

Issues and Challenges Involved in Motivational Factors in Nationalized Banks

Ankita Srivastava* & Dr. Pooja Bhatia**

*Research Scholar, School of Management, BBD University, Lucknow, INDIA. E-Mail: ankitasrivastava.hu@gmail.com

**Professor, School of Management, BBD University, Lucknow, INDIA.

Abstract—Job satisfaction is the optimistic approach towards job. It is important to point out that an employee may hold different approach toward various motivational factors related to the job. This article investigates the issue and challenges involved in motivational factors for employee satisfaction in nationalized banks. Researcher focuses on the challenges in this paper are compensation, working condition, promotion, possibility of growth, recognition. As is the present era all the banks have strong HR policies to retain their employee but after that there are some loopholes in that so that employees are not well motivated to work with nationalized banks. In the present time as there are two types of banking sector one is public sector and another one is private sector. In between that private sector banks are attracting people by giving higher salary and other benefits so it is necessary to implement strong HR policies by public sector banks. So that employee can be well motivated in nationalized banks. This research paper provides a layout to implement such policies with current drawbacks and also gives an alternate approach to recover from these drawbacks.

Keywords—HR Challenges; Job Satisfaction; Motivation Theory; Policies for Motivation; Technology Up Gradation.

Abbreviations—Human Resource (HR); Organization Behaviour (OB).

I. INTRODUCTION

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 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. This move increased the presence of nationalised banks in India, to 84%. There has been a remarkable changes faced by an Indian banking industry during last three decade. Over all business profile of nationalized banks has been changed. It can be noticed since 1991 that there has been radical and perceptible transformation in the operational environment of the banking sector. In banking industry motivational factors plays an important role to motivate employees towards their duties. Motivational factors are to be implemented in well planned manner and it is the responsibility of HR department. HR department needs to implement such motivational policies that leads employee to perform best and bring them to the satisfaction level with their job. In banking industry HR department plays an important role and it is very necessary to present well organized HR department [Sapancali, 1993; Batmaz, 2002; Koçel, 2003].

This article is short research article that include the challenges faced by the organization to motivate employees and make them satisfy with the banks policies. By the end of this research few questions can be answered easily:

- What makes employee satisfy with the banks?
- Which motivational factor is the most important motivational factor for the bank employees?
- By which way HR can improve motivation of employee towards banks.
- How to implement such HR policies that employees can perform better?

After that there may be some benefits of this research that be utilized by the banks HR personnel and may be beneficial for the banks:

- Motivational factor plays an important role in overall job satisfaction of the employees.
- It can be analyzed that how motivational factor affects an individual employees behavior and performance [Arnold & Ve Feldman, 1986].
- By understanding motivational factor, banks can develop strategies to deploy such motivational factor towards employee so that they perform best.
- By using this article banks can improve retention ratio of their employees as it is very costly to lose experienced and well trained employee.

II. LITERATURE REVIEW

Abraham Maslow (1943), “Maslow’s Need Hierarchy Theory”, Article: “A Theory of Human Motivation” and his Subsequent Book: “Motivation and Personality”

Motivation: the processes that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal, specifically for OB, toward attaining an organizational goal [Çeltek, 2003].

Intensity: How hard a person tries to meet a goal?

Direction: Efforts are channeled toward organizational goals.

Persistence: How long a person maintains effort toward a goal?

Maslow theory of need is often arranged in a pyramid form. The most fundamental and basic four layers of the pyramid contain what Maslow called “deficiency needs” or “d-needs”: esteem, friendship and love, security, and physical needs.

Physiological Needs: Physiological needs are the physical requirements for human survival. If these requirements are not met, the human body cannot function properly, and will ultimately fail.

Safety: With their physical needs relatively satisfied, the individual’s safety needs take precedence and dominate behavior. In the absence of physical safety – due to war, natural disaster, family violence, childhood abuse, etc.

Love: After physiological and safety needs are fulfilled, the third level of human needs is interpersonal and involves feelings of belongingness.

