

EMPLOYEE MOTIVATION IN NATIONALIZED BANKS IN INDIA

Dr. R. Menaka

*Assistant Professor, Department of Management Studies (DDE),
Madurai Kamaraj University, Madurai 21*

S. Vengateswaran

*Research Scholar, Department of Management Studies (DDE),
Madurai Kamaraj University, Madurai-21*

Abstract

The nationalized banks play important role in worldwide economy and their employees are the best sources of delivering good services to their customers. Excellent services provided and offered by employees can create a positive perception and ever lasting image in the eyes of banks' customers. The individual motivation of a commercial bank employee plays a major role in achieving high level satisfaction among its customers. Banking industry viewed from personnel angle has its peculiarities. It is a labour intensive industry and efficiency of employees has got a bearing on the quality of services offered. This being the case, it should have been natural that professionalization of personnel management should have gained better priority but unfortunately personnel management should have gained better priority but unfortunately personnel happened to be the most neglected aspect of banks management. The typical working of banks as such does not require any professional training not require any professional training and here is an industry where it is strongly believed that everyone can do anything and as one knows nobody does much to the prosperity of the organization. This aspect is further accentuated by the fact that banks operate in a sellers' market with total absence of an element of competition and the prices of deposits accepted is determined by the banks, but by an external agency like the RBI and the GOI. In a sheltered environment like this, the need for professionalization of bank management was never felt personnel happened to be managed by a non-expert and usually by a medicore officer who could not otherwise prosper on banking operations. With the implementation of recommendations of Pillai Committee a controversy was ranging among bankers whether or not Personnel Management is a specialized function. Hence, the present study focuses on employee motivation in Nationalised Banks in in India and based on both Primary and Secondary source of data collection.

Keywords: *Positive Perception, Level of Satisfaction, Labour Intensive, Personnel Management and Sheltered Environment.*

Introduction

Employees can have vastly different motives for acquiring wealth including using money to fulfill psychological needs. Thus, it is not surprising that money alone is less an effective motivator for employees than when it is used in conjunction with non-financial reinforcements. Competent Employees are the greatest assets of an organization. The proficiency of employees plays a vital role in the context of diverse challenges faced by the modern organizations. Compensation is the remuneration received by an employee in

return for his/her contribution to the organization. It is an organized practice that involves balancing the work-employee relation by providing monetary and non-monetary benefits to employees. Compensation is an integral part of human resource management which helps in motivating the employees and improving organizational effectiveness.

There is a need to understand a link between individuals and organizations in terms of conceptual framework of organizational commitment. Organizational commitment is widely described in the management and behavioral sciences literature as a key factor in the relationship between individuals and organizations. Motivated employees to maintain a high level of innovation, while producing higher quality work at a higher level of efficiency.

Objectives of the Study

The present study conducted with the view:

1. To know about the Nationalized Banks in India
2. To know the importance of employees motivation
3. To analyze the various factors of motivation towards employees of Nationalization Banks.
4. To give valuable suggestions to improve the employees satisfaction level in Nationalization Banks in India

Operational Definitions

“A Nationalised Bank is owned by the state, usually because the state bought a private bank, or at least bought a controlling share in it. Any profits a nationalised bank makes go to the state. Losses are borne by the taxpayer”.

“An employee is an individual who works part-time or full-time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties and also called worker”.

“Employee Motivation is the process of boosting the morale of employees to encourage them to willingly give their best in accomplishing assigned tasks. Motivation is the key to achieving extraordinary results. It is an employee’s basic enthusiasm about accomplishing activities related to work, and the cause that drive an individual to decide to take action”.

Reviews of Related Literatures

Deeprise (1994), examined that the effective reward system improve worker enthusiasm and its efficiency that play significant role in the growth of a company accomplishment. Baron (1983) describes the friendly affiliation between stimulus and work accomplishment. Both performance and motivation are directly proportion to each other.

Flynn (1998) states that the primary focus of reward programs is to examine how organizations classify their reward schemes and how they communicate to the employees and how clearly they understand the link between reward and performance.

Rutherford (1990) found in his research that motivation is the effective agent in an organization because motivated employees are always innovative in their jobs. It is task for the management to appreciate and comprehend the procedures necessary for an organization to have an effect on inspiration of their workers.

Methodology used for the Study

Primary data observed or collected directly from respondents by using well-structured questionnaire. Secondary data is the data that have been already collected by and readily available from other sources. The other sources used for this study are unpublished thesis, internet, websites, magazines, journals and publications.

