

A STUDY ON FACTORS INVOLVED IN EFFECTIVENESS OF EMPLOYEE MOTIVATION IN PUBLIC SECTOR BANKS

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Abstract

Business strategy associated with rewards and motivation towards job satisfaction has resilient effect on success of the organization. The connections between rewards, motivation and job satisfaction of employees are strategically significant to the success of public organizations. 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. According to Baron (1983), motivation is an accretion of diverse practices which effects and directs our behavior to accomplish certain particular goal. It is like a vigorous in the current environment that clearly produces and incorporates an optimistic influence on job. Motivation relay on a certain intrinsic and extrinsic features that are collaborated with positive results in abundantly devoted employees. Banking sector is undergoing tremendous changes in the past few decades. The changes in the current Business Scenario demands more powerful HR tools for the success of the organization. Performance Appraisal is such a tool used in Human Resource Management to achieve a variety of its objectives. Motivation is a factor that exercises a powerful force on our activities and exertion. Hence, the present study focuses on Factors involved in effectiveness of Employee Motivation in Public Sector Banks and based on both primary and secondary sources of data collections.

Keywords: *Job Satisfaction, Gratification Needs, Behavioural Elements, HR Tools, Performance Appraisal, Financial rewards and personal traits.*

Introduction

Banking in India has moved beyond accepting deposits and making loans and has become a business or a financial supermarket driven by market based, profit-oriented objectives. The wider impact of Indian private banks has been through increasing competitiveness and customer orientation in the banking sector. The ability to offer a wide range of services with a high level of quality is becoming the most common scheme used by banks to satisfy their customers and enable them to win a niche in the sector surrounded by stiff competition, since in the eyes of banks, customers good quality services could contribute to their positive perception as well as ever lasting impression and image of the banks, resulting in the development of a sense of patronage. It is, therefore, a challenge for management of private banks to motivate their employees in order that quality services

are provided, and subsequently to satisfy the needs of their customers. Nowadays, employee motivation is, therefore, used as a key factor to gauge the performance of a particular employee and an organization, a fact largely confirmed in the management asserting that people are the most important organizational resource and the key to achieving high organizational performance.

For achieving prosperity, organizations design different strategies to compete with the competitors and for increasing the performance of the organizations. A very few organizations believe that the human personnel and employees of any organization are its main assets which can lead them to success or if not focused well, to decline. Unless and until, the employees of any organization are satisfied with it, are motivated for the tasks fulfillment and goals achievements and encouraged, none of the organization can progress or achieve success. One of the fastest growing industry is the Banking sector with thousands of employees from all over the world are in demand. Banking sector is characterized by high competition and in order to survive in market place, employees must be motivated and satisfied. In recent years, they have been paid increasing attention to "factors" in job satisfaction.

Objectives of the Study

The present study conducted with the view

1. To know about the Public sector Banks in India
2. To know the various factors of Motivation
3. To analyse the factors involved in effectiveness of employee motivation in Public Sector banks
4. To give valuable suggestions for employees motivation in Public Sector Banks

Operational Definitions

"Motivating factors are drivers of the human behavior related to the intrinsic nature of the work, but not necessarily to the surrounding circumstances or environment. Motivating factors include achievement, advancement, autonomy, personal growth, recognition, responsibility, and the work itself".

"Motivation is the act or process of giving someone a reason for doing something: the act or process of motivating someone"

"Public Sector Banks (PSBs) are banks where a majority stake (i.e. more than 50%) is held by a government. The shares of these banks are listed on stock exchanges".

Reviews of Related Literatures

The Word rewards state the benefits that workers receive from their jobs (Kalleberg 1977, Mottaz 1988), and significant elements of employee job attitudes such as organizational commitment, motivation and job satisfaction (Steers and Porter 1991). In any organization, rewards play an important role in building and sustaining the commitment

among employees that ensures a high standard of performance and workforce constancy (Wang 2004). According to the individual-organization exchange theme, individuals enter organizations with specific set of skills, desires and goals, and expect in return a decent working environment where they can use their skills, satisfy desires, and attain their goals (Mottaz 1988). Mostly organizations have increased the substantial improvement by entirely complying with the organizational strategy by a well-balanced reward and recognition programs for employee. Reward refers to all categories of financial benefits, tangible services and benefits that an employee receives as part of employment relationship with the organization (Bratton and Gold 1994). Lawler (2003) described that there are two aspects that decide how much a reward is attractive, the quantity of reward which is provided and the weight age an employee gives to a specific reward. Employees are certainly closer to their organizations and perform better job, while they receive healthier reward and recognition in their organizations. Rewards increase the level of efficiency and performance of the employees on their jobs and in the result thereof increase the success of the organization.

