

A STUDY ON MOTIVATION OF EMPLOYEES IN PRIVATE SECTOR BANKS IN INDIA

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Abstract

Every organization and business wants to be successful and have desire to get constant progress. The current era is highly competitive and organizations regardless of size, technology and market focus are facing employee retention challenges. To overcome these restraints a strong and positive relationship and bonding should be created and maintained between employees and their organizations. Human resource or employees of any organization are the most central part so they need to be influenced and persuaded towards tasks fulfillment. Like many other key industries of the Indian economy, the banking industry has undergone major changes with the implementation of liberalization policy by Government of India some twenty years ago. The private banks, with their emphasis on the use of technology and professional management, have gained a noticeable position in the banking industry. The popularity of these banks can be gauged from the fact that in a short span of time, these banks have gained considerable customer confidence and consequently have shown impressive growth rates. In nutshell, the new generation private sector banks have leveraged on their better strengths and competencies viz. management, operational efficiency and flexibility and higher employee productivity skills in comparison to the public sector banks. Competition in the industry has become intense with an advanced technological base and highly skilled manpower of private sector banks as compared to public sector banks. Today, the biggest challenge for bank's management is to motivate employees for the sake of proficient offers and better services according to customer expectations. Hence, the present study focusing on Motivation of Employees in Private Sector Banks in India and study based on both Primary and Secondary sources of data collections.

***Keywords:** Competitive Organizations, Employee Retention Challenges, Positive Relationship, Professional Management, Need Theories and Strengths & Competencies.*

Introduction

Motivation is the inner driver to behave or act in a certain manner. These inner conditions are wishes, desires, goals, activate to move in a particular direction. Motivation is the general desire or willingness to do something. Motivation is the result of conscious and unconscious factors such as intensity of the desire or need, incentive or reward value of the goal and expectations of the individual. These factors play a vital role to promote the individual towards the specific goal. Motivation is the important feature in any organization, to motive the employees towards the success of the organization. Actually motivation is an internal process that makes the person move toward a goal. Motivation

can't be measured. 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 (various benefits). According to a new report from the Economist Intelligence Unit, *Motivating and Rewarding Managers*, is a philosophy of motivation which is the "big missing link" in the pay strategies of human resources specialists. Few banks questioned, had thought about what motivated their employees. Many are daunted by academic theory on motivation, say the report, and rely on simple pay formulas in the hope that they will coincide with whatever motivates their staff. Young managers, say the report, tend to be more interested in cash, whereas their older colleagues are interested in pensions and retirement options (Retirement benefits). 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. In this study we have considered a private sector banks for studying motivational aspects. This research goes a step ahead in analyzing whether this motivational process can be extended to the employees and will they be motivated to work with a renewed vigor.

Objectives of the Study

The present study has been conducted with the following objectives:

1. To know about the Private Sector Banks in India
2. To know the importance of Motivation in workplace
3. To analyze the various factors of motivation in Private Sector Banks in India
4. To suggest to improve the satisfaction level of Private Sector Banks' employees by Motivation

Operational Definitions

"Job satisfaction is closely related to the gratification of needs. It is composed of effective cognitive and behavioral elements. These elements vary in their intensity and consistency from one individual to another. Thus, job satisfaction is the satisfaction derived from any pursuit directed by the process of fulfillment of needs".

"Motivation is Internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject or to make an effort to attain a goal".

Reviews of Related Literatures

Sharma and Sharma (2011) concluded that in case of work content and recognition, managerial staffs were more motivated than operative staffs but in case of payment and general aspects operative were more motivated with higher mean value. Further of the study revealed promotion, payment, work content have no significant effect on the employees motivation with reference to gender.

Allen and Meyer (1990) identified a link between organizational commitment and employee turnover, and concluded that employees who were strongly committed to the organization were less likely to leave it.

Yoon (2002) in his research proposed a new dual-process model of organizational commitment. The model stipulates that overall job satisfaction and perceptions of organizational support are key emotional and cognitive processes that mobilize commitment in the workplace. Model also suggests that the feelings of job satisfaction and perceptions of organizational support operate through independent channels to mediate the impact of work experiences on organizational commitment.