Nationalized Banks in India

Nationalised banks dominate the banking system in India. The history of nationalised banks in India dates back to mid-20th century, when Imperial Bank of India was nationalised (under the SBI Act of 1955) and re-christened as State Bank of India (SBI) in July 1955. Then on 19th July 1960, its seven subsidiaries were also nationalised with deposits over 200 crores. These subsidiaries of SBI were State Bank of Bikaner and Jaipur (SBBJ), State Bank of Hyderabad (SBH), State Bank of Indore (SBIR), State Bank of Mysore (SBM), State Bank of Patiala (SBP), State Bank of Saurashtra (SBS), and State Bank of Travancore (SBT). However, the major nationalisation of banks happened in 1969 by the then-Prime Minister Indira Gandhi. The major objective behind nationalisation was to spread banking infrastructure in rural areas and make cheap finance available to Indian farmers. The nationalised 14 major commercial banks were Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce (OBC), Punjab and Sind Bank, Punjab National Bank (PNB), Syndicate Bank, UCO Bank, Union Bank of India, United Bank of India (UBI), and Vijaya Bank. In the year 1980, the second phase of nationalisation of Indian banks took place, in which 7 more banks were nationalised with deposits over 200 crores. With this, the Government of India held a control over 91% of the banking industry in India. After the nationalisation of banks there was a huge jump in the deposits and advances with the banks. At present, the State Bank of India is the largest commercial bank of India and is ranked one of the top five banks worldwide. It serves 90 million customers through a network of 9,000 branches.

Importance of Employees Motivation

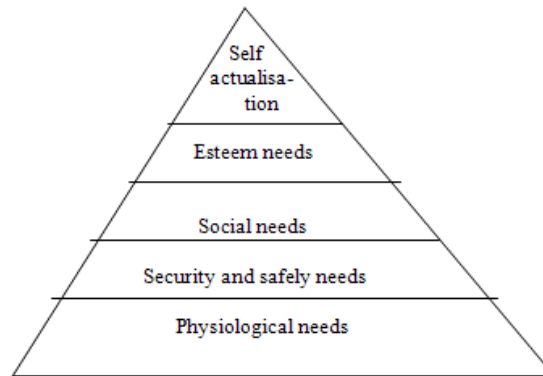


Figure 1: Need Theory of Motivation

Motivation is a very important for an organization because of the following benefits it provides:

Puts human resources into action: Every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work. This will help the enterprise in securing best possible utilization of resources.

Improves level of efficiency of employees: The level of a subordinate or a employee does not only depend upon his qualifications and abilities. For getting best of his work performance, the gap between ability and willingness has to be filled which helps in improving the level of performance of subordinates.

Leads to achievement of organizational goals: The goals of an enterprise can be achieved only when the following factors take place:

- There is best possible utilization of resources,
- There is a co-operative work environment,
- The employees are goal-directed and they act in a purposive manner,
- Goals can be achieved if co-ordination and co-operation takes place simultaneously which can be effectively done through motivation.

Leads to stability of work force: Stability of workforce is very important from the point of view of reputation and goodwill of a concern. The employees can remain loyal to the enterprise only when they have a feeling of participation in the management. The skills and efficiency of employees will always be of advantage to employees as well as employees. This will lead to a good public image in the market which will attract competent and qualified people into a concern. As it is said, “Old is gold” which suffices

with the role of motivation here, the older the people, more the experience and their adjustment into a concern which can be of benefit to the enterprise.

Analysis Part of the Study

The study of Employee Motivation in Nationalized Banks in India has been successfully completed with the help of following analysis:

Table 1: Demographic Factors of the Employees

Main Factors	Sub-Factors	Frequency	Percentage Valid	Cumulative Percentage
Gender	Male	50	50.00	50.00
	Female	50	50.00	100.00
Total		100	100.00	
Age	Below 35	25	25.00	25.00
	35 - 50	43	43.00	68.00
	Above 50	32	32.00	100.00
Total		100	100.00	
Education	Under Graduate	40	40.00	40.00
	Post Graduate	39	39.00	79.00
	Professionals	20	20.00	90.00
	Others	1	1.00	100.00
Total		100	100.00	
Grade	Top Level	22	22.00	22.00
	Middle Level	50	50.00	72.00
	Supervisory Level	26	26.00	98.00
	Others	2	2.00	100.00
Total		100	100.00	
Position Held	Manager	4	4.00	4.00
	Senior Principal Banking Officer	12	12.00	16.00
	Senior Banking officer	18	18.00	34.00
	Banking Officer	56	56.00	90.00
	Personnel Secretary	4	4.00	94.00
	Others	6	6.00	100.00
Total		100	100.00	
Departments	Administrative Service	10	10.00	10.00
	Research	8	8.00	18.00
	Financial Markets	12	12.00	30.00
	Banking	40	40.00	70.00
	MIS (IT)	3	3.00	73.00
	Audit	2	2.00	75.00
	Non-payments and Settlement	2	2.00	77.00
	Communication	20	20.00	97.00
	HR	2	2.00	99.00
Security	1	1.00	100.00	
Total		100	100.00	

Length of Service	Less than a year	32	32.00	32.00
	1 - 3 years	28	28.00	60.00
	3 - 5 years	25	25.00	85.00
	More than 5 years	15	15.00	100.00
Total		100	100.00	
Terms on which employed	Permanent	75	75.00	75.00
	Contract	23	23.00	23.00
	Others	2	2.00	100.00
Total		100	100.00	

Source: Primary data

Table 2: Respondents views towards the work environment and motivation in Nationalised Banks

S. No.	Factors	No. of Respondents		Frequency in Percentage	
		Yes	No	Yes	No
1.	Are workers love motivation due to less value for incentives?	82	18	82.00%	18.00%
2.	Are workshop & training programs helps to improve the job involvement?	88	12	88.00%	12.00%
3.	Both monetary & non-monetary incentives are important for the worker	79	21	79.00%	21.00%
4.	Clear lane for career advancement leads to enhanced output?	93	7	93.00%	7.00%
5.	For employees motivation money is enough?	65	35	65.00%	35.00%
6.	Is cafeteria is nearer to the work spot?	69	31	69.00%	31.00%
7.	Is the positive approach is effective in the job involvement?	72	28	72.00%	28.00%
8.	Is your superior provides the unique ideas to improve the job involvement?	80	20	80.00%	20.00%
9.	Job involvement reduces the time overriding into the job?	73	27	73.00%	27.00%
10.	Motivation helps to boost the importance of the job?	98	2	98.00%	2.00%
11.	New technology introducing helps the job involvement?	62	38	62.00%	38.00%
12.	There is a regular and fair system of plunder?	65	35	65.00%	35.00%
13.	Training and development programs enhance performance of the employee	68	32	68.00%	32.00%
14.	Vacation holiday enhance the job involvement into the worker?	76	24	76.00%	24.00%
15.	Work timetable is valuable in job involvement?	82	18	82.00%	18.00%

Source: Primary data

Table 3: Descriptive factors of Motivation and its Analysis

S. No.	Description	Mean	Standard Deviation (S.D.)
1.	Even without motivation some employees will still perform well	4.48	0.976
2.	Fat salaries are the best tools to motivate employees	4.03	1.267
3.	Festival parties is good and helps encourage employees	3.46	1.185
4.	It is worthwhile to reward good work and excellence	4.73	0.539
5.	Motivation is important in a banking industry	3.73	1.081
6.	Well motivated employees have positive attitude towards work	4.78	0.692
7.	Grand total		

Source: Primary data

Table 4: Analysis shows the need theories based on the Gender of the Respondents in Nationalized Banks

Factors	Women			Men			Total		
	Mean	S.D.	Median	Mean	S.D.	Median	Mean	S.D.	Median
To feel a belonging to my co-workers is important for me	6.09	0.82	6.00	5.69	0.97	6.00	5.89	0.91	6.00
To feel a belonging to the company is important for me	5.66	0.87	6.00	5.72	0.96	6.00	5.69	0.91	6.00
To get appreciation from co-workers are important for me	5.72	0.85	6.00	5.56	0.84	6.00	5.64	0.84	6.00
To have an interesting work task if important for me	6.13	0.83	6.00	6.16	0.77	6.00	6.14	0.79	6.00
To have shorter working days would make me work harder	4.09	1.44	4.00	3.97	1.82	4.00	4.03	1.63	4.00
To have the possibility to be promoted makes me work harder	3.84	1.69	4.00	4.38	1.41	4.50	4.11	1.56	4.00
To have time for leisure and other activities is more important for me than the job	5.22	1.45	5.50	5.06	1.11	5.00	5.14	1.28	5.00
To work in team makes me perform better	4.59	1.10	5.00	5.19	1.06	5.00	4.89	1.11	5.00
To work physically close to my colleagues is important for me	5.25	1.32	5.00	4.94	1.22	5.00	5.09	1.27	5.00
To work with something that I am interested in is important for me	6.31	0.78	6.00	6.06	0.91	6.00	6.19	0.85	6.00