According to Balzar et al. (1997) job satisfaction is a sensation that employees have about their work environment and their expectations towards work. Thus, job satisfaction can be recognized as what one wants or values from a job (Brief and Weiss 2002). Different kinds of satisfaction lead to diverse objectives and behaviours that ascend from different types of motivation in getting different types of rewards (Luthanset al. 2005). Rewards with their aftermath relationship were expected to establish on satisfaction of the employee with their organization (Milne 2007). Amabile et al. (1994) concluded that employee who reveals high job satisfaction is motivated by rewards, and rewards supported work engagement (Vandenberghe and Trembley 2008). According to Zaini's (2009) satisfaction of rewards in public and private sector employee has been established certainly associated with job satisfaction. Furthermore, Zaini et al. (2009) and Chew (2005) preceding research found that job satisfaction is associated with the monetary compensation (pay, promotion, and bonus) and non-monetary compensation is one of the most important explanatory variables in both sectors (A. Furham et al. 2009).

Public Sector Banks in India

The Central Government entered the banking business with the nationalization of the Imperial Bank of India in 1955. A 60% stake was taken by the Reserve Bank of India and the new bank was named as the State Bank of India. The seven other state banks became the subsidiaries of the new bank when nationalised on 19 July 1969. The next major nationalisation of banks took place in 1969 when the government of India, under Prime Minister Indira Gandhi, nationalised an additional 14 major banks. The total deposits in the banks nationalised in 1969 amounted to 50 crores. This move increased the presence of nationalised banks in India, with 84% of the total branches coming under government

control. The next round of nationalisation took place in April 1980. The government nationalised six banks. The total deposits of these banks amounted to around 200 crores. This move led to a further increase in the number of branches in the market, increasing to 91% of the total branch network of the country. The objectives behind nationalisation were:

- To break the ownership and control of banks by a few business families,
- To prevent the concentration of wealth and economic power,
- To mobilize savings from masses from all parts of the country,
- To cater to the needs of the priority sectors

Motivational Factors

Communication - Honest, frequent two-way communication between workers and managers, including constructive discussion of workplace issues.

Challenging and exciting work - Ensure every employee has a challenge plan and is periodically asked to rate the degree of job excitement.

Opportunities - Reward managers for developing their employees and make sure that employees are held accountable for following through on their individual learning plans.

Recognition and reward for performance - Make it clear what the incentives are and reward fairly across all departments so employees see the benefits of effort.

Control over the job - Trust people to be able to shape the way they work and the projects they get involved in.

Business Impact - Provide employees with periodic reports on the effect their projects are having on the business so they know their work makes a difference.

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	38	38.00	38.00
	35 - 50	37	37.00	75.00
	Above 50	25	25.00	100.00
Total		100	100.00	
Education	Under Graduate	28	28.00	28.00
	Post Graduate	42	42.00	70.00
	Professionals	25	25.00	95.00
	Others (Specify)	5	5.00	100.00
Total		100	100.00	
Grade	Top Level	20	20.00	20.00
	Middle Level	32	32.00	52.00
	Supervisory Level	38	38.00	90.00

