



A STUDY ON FACTORS OF EMPLOYEE MOTIVATION IN PRIVATE BANKS IN CALICUT CITY

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Abstract

Employee motivation is a topic that has received very significant attention by managers and researchers alike (Gautam, Mandal and Dalal, 2006). It is acknowledged with certainty that no bank may possibly thrive without their employees. Employees are the main reason any bank might have the potential to keep in existence for a long time. The purpose of the study was to determine the factors that influence employee motivation in private banks in Calicut city. The study was guided by the research question to examine the relationship among employees motivation in private banking sector.

Keywords: *Employee Motivation, Private banks.*

1. Introduction

Banking sector is considered as the key tool of our country's economic system. In this globalized world the demand of today's competitive corporate environment coupled with customers' increasing quality service expectations compel the financial institutions including banks to achieve higher levels of productivity and deliver quality services at the same time. To achieve such outcomes the major need of financial institutions is the availability of highly motivated and committed workforce because well managed and happy human resources are considered as root source providing action learning opportunities to the employees by enabling them to work on real issues, focusing on learning and implementing pragmatic solutions which keep the employees shifted the training of human resources from working on simulated situations to real workplace problems, action learning has become an essential tool for human resource development.

This study has made an attempt to analyse the factors of employee motivation in private banks in Calicut city, Kerala, India.

Research Objective

- To examine the relationship among employee motivation in private banking sector

2. Literature Review

I. Extrinsic Factors that Influence Employee Motivation (Kalimullah et al, 2010)

Extrinsic motivation, on the other hand, refers to tangible rewards such as pay, fringe benefits, work environment, work conditions, and job security. Extrinsic motives cannot only be satisfied by the work itself. That means pleasure comes from something the task leads to, such as money. As according to (Kalimullah et al, 2010) the effects of work, as well as its contributing factors are also of importance for the need satisfaction. As a result, work is seen as a means to pursue other motives.

II. Monetary Compensation/ Salaries No One Works for Free, nor should they. (Abadi, et al., 2011)

Employees want to earn reasonable salary/payment and employees desire their employers to feel that is what they are getting. Money is the fundamental inducement, no other incentive or motivational technique comes even close to it with respect to its influential value. It has the supremacy to magnetize, retain and motivate individuals towards higher performance. Frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Abadi, et al., 2011). Research has suggested that reward causes motivation of the employee which directly influences performance of the employee (Kalimullah, et al., 2010). Rewards are management tools that hopefully contribute to firm's effectiveness by influencing individual or group behavior. All businesses use pay, promotion, bonuses or other types of rewards to motivate and encourage high level performances of employees. To use salaries as a motivator 10 effectively, managers must consider salary structures which should include the importance bank attach to each job, payment according to performance, personal or special allowances, fringe benefits, pensions etc (Rukhmani et al 2010).

III. Leadership (Rukhman, 2010)

Leadership is about influencing people to do things the right way. To achieve that you need people to follow and to have them trust you. And if you want them to trust you and do things for you and the bank, they need to be motivated. Theories imply that leader and followers raise one another to higher levels of morality and motivation. Motivation is purely and simply a leadership behavior. It stems from wanting to do what is right for people as well as for the bank. Leadership and motivation are active processes in management (Rukhman, 2010).

IV. Job Enrichment (Whittaker, 2008)

Job enrichment is a job redesign technique that allows employees to have autonomy on how they perform their own tasks, giving them more responsibility. As an alternative to job specialization, companies/banks using job enrichment may

experience positive outcomes such as increased motivation, reduced turnover, increased productivity, and reduced absences. This may be because employees who have the authority and responsibility over their own work can be more efficient, eliminate unnecessary tasks, take shortcuts, and overall increase their own performance. At the same time, there is some evidence that job enrichment may sometimes cause employees to be dissatisfied. The reason may be that employees who are given additional autonomy and responsibility may expect greater levels of pay or other types of compensation, and if this expectation is not met, they may feel frustrated. One more thing to remember is that job enrichment may not be suitable for all employees. Not all employees desire to have control over how they work, and if they do not have this desire, they may feel dissatisfied in an enriched job (Whittaker, 2008).

