiological - security - Love – Esteem

2.1.4 Esteem Needs

There are two forms of esteem needs. Self-esteem, which is created when an individual get full command over his work, David McClelland a psychologist from Harvard University named it as need for achievement . According to Maslow this shift from one need to other only arise when there is a suitable environment provided to individuals along with the presence of a specific personality that encourage individual to move forward (Griffin, Ledbetter and Sparks 2001).

2.2. Herzberg Two Factor Theory

Herzberg, while conducting his study to determine what factors satisfy and dissatisfy employees hired for white collar jobs, found that factors that satisfy employees with their job are not same as those factors cause them to be dissatisfied with their jobs and thus concluded that satisfaction and dissatisfaction are both independent from each other . (Naylor 1999). Thus Herzberg Theory has two factors: Motivation Factor and Hygiene Factor.



2.2.1 Hygiene factors

Hygiene Factors include those factors that cause employees to be dissatisfied from their work environment and job responsibilities. Examples included policy, relationship with higher authorities, work situation, wages, company vehicle, status, security, and relationship with staff, personal life (Ruthankoon and Ogunlana 2003).

2.2.2 Motivation factors

Motivation Factor includes factors that lead to job satisfaction; it includes development, advancement, responsibility & success. True motivators are achievement, gratitude, work itself, responsibility, improvement, and personal development. Motivating factor helps subordinates to show more interest in the present activities of job and thus make them work harder in achieving their objectives (Leach and Westbrook 2000).

2.3. McClelland's Need Theory

Mc Clelland (1975) need theory focuses on the personalities of human and their development needs. He further sub-divided this into three core categories that are necessitate for achievement, need for affiliation and need for power.

2.3.1 Need for Achievement

The **need for achievement** means to have glance on the excellence performance and challenging goals of employees. There are two kind of employees one with high level of achievement who prefer to avoid low risky situation and willing to work on project with a moderate chance of winning either alone or with high achievers as compared to people with low level of achievement. The individual with high need of motivation constantly look to improve themselves with the help of feedback from their managers or authorities (Mc Clelland 1975).

2.3.2 Need for Power

The need for power is related to the people, to have influence on them, control them, or changing their behavior and /or events, precisely making an impact on life of others. McClelland has further subdivided the need for power in two categories, personal power in which individual is looking to direct or control others actions, as compared to institutional power also referred to social power in which individual direct the efforts of

employees in order to achieve the objectives set by organization (Mc Clelland 1975).

2.3.3 Need for Affiliation

The need for affiliation emphasizes the need for the establishment of personal relationships with other. Such as developing friendly relation with other, becoming a part of different association, groups. People who prefer to be alone, not associate themselves with any groups, feel comfortable in the company of their few friends, these people have a low need of affiliation were as the person with high need of affiliation develop want to develop new friends, feel accepted by the society they live in this is the reason such people perform better in the jobs that involve greater interactions with clients (Mc Clelland 1975).

3 Method and Material

3.1 Research Design

The research study is quantitative and descriptive in nature; The data is collected in the form of questionnaire, which were filled by employees working at different levels of management in Public banks of Karachi such as Sindh Bank, National Bank of Pakistan and First Women Bank. In the questionnaire, factors will be covered that are in accordance with the motivational concern such as Job description, Appraisals, defined tasks, Salary, Work satisfaction, Environment etc. The variables used in Questionnaire are in continuation with the work done by (Safakli and Ertanin 2012) , as this is replication of the study with respect to Pakistan. The variable covered in our questionnaire are divided into two major categories; Motivational Factors and Hygiene factors, each category will be used to take necessary information from the respondent and it will be easy for the researcher to calculate and eliminate the

non-response rate and the irrelevant questionnaires filled by Bank employees. The tool developed is a seven Likert Scale.

3.2 Population and Sample

The population for this study will be employees of Government owned Banks in Pakistan having their head office (administrative center) in Karachi. There are 05 Public Sector Banks operating in Pakistan namely; National Bank, First Women Bank, Sindh bank Ltd, Bank of Khyber and Bank of Punjab, and three of them have their Head office in Karachi namely; National Bank, First Women Bank and Sindh bank Ltd, thus these three banks were chosen. Sampling techniques used for the collection of data was Non-probability sampling; the reason for choosing non probability sampling was lack of sampling frame. In non-probability, convenience sampling method for used since it was very difficult to get access to banks and get questionnaire filled from their employees. Our sample will contain those employees who have at least three years banking experience. The sample size of 119 was chosen, this was determine from the statistical formula keeping 5% level of and Margin of Error ± 9 .