Private Sector Banks in India

The private-sector banks in India represent part of the Indian banking sector that is made up of both private and public sector banks. The "private-sector banks" are banks where greater parts of stake or equity are held by the private shareholders and not by government. Banking in India has been dominated by public sector banks since the 1969 when all major banks were nationalised by the Indian government. However, since liberalisation in government banking policy in the 1990s, old and new private sector banks have re-emerged. They have grown faster & bigger over the two decades since liberalisation using the latest technology, providing contemporary innovations and monetary tools and techniques. The private sector banks are split into two groups by financial regulators in India, old and new. The old private sector banks existed prior to the nationalisation in 1969 and kept their independence because they were either too small or specialist to be included in nationalisation. The new private sector banks are those that have gained their banking license since the liberalisation in the 1990s.

The banks, which came in operation after 1991, with the introduction of economic reforms and financial sector reforms are called "new private-sector banks". Banking regulation act was then amended in 1993, which permitted the entry of new private-sector banks in the Indian banking sector. However, there were certain criteria set for the establishment of the new private-sector banks, some of those criteria being the bank should have a minimum net worth of Rs.200 crores.

1. The promoters holding should be a minimum of 25% of the paid-up capital.
2. Reliance Capital, India Post, Larsen & Toubro, Shriram Transport Finance are companies pending a banking license with the RBI under the new policy, while IDFC & Bandhan were given a go ahead to start banking services for 2015.
3. Within 3 years of the starting of the operations, the bank should offer shares to public and their net worth must increase to 300 crores.

Importance of Motivation

Generally speaking, motivation is what energizes, maintains, and controls behavior. As such, it is clear why it plays an important role in the workplace. But empirically measuring that role is another matter; it is challenging to capture an individual's drive in quantitative metrics in order to ascertain the degree to which higher motivation is responsible for higher productivity. However, it is widely accepted that motivated employees generate higher value and lead to more substantial levels of achievement. The management of motivation is therefore a critical element of success in any business; with an increase in productivity, an organization can achieve higher levels of output.