Esteem: All humans have a need to feel respected; this includes the need to have self-esteem and self-respect. Esteem presents the typical human desire to be accepted and valued by others.

Self-Actualization: Maslow describes this level as the desire to accomplish everything that one can, to become the most that one can be.

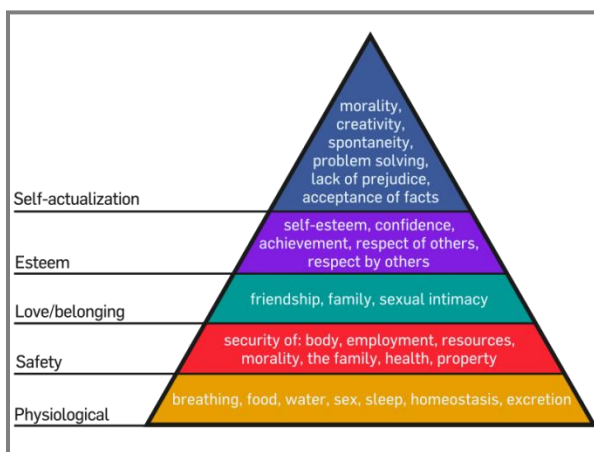


Figure 1: Maslow’s Hierarchy of Needs

Frederick Irving Herzberg (1959), “Two-Factor Theory”

Two-factor theory Herzberg’s motivation-hygiene theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. The two-factor, or motivation-hygiene theory,

developed from data collected by Herzberg from interviews with a large number of engineers and accountants in the Pittsburgh area.

Frederick Herzberg (1966), “Work and the Nature of Man”, Cleveland: World Publishing

Motivators (e.g. challenging work, recognition, responsibility) that gives positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth [Hellriegel & ve Slocum, 1978; Certo, 1997].

J. Richard Hackman & Greg R. Oldham (1976), “Motivation through the Design of Work: Test of a Theory”, Organizational Behavior and Human Performance, Vol. 16, No. 2, Pp. 250–279

Hygiene Factors (e.g. status, job security, salary, fringe benefits, work conditions) that do not give positive satisfaction, though dissatisfaction results from their absence. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary [Gibbons, 1998; Greenberg & Baron, 2003; Eren, 2004].

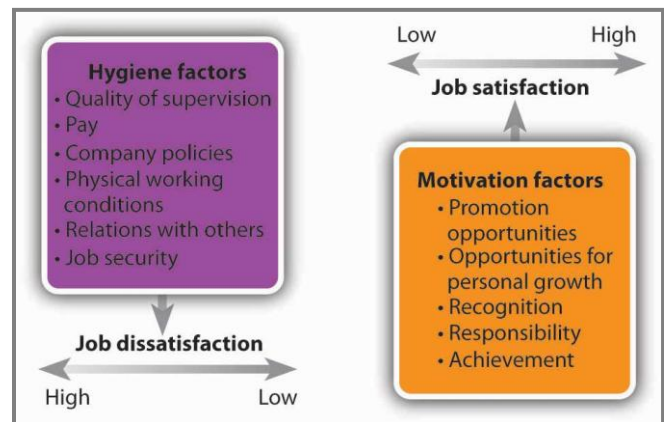


Figure 2: Herzberg’s Theory of Motivation

III. OBJECTIVE OF THE RESEARCH

The purpose of this study is to better utilize HR policies. The objective can be stated as research question:

- To explore various satisfaction and dissatisfaction factor of the employee.
- To find out the challenges related to motivational factors in nationalized.

IV. METHODOLOGY

This research is descriptive in nature. Initially the motivational factors are identified with the interaction of different bank personnel. After that a primary questionnaire is prepared based on these factors. With this questionnaire a one to one interaction has been done with all respondents. They have told about the purpose of the research and usefulness of this article. Then after they showed their interest and participated in the process of questionnaire filling and interaction.

V. DATA ANALYSIS TOOL

The questionnaire is compiled in tabular form along with the graphs so that the analysis can be made easy. Analysis is done with the help of pie and bar charts and graphs. In this study, at every stage the bank employees participated actively for better result as this research article can be helpful to modify present motivational policies.