Source: Primary data

Table 5: Important Motivational Factors Perceived By Nationalized Bank Respondents

S. No.	Motivational Factors	Mean	Standard Deviation	Ranks
1.	Achievement	4.58	1.11	I
2.	Recognition	4.36	1.21	II
3.	Work itself	4.19	1.57	III
4.	Responsibility	4.09	1.29	IV
5.	Advancement	4.08	1.42	V
6.	Interpersonal Relations	4.05	1.63	VI
7.	Supervision	3.89	1.67	VII
8.	Policy	3.69	1.65	VIII
9.	Working Conditions	3.53	1.43	IX
10.	Personal Life	3.33	1.76	X

Source: Primary data

Table 6: Motivation Level among the Respondents of Nationalized Banks

Motivation Level	No. of Respondents	Mean Value	Standard Deviation
Self-actualization	100	4.30	0.44
Self Esteem	100	3.95	0.52
Love/Belonging/Social	100	4.29	0.52
Safety needs/Protection	100	3.83	0.58
Psychological/Basic needs	100	3.88	0.49

Source: Primary data

Table 7: Factors Responsible for Job Satisfaction in Nationalized Banks

Factors	No. of Respondents	Frequencies (In %)
Level of job security	88	88.00
Communication & information flow	72	72.00
Interpersonal relationship	93	93.00
Job itself	75	75.00
Flexibility & independence	98	98.00
Credit/Value to work	73	73.00
Conflict resolution	89	89.00
Level of salary with respect to experience	91	91.00
Extent of personal growth & development	79	79.00
Implementation of change & innovation	86	86.00
Association of job with individual aspiration and ambition	95	95.00
Participation in decision making	90	90.00

Source: Primary data

Table 8: Responses for Suggestions to motivate the employees in Nationalized Banks

Factors	Ranks							Total Score	Rank
	I	II	III	IV	V	VI	VII		
Participative Management and Empowerment	17	7	6	13	10	3	4	283	2
Teamwork	3	5	7	2	5	13	25	160	7
Job Enrichment and Job Redesign	10	15	5	3	8	11	8	251	4
Modified Work Schedules	5	6	6	5	9	18	11	195	6
Job Sharing	4	8	11	15	12	5	5	242	5
<i>Flexitime Programs and Alternative Workplace Strategies</i>	15	15	9	10	5	4	2	305	1
Reinforcement/Behavior Modification Theory	7	5	15	12	11	6	5	252	3

Source: Primary data

Suggestions

- Management should be aware and take notice of balance between the magnitude of effort and size of reward. Rewards schemes should be supply balance behavior in respect to appropriate attainment.
- Employee involvement in performance appraisal plays a vital role in motivation of employees. It can be stated that by involving employees in all the steps of performance appraisal process, the main object of anger and frustration about performance appraisal output will be themselves and not the appraiser or the organization. It should also be made sure that before the appraisal process starts, all the employees should be made aware about the purpose and steps to be followed in the appraisal.
- The bank should provide certain benefits to their employees, so that they can perform well to achieve organizational goals. The job should be interesting enough, so that it must create enthusiasm among the employees. Enough freedom must be given to the employees to take important decisions.

Conclusion

Secure job environment enhances the degree of job satisfaction. Management must create an environment of job security among employees. Indians work with emotions, so any legal job contract will not motivate them. Instead, there should be a psychological or emotional bond between employees and the organization. Due to the different social, economic and cultural backgrounds, the hire and fire system is not effective in India. In fact, Indian culture is neither individualistic nor collective, rather it is "Karm" (according to Indian mythology it is do your duty, don't worry about results) oriented. Indians always accept effective leadership. So when management can provide effective leadership and a

secure job environment, Karm (job duty) will be in the right direction. Apart from job security, management must provide job stability. There should be a challenging environment. The job structure should comprise horizontal as well as vertical growth. The job should provide enough scope for the employees in terms of promotion and transfer.

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