	Others	10	10.00	100.00
Total		100	100.00	
Position Held	Manager	5	5.00	5.00
	Senior Principal Banking Officer	10	10.00	15.00
	Senior Banking officer	25	25.00	40.00
	Banking Officer	40	40.00	80.00
	Personnel Secretary	15	15.00	95.00
	Others	5	5.00	100.00
Total		100	100.00	
Departments	Administrative Service	4	4.00	4.00
	Research	10	10.00	14.00
	Financial Markets	12	12.00	26.00
	Banking	49	49.00	75.00
	MIS (IT)	15	15.00	90.00
	Audit	2	2.00	92.00
	Non-payments and Settlement	5	5.00	97.00
	Communication	3	3.00	100
Total		100	100.00	
Length of Service	Less than a year	28	28.00	28.00
	1 - 3 years	46	46.00	74.00
	3 - 5 years	16	16.00	90.00
	More than 5 years	10	10.00	100.00
Total		100	100.00	
Terms on which employed	Permanent	53	53.00	53.00
	Contract	46	46.00	99.00
	Others	1	1.00	100.00
Total		100	100.00	

Source: Primary data

Table 2: Analysis of Attitudes towards working environment of in Public Sector Banks

S. No.	Attitudes	Mean	Standard Deviation (S.D.)
1.	Employee's motivation is effective in achieving higher productivity	2.99	0.961
2.	I find opportunities for advancement in this organisation	4.42	0.940
3.	I am satisfied with the communication between staff and the management	3.94	1.028
4.	I feel a sense of pride in doing my job	4.61	0.491
5.	I like the people I work with	4.28	0.670
6.	I am motivated to work late at the office	3.83	1.061
7.	I have a sense of belonging in my place of work	4.34	0.863
Grand Total		28.41	5.074

Source: Primary data

Table 3: List of Preference Variables and Frequencies

Variables	Highly Preferable	Preferable	Neutral	Somewhat not preferable	Highly not preferable
Job security	36%	42%	16%	4%	2%
Pay structure	60%	32%	8%	0%	0%
Promotion	40%	34%	22%	4%	0%
Status	42%	38%	16%	4%	0%
Recognition	76%	14%	4%	4%	2%

Source: Primary data

Table 4: Employees' Perception towards Systems of Management for their Motivation

S. No.	Statement	Respondents in percentage		Total
		Yes	No	
1.	Current compensation policy is able to attract, retain & motivate talents	78	22	100
2.	Does the current compensation management system allow employees for taking up higher responsibilities	83	17	100
3.	Are you satisfied with current compensation policy?	76	24	100
4.	Current compensation system allows you to put your efforts according to your specified jobs	65	35	100
5.	Current compensation system fulfills the psychological and self-actualization needs of employees	92	8	100
6.	Compensation needs are the outcomes of appraisal system	85	15	100
7.	Individual objectives are in-line with the system objectives and need	72	28	100
8.	Policy & Programs are clearly and transparently designed & understood by everyone	86	14	100
9.	The Management programs are timely updated without affecting the core work	88	12	100
10.	Do you have a formal job evaluation plan in Bank?	83	17	100
11.	Do you link pay to performance appraisal?	79	21	100
12.	Appropriate instrument/methods/tools for auditing the policies effectively	91	9	100
13.	Staff is aware about the policies of the bank	73	27	100
14.	Projected salary increases for a particular year	96	4	100
15.	Needs for compensating employees are identified on the basis of market trend and competition also	86	14	100

Source: Primary data

Table 5: The level of Importance towards Motivational Factors in Public Sector Banks

Variables	Highly Important	Important	Neutral	Not important	Highly Not Important
Acknowledgement and appreciation for your tasks within the organisation	25	20	39	14	2
Equipment and technology used	36	39	22	2	1
Facility to gain personal progress	20	25	40	12	3
Health services	35	46	11	6	2
How important is a clear job description?	22	38	37	3	0
How important is paying attention to and resolve the problems at work?	29	32	21	16	2
How important is working on your own for your overall success	46	22	13	10	9
How significant are the power and responsibility in effecting your success?	23	46	20	6	5
How significant is promotion possibility in effecting your success?	18	56	22	4	0
How significant is wages level in effecting your success?	23	46	20	9	2
Job diversity	21	32	16	29	2
Management policies and manager style	16	36	44	3	1
Manager-Employee Relation	20	48	13	18	1
Personal relations with your co-workers	32	25	30	10	3
Physical condition of the premises (air-con, lights etc.)	36	30	25	7	1
Prestige and respect you have in the organisation	26	46	23	3	2
Public acknowledgment	32	40	20	8	0
Realization of your expectations in the organisation	28	32	34	5	1
Social facilities provided and organized (outings, picnics, gym)	35	49	10	4	2
Success in your private life	12	25	20	30	13