VI. CHALLENGES INVOLVED IN MOTIVATIONAL FACTOR

In public sector banking industry HR challenges is related to the private banking industry as there is a huge competition between public sector and private sector banks. It is necessary to overcome such challenges which often faced by a HR department in banking industry. These challenges work as a motivational factor for the employees. By deploying such factors in competitive to other private banking industry will result to more satisfaction among the employees that leads to them better performance and results a overall growth of organization. There are number of challenges that are faced by a HR department such as:

- Compensation
- Working condition
- Promotion
- Possibility of growth
- Recognition

6.1. Compensation

This is a most important factor. This factor directly proportion to a satisfaction level of an individual. As everyone wants to earn more in term of pay and compensation is a factor that can motivate or de-motivate to an individual. So it is necessary for public sector banks to keep compensation ratio with comparison to other financial institution and private sector banks.

6.1.1. Is compensation is the most important and primary factor for motivation and better performance?

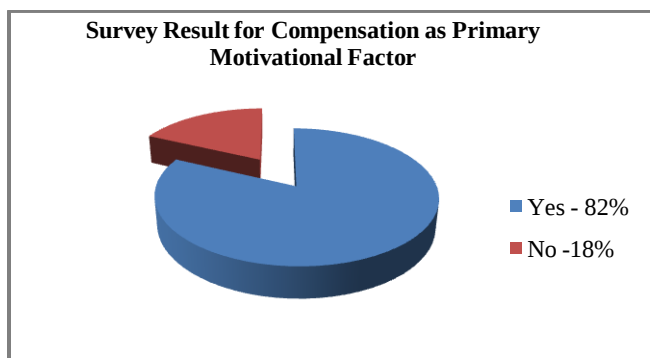


Figure 3: Data Survey Chart

A survey has been done among the public sector banks employees and it is found that 82% individual says that compensations is the primary factor for motivation and rest 18% do not says the same.

6.1.2. Is compensation is balanced with comparison to private sector banking?

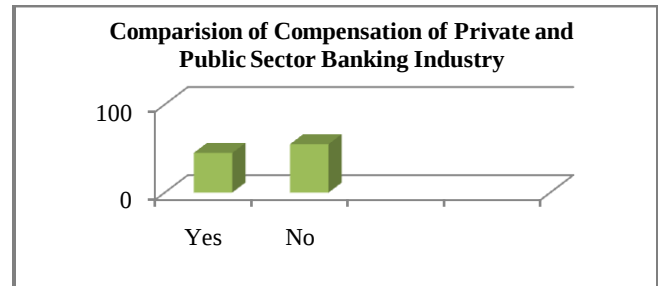


Figure 4: Survey Report

In this 45% individuals responds that the compensation is balanced with comparison to private sector banking but at the other hand 55% individuals says that it is not balanced. As the individual interview have been done with all respondents so according to 55% individual private sector banks are giving hire compensation similar to the position in compare to public sector banks. They also says that there are some other benefits in compare to private sector banks but the compensation is primary factor for motivation so it should be at least near to private sector banks.

6.1.3. Suggested Findings

Table 1: Finding for Compensation through Survey

S.No.	Finding for Compensation
1.	HR should revise compensation policies by analyzing private sector banks compensation schemes.
2.	It is necessary to brief time to time about the policies related to compensation and revision.

6.2. Working Condition

Working Condition is related to working environment. Working condition is to be suitable for all types of individuals as the work place is common for all. Working environment is a factor that effects the performance of an individual.