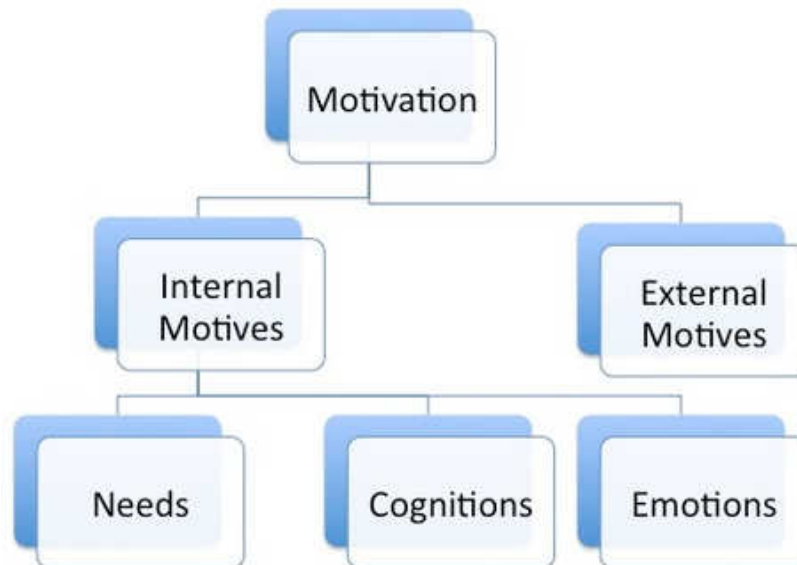


Figure: Hierarchy of the four sources of Motivation

Analysis Part of the Study

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	46	46.00	46.00
	35 - 50	32	32.00	78.00
	Above 50	22	22.00	100.00
Total		100	100.00	
Education	Under Graduate	29	29.00	29.00
	Post Graduate	31	31.00	60.00
	Professionals	38	38.00	98.00
	Others (Specify)	2	2.00	100.00
Total		100	100.00	
Grade	Top Level	15	15.00	15.00
	Middle Level	48	48.00	63.00
	Supervisory Level	27	27.00	90.00
	Others	10	10.00	100.00
Total		100	100.00	
Position Held	Manager	5	5.00	5.00
	Senior Principal Banking Officer	15	15.00	20.00
	Senior Banking officer	36	36.00	56.00
	Banking Officer	40	40.00	96.00
	Personnel Secretary	2	2.00	98.00
	Others	2	2.00	100.00
Total		100	100.00	
Departments	Administrative Service	8	8.00	8.00
	Research	5	5.00	13.00
	Financial Markets	7	7.00	20.00
	Banking	45	45.00	65.00
	MIS (IT)	15	15.00	80.00
	Audit	5	5.00	85.00
	Non-payments and Settlement	3	3.00	88.00
	Communication	8	8.00	96.00
	HR	3	3.00	99.00
Security	1	1.00	100.00	
Total		100	100.00	
Length of Service	Less than a year	30	30.00	30.00
	1 - 3 years	42	42.00	72.00
	3 - 5 years	20	20.00	92.00
	More than 5 years	8	8.00	100.00
Total		100	100.00	
Terms on which employed	Permanent	45	45.00	45.00
	Contract	54	54.00	99.00
	Others	1	1.00	100.00
Total		100	100.00	

Source: Primary data

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

S. No.	Factors	No. of Respondents		Frequency in Percentage	
		Yes	No	Yes	No
1.	Are you continue to do work for the association when you have feared the financial significances of leaving?	78	22	78.00%	22.00%
2.	Are you continued to do work for the associations when you have fear the loss of social draws if you leave?	82	18	82.00%	18.00%
3.	Do rotation of employees in various departments is an important motivation means to improve performance?	69	31	69.00%	31.00%
4.	Do you have a high level of independence with your working schedules?	79	21	79.00%	21.00%
5.	Do you have recognized with the goals of the association?	93	7	93.00%	7.00%
6.	Handing over authority in one's work is a key rewards?	65	35	65.00%	35.00%
7.	It would be problematic for you to find a new job you are satisfied with?	72	28	72.00%	28.00%
8.	The association offers friendly strategies/flexible working activities to help you accomplishment non-work obligation	83	17	83.00%	17.00%
9.	There is a regular and fair system of rewards?	82	18	82.00%	18.00%
10.	Worker shows more interest at work if they are sure of incentives being delivered as announced?	90	10	90.00%	10.00%

Source: Primary data

Table 3: Private Sector Bank Respondents' response analysis towards attitudes in their Working Environment

S. No.	Attitudinal Factors	Mean	Standard Deviation
1.	I am motivated enough to go extra miles in delighting our customers	3.01	1.094
2.	I am satisfied with my current salary	3.81	1.158
3.	I enjoy going to work and performing at my best	4.15	1.019
4.	I feel secured in my job	4.09	1.433
5.	If I get a better paid job I will leave my present job	3.24	1.304
6.	Motivation brings about success in an organisation	4.75	0.503
Grand Total		23.05	6.511

Source: Primary data

Table 4: The level of Importance towards Motivational Factors in Private Sector Banks

Variables	Highly Important	Important	Neutral	Not important	Highly Not Important	Total
Feelings of success and pride of your achievements	32	48	15	4	1	100
The degree of adopting your job	28	22	35	10	5	100
Job security and continuity of your job	27	33	30	8	2	100
Participation in decision making related with your tasks	39	26	28	5	2	100
Importance and attractiveness of your job	45	35	15	5	0	100
Friendly colleagues	28	30	25	15	2	100
Team work	38	18	36	7	1	100
Reasonable and negotiating boss	25	35	36	4	0	100
Wages system based on performance	22	42	28	6	2	100
Beyond wages supports (housing, clothes, etc.)	18	25	36	19	2	100
Travel possibilities	12	38	15	33	2	100
Inspections	18	26	23	29	4	100
Holiday and leave policies	25	35	40	18	2	100
Competency of your first level boss	32	38	25	5	0	100
Playing music during work	26	35	36	3	0	100
Pleasant working house schedule	36	23	35	5	1	100
Closeness of work place to your house	32	36	30	2	0	100
Trustful and cooperating environment	49	31	18	2	0	100
Your work load	23	28	39	8	2	100
Fair treatment policies of the management to employees in acknowledgement and awards	29	32	36	2	1	100
Clear and defined tasks	39	48	10	3	0	100