4 Results and Discussion

4.1 Motivational Factor

Table 1:

Factors	N	Mean	Std. Deviation	Std. Error Mean
Fair.wages	120	2.5792	.37670	.03439
Health	120	2.4792	.56003	.05112
Work.Enviroment	120	2.5354	.55883	.05101
job.specify	120	2.9194	.24059	.02196
Prestige	120	2.5750	.53620	.04895
Prestige.work	120	2.5750	.53620	.04895
Manage	120	2.9750	.14275	.01303
Non.Cash	120	2.5333	.72103	.06582
Sport	120	2.5167	.72162	.06587
Setting	120	2.4417	.60524	.05525

Table 2: One-Sample Test

Factors	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	95% Confidence Interval of the Difference
					Lower	Upper
Fair.wages	75.001	119	.000	2.57917	2.5111	2.6473
Health	48.493	119	.000	2.47917	2.3779	2.5804
Work.Enviroment	49.701	119	.000	2.53542	2.4344	2.6364
job.specify	132.929	119	.000	2.91944	2.8760	2.9629
Prestige	52.607	119	.000	2.57500	2.4781	2.6719
Prestige.work	52.607	119	.000	2.57500	2.4781	2.6719
Manage	228.294	119	.000	2.97500	2.9492	3.0008
Non.Cash	38.488	119	.000	2.53333	2.4030	2.6637
Sport	38.204	119	.000	2.51667	2.3862	2.6471
Setting	44.193	119	.000	2.44167	2.3323	2.5511

T- Test was conducted with the objective to check whether mean of all motivational factor is equal to 0 i.e. $\mu=0$. Since the result given in the table 2 shows that $p < 0.05$, thus we reject H2 concluding that $\mu > 0$ or in other words the analysis showed that mean of all motivational factors is greater than 0.

4.2 Hygiene Factors

Table 3: One-Sample Statistics

Hygiene Factor	N	Mean	Std. Deviation	Std. Error Mean
Cmpnypolicy	120	3.25	.651	.059
Qlty-supervison	120	2.93	.807	.074
Relatnwother	120	3.08	.773	.071
Personallife	120	2.46	.593	.054
Rateofpay	120	3.55	.548	.050
Jobsecurity	120	3.36	.671	.061
Workingcondition	120	2.39	1.023	.093
BLA	120	1.57	.683	.062

Table 4: One-Sample Test

Hygiene Factor	T		Test Value = 0			
	T	Df	Sig. (2-tailed)	Mean	95% Confidence	95% Confidence
					Difference	Interval of the Difference
				Lower	Upper	Upper
Cmpnypolicy	54.651	119	.000	3.250	3.13	3.37
Qlty supervision	39.826	119	.000	2.933	2.79	3.08
Relatnwother	43.676	119	.000	3.083	2.94	3.22
Personallife	45.442	119	.000	2.458	2.35	2.57
Rateofpay	71.000	119	.000	3.550	3.45	3.65
Jobsecurity	54.820	119	.000	3.358	3.24	3.48
Workingcondition	25.605	119	.000	2.392	2.21	2.58
BLA	25.138	119	.000	1.567	1.44	1.69

T-Test was again applied on all the hygiene factors in order to check that whether mean of all hygiene factors is equal to $\mu=0$; as the table 4 shows that $p < 0.05$ thus we reject H_1 concluding that $\mu > 0$ in other words mean of all hygiene factors is greater than 0 .

5 Conclusions and Recommendation

5.1 Conclusion

The analysis of the study shows that both Motivation factors that are taken in to account namely “Fair wages and Promotion”, “Health and other services”, “Work environment”, “Job Specification”, “Prestige and Request”, “Management Policies and Style”, “Non-Cash Benefits”, “Sports” and lastly “Setting and Defining Goals” along with Hygiene factors which include “Company Policy”, “Quality Supervision”, “Relation with worker”, “personal life”, “rate of pay”, “job security”, working conditions” and “BLA” play a significant role in motivating employees in the banking sectors. The result of this study correlates with the previous conducted study such as Ruthankoon and Ogunlana (2003), Mc Clelland (1975), Naylor (1999), Leach and Westbrook (2000) according to whom the factors cited above motivate employees to perform better thus

helping banking sectors to direct their attention to the above motivating factors in order to achieve organizational success.

5.2 Recommendation

As the result of the study, it is recommended that the factors which motivate employees are the motivational and hygiene factors besides these social facilities should be provided in the working environment and this can build the potential in the employees and according to the theories this is founded the employees have their expectation with its organization and if the organization is in the favor of the employees and motivate them to work the staff work hard to contribute their skill and their performance make mark in sector as well. The satisfaction of the job show highest potential in the employees. Banks should take the above mentioned factors in to account for its advantages and make use of every opportunity as these factors by making employees motivated and satisfied will help organization to survive, grow and compete for profits in the ever growing competitive environment.

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