6.2.1. Is good and healthy working environment improves overall performance of an employee?

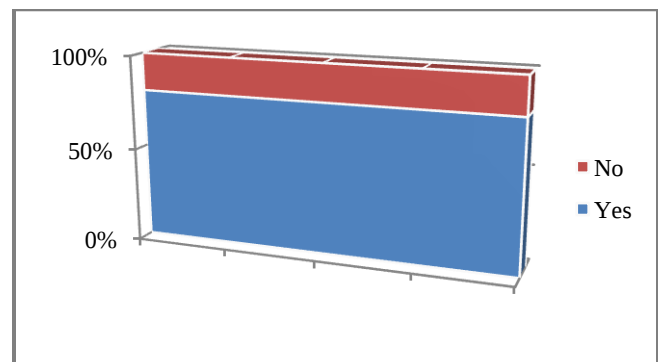


Figure 5: Survey Report

According to 80% employee it is seems that good working condition and environment improves overall performance of the employee but 20 % employees do not believes that the performance of an employee depends on the working condition.

6.2.2. Suggested Findings

Table 2: Findings for Working Condition

S.No.	Findings for Working Condition
1.	It is necessary to provide good and healthy atmosphere in work place for all genders so that they work comfortably.
2.	There should be some form of women cell for their personal working issues as this is demanded by the female employees in one to one interaction.

6.3. Promotion

It is another factor for motivation by giving promotion. It can be seen as giving responsibility to an employee by giving them promotion. Promotion which ensures that employees advance in their career development as a banker.

6.3.1. Is promotion policies should be time scale instead of present test based policy?

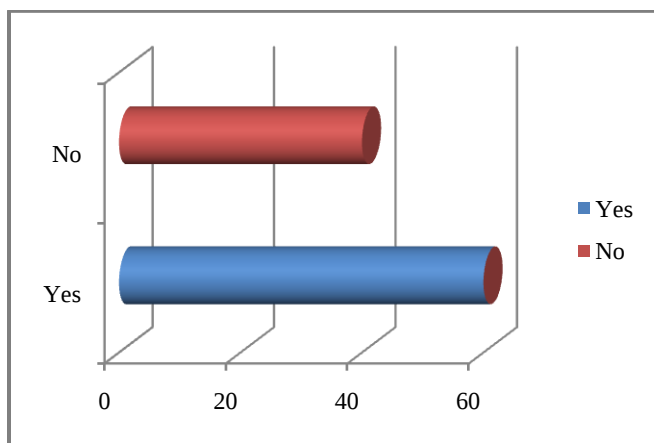


Figure 6: Survey Result

60% employees say that the promotion should be time scale instead of test based but the other hand 40% employees are satisfied with the current policy. According to 60% employee if time based promotion is done then highly experienced and skilled person will be at higher position and affects the overall performance of banks.

6.3.2. Suggested Findings

Table 3: Suggested Findings for Promotion Policy

S.No.	Findings for Promotion Policy
1.	Promotion should be time scale instead of test based so that highly skilled and experienced person can be promoted.
2.	Promotion should not be transferable instead of willingness of employees.

6.4. Possibility of Growth

Possibility of growth may be related to personal as well as professional growth. Professional growth is directly proportional to personal growth. Possibility of growth may be internal that is for self esteem so that employee can perform better.

There should be such policies so that an individual can improve their educational qualification by pursuing higher studies that can be beneficial for banks.

6.4.1. Is there such policies so that individual's possibility of growth can be there?

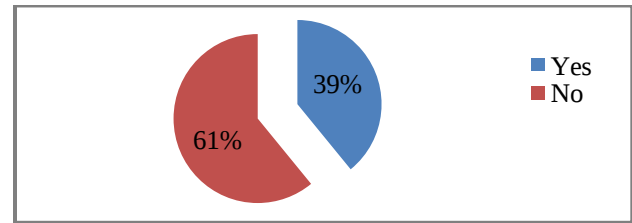


Figure 7: Survey Result

In a survey 61% employee says that there are no such policies so that personal or professional growth can be there in contrast 39% says that there are such policies.

6.4.2. Suggested Findings

Table 4: Suggested Finding for Possibility of Growth

S.No.	Finding for Possibility of Growth
1.	Prepare a plan for professional growth in reference to self esteem of an employee.
2.	Implement such policies so that an employee can go for their personal growth as well.