Source: Primary data

Table 6: Analysis of Factors of Public Sector Banks towards their Employees

Factors	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Being appreciated	36	52	9	5	1
Promotion possibilities	28	24	35	10	3
Relations with colleagues	26	45	20	7	2
Wages and pay level	32	28	32	7	1
Wages as per performance policies	25	27	34	12	2
Realization of expectations	19	28	35	15	3
Health & Medical services	27	29	30	11	3
Travel Options	36	39	12	9	4
Working independently	26	38	29	5	2
Holiday possibilities	42	28	25	5	0
Competency of first level boss	38	37	17	4	4
Adoption of the work	36	41	15	6	2
Prestige and Respect the Organisation receives	25	39	20	13	3
Physical Conditions of the Work Premises	29	31	28	9	3

Source: Primary data

Table 7: Ranking of Effective Motivational Factors in Public Sector Banks

S. No.	Factors	Mean	S.D.	Ranks
1.	Fair Wages and Promotion	2.97	0.14	I
2.	Health and other Services Provided	2.92	0.24	II
3.	Job Specifications	2.58	0.37	III
4.	Management Policies and Style	2.57	0.42	IV
5.	Non-cash Benefits (except wages)	2.54	0.55	V
6.	Prestige and Respect of the Organisation	2.53	0.72	VI
7.	Prestige within the Organisation and Work Conditions	2.44	0.60	VII
8.	Setting and Defining Goals	2.38	0.65	VIII
9.	Sports and other activities provided	2.29	0.62	IX
10.	Work Environment	2.13	0.72	X

Source: Primary data

Table 8: Analysis on most important Motivational factors according to the *effectiveness*

Factors	Mean	Median	Standard Deviation
To be treated fair	6.53	7.00	0.67
That the salary related to performance	6.27	6.00	0.74
To be able to affect work outcome	6.22	6.00	0.81
To work with something interesting	6.19	6.00	0.85
To get respect related to performance	6.16	6.00	0.80
To get support from the boss	6.16	6.00	0.93
To have a interesting job	6.14	6.00	0.79
To be safe at work	6.13	6.00	0.81
To have a good relation with the boss	6.09	6.00	0.79
To participate in the goal formulation	6.05	6.00	0.90
To develop and enhance	6.02	6.00	0.93
To get feedback from the boss	5.98	6.00	0.85
To be reward related to performance	5.97	6.00	0.99
That the rewards are suitable	5.95	6.00	0.88
To have responsibility	5.94	6.00	0.79
To feel a belonging to the co-workers	5.89	6.00	0.91

Source: Primary data

Suggestions

- As the extra pay also motivates the employees of the public sector banks, so the organization should go for paying it to the employees as an extra retirement benefit.
- Recognize the achievements of employees: The recognition of the achievements of employees is an important way to satisfy their esteem needs. This could take the form of awards, pests etc.
- Provide opportunities to socialize: Socialization is one of the factors that keep employees feel the spirit of teamwork. When employees work in teams tend to increase their performance.
- Recognition and empowerment play an essential part in enhancing employee motivation towards organizational tasks. By appreciating the employees for their work done and giving them participation in decision making, internally satisfies them with their job, organization and organizational environment. Thus their enthusiasm and motivation towards accomplishment of tasks increases.

Conclusion

Employee empowerment and employee motivation towards organizational tasks have also direct and positive relationship between them. Continuous feedback of

performance evaluation is the back bone of an effective performance appraisal system. Various studies have explored the need of continuous feedback in an effective appraisal system for an organization. Employee's perception of the skills and capabilities of the appraiser to evaluate their performance impacts the future performance of the employees. The reward structure, the organizational climate, and the structure of the work can be changed, but usually slowly; everything must be thought through carefully and in detail. The leadership style of an organization, however, is the one factor that can be changed quickly, and this change can make a major difference almost overnight in Public Sector Banks.

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