3. Research Methodology

The study is basically an empirical one based on data gathered from the private sector bank employees from Calicut city have been chosen for the study. A sample of 584 customers has been chosen for the purpose of the study. For this study, the researcher used a well-structured questionnaire to collect the data from the respondents. The questionnaire related to dimensions of motivation. The researcher used Correlation analysis to identify the factors of Motivation.

4. Data Findings and Discussions

Relationship among Dimensions of Motivation

In this study, Motivation consists of six subscales that measure Intrinsic Motivation, four forms of regulation for Extrinsic Motivation (Integrated, Identified, Introjected, and External) and Amotivation.

Table 1: Showing the Category of Employees

Category	Intrinsic motivation	Integrated regulation	Identified regulation	Introjected regulation	External regulation	Amotivation
Intrinsic Motivation	1.000	0.494**	0.633**	0.519**	0.588**	0.516**
Integrated regulation		1.000	0.533**	0.354**	0.519**	0.387**
Identified regulation			1.000	0.515**	0.753**	0.553**
Introjected regulation				1.000	0.567**	0.835**
External regulation					1.000	0.632**
Amotivation						1.000

**Correlation is significant at the 0.01 level (2-tailed)

From the above table we can conclude that the correlation coefficient for Types of Motivation is positive. Hence it can be concluded that Intrinsic Motivation has positive and strong relation with Integrated regulation(49%), Identified regulation(63%), Introjected regulation(52%), External regulation(59%) and Amotivation(52%). Integrated regulation has positive and strong relation with Identified regulation(53%), Introjected regulation(35%), External regulation (52%) and Amotivation (39%). Identified regulation has positive and strong relation with Introjected regulation (52%), External regulation (75%) and Amotivation (55%). Introjected regulation has positive and strong relation with External regulation (57%) and Amotivation (84%). External regulation has positive and strong relation with Amotivation (63%).

5. Conclusion

Banking system plays a very major role in the economy of our country. It is central to nation's economy as it caters to the credit need of all sections of the society. Without a social and effective banking system, it is not possible for a country to have a healthy economy. India is not only the world's largest independent democracy, but also an emerging economic giant. India's banking system has several achievements to its credit and it is no longer confined to only the metropolitans. It has reached even the remote corners of the country. This is one of the reasons of India's growth process. The importance of employee motivation is now being overall performance. For any bank to achieve its goals it is important to keep their employee motivated and satisfied. When employees are motivated the individual quality of performance increases which directly has a positive impact on the bank. Employee motivation leads to job satisfaction which also plays an important role in increasing the overall efficiency of the bank.

Suggestions

Extrinsic Factors that Influence Employee Motivation

Private banks must appreciate the importance of the extrinsic factors in determining the levels of employee motivation. The bank should acknowledge and exploit the extrinsic factors in their human resource management practices particularly in the strategic human resource management so as to ensure that the employees are well motivated to perform their tasks. The banks should take into account that the extrinsic factors that influence employee motivation levels also do impact on the personality



or the intrinsic factors and impact on the general employee motivation levels. However, the bank should practice caution in dealing with the extrinsic factors since addressing these factors may prove costly and may not necessarily lead to high levels of employee motivation due to the intrinsic factors.

Intrinsic Factors that Influence Employee Motivation

Both the bank management and the employees should appreciate the influence of the intrinsic factors on employee motivation levels. The bank should effectively exploit the extrinsic factors influencing employee motivation as a strategy for establishing a positive employee motivation. The bank should include such extrinsic factors as encouraging employee involvement in the decision making and innovation, and increase the opportunities for the personal growth for the employees among other practices that can positively influence the intrinsic factors and facilitate the establishment of high levels of employee motivation.

Impact of Employee Motivation on Performance

The banks should appreciate the impact of the employee motivation on the long and the short-term bankal goals and objectives. The banks should acknowledge the impact of the employee motivation on such bankal aspects as productivity and performance, employee absenteeism levels, employee turnover rates as well as employee stress levels. Therefore, the bank and the general management should consider implementing policies and practices that positively affect employee motivation. Such a strategy should be taken in tandem with the general bankal goals and objectives and should contribute to both the long-term and the short – term human resource strategy.

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