Source: Primary data

Table 5: Analysis on the satisfaction level of the employees in Private sector banks under different factors

Factors	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	Total
Ordinate-Subordinate relations	38	42	15	5	0	100
Work Load	20	25	46	5	3	100
Opportunity for personal progress	36	38	25	1	0	100
Success in Private Life	22	28	35	10	5	100
Management Style	19	28	30	20	3	100
Complaints being paid attention	30	32	28	18	2	100
Friendly colleagues	26	40	24	8	2	100
Team Work	34	40	20	5	1	100
Prestige within the Organisation and respect	25	28	42	3	2	100

Source: Primary data

Table 6: Analysis of Intrinsic Motivation factors ranked by Multiple Factor Rank Method

Factors	Rank (Response in Percentage)						Total	Average Rank
	1	2	3	4	5			
Career Prospects	25	45	28	2	0	100	7.56	
Control	28	32	30	8	2	100	6.52	
Co-operation	32	30	18	12	8	100	6.04	
Employee Engagement and Development Activities	42	30	18	8	2	100	4.60	
Mentoring and Guidance	29	31	25	10	5	100	5.26	

Source: Primary data

Table 7: Important Motivational Factors Perceived By Private Sector Employees

S. No.	Motivational Factors	Mean	Standard Deviation	Ranks
1.	Achievement	4.16	1.63	5
2.	Advancement	3.93	1.62	9
3.	Interpersonal Relations	4.18	1.40	4
4.	Personal Life	4.31	1.46	2
5.	Policy	4.32	1.42	3
6.	Recognition	3.90	1.61	10
7.	Responsibility	4.47	1.14	1
8.	Supervision	3.97	1.48	8
9.	Work itself	4.00	1.53	7
10.	Working Conditions	4.01	1.56	6

Source: Primary data

Table 8: Individual Development in Private Sector Banks towards its Employees

Factors	Nos.	Mean	Standard Deviation
Communication	100	2.07	1.208
HR department	100	2.52	1.186
Interest	100	3.54	1.238
Inter-personal	100	3.57	1.287
Job enrichment	100	5.28	2.099
Job rotation	100	4.14	2.079
Nomination	100	3.40	1.493
Performance	100	5.11	2.151
Personal	100	2.65	1.409
Potential	100	4.40	2.421
Promotion	100	2.78	1.380
Review	100	5.27	2.101
Rewards	100	3.76	2.269
Role analysis	100	4.66	2.346
Role clarity	100	3.52	1.219
Team building	100	3.32	1.481
Training	100	3.40	2.089

Source: Primary data

Suggestions

- A competitive environment is a productive environment. Encouraging employees to participate in competitions or challenges is healthy and may actually lead to increased camaraderie.
- Employers who want to motivate an employee should promote career path development. Schedule a meeting and find out the employee's career goals. Set up these employer-employee meetings each month. You can keep the meetings short. Act as a coach and identify the employee's strengths and weaknesses. An employee's weakness may require more job training, which you can facilitate. Encourage and reward new ideas for work flow.
- Listen. This is probably the easiest thing you can do for an employee; yet, it can also be the most difficult. Carving out some time each day to listen to anything from concerns to ideas will not only make your employees happy, it will also provide you with much-needed insight on your business from the people who help keep it running.
- Reward accomplishments. When a pat on the back or a high five just won't do, monetary incentives always seem to hit the spot.
- The private bank can do every single individual contributes to the bottom line. Empowering them to excel in their role, no matter how large or small, creates a sense of ownership that will lead to meeting and exceeding expectations.

Conclusion

Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. According to Lin (2007) argued that organizations with emphasis on autonomy and co-workers strong relationship were practiced high job satisfaction. Autonomy received extrinsic rewards offered to employees (Kiviniemi et al 2002). However, according to Malhotra et al (2007) autonomy indicates the ability of the employees to determine the direction in which they carry out their job. Hence, rewards must best rategically readjusted to attain the organizational goals, boost employee's motivation to perform their job better and enhance satisfaction with their jobs.

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