6.5. Recognition

The other factor recognition is an very important factor for employee motivation. Recognition is given to employee on yearly basis on their performance or due to outstanding performance by an employee. By giving them such recognition it will result to motivate others to perform well with higher enthusiasm to achieve goal. Recognition can be given in different ways like monetary benefits, special allowances etc.

6.5.1. Is employees recognized for their outstanding performance in any term?

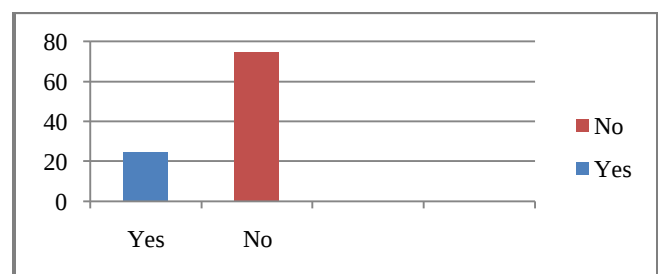


Figure 8: Survey Result

75% employees says that there is no recognition for outstanding performance of an employee against that 25 % employees says that there are such rules to recognize if any employee give outstanding performance.

6.5.2. Suggested Findings

Table 5: Suggested Findings for Recognition Policies

S.No.	Findings for Recognition Policies
1.	To make such policies so that an employee with outstanding performance or good performer throughout the year can be recognize by some monetary benefits or special allowances.
2.	Identify the need of employee at the time of recognition that onetime benefit is suitable or monthly basis it has to be given.

6.6. Combined Survey Result

Finally, survey results that which factor is the prime challenge in the present scenario and what percentage of employees are satisfied with that. As we focused on five factors so among that which is the main factor and need to change policies corresponding to that.

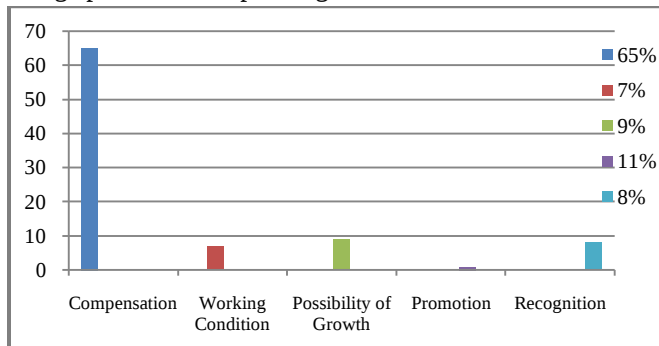


Figure 9: Combined Survey Result to Identify Most Challenging Motivational Factor

As 65% employees says that compensation or salary is the prime and most challenging motivational factor for public sector banks as private banks are offering good salary apart from this rest 35% employees are distributed among rest four factors in 7% , 9%, 11% and 8% for working condition, possibility of growth, promotion and recognition respectively.

VII. CONCLUSION

It is accepted that the joy of employee in serving customers plays an important role to make customer happy in banking industry. This can be only done by making employee satisfied with their job. Satisfaction level cannot be 100% but it can near to it so that employee can perform their best. In this article few such motivational factors have been identified to make the employee near to 100% satisfied. Through survey researcher found few challenges related to motivational factors like

- 65% employees says that compensation or salary is the prime and most challenging motivational factor for public sector banks as private banks are offering good salary apart from this rest 35% employees are distributed among rest four factors in 7% , 9%, 11% and 8% for working condition, possibility of growth, promotion and recognition respectively.
- 82% individual says that compensations are the primary factor for motivation and rest 18% do not says the same.
- 45% individual's responds that the compensation is balanced with comparison to private sector banking but at the other hand 55% individuals says that it is not balanced.
- 60% employees say that the promotion should be time scale instead of test based but the other hand 40% employees are satisfied with the current policy.
- 75% employees says that there is no recognition for outstanding performance of an employee against that 25 % employees says that there are such rules to recognize if any employee give outstanding performance.

- 61% employee says that there are no such policies so that personal or professional growth can be there in contrast 39% says that there are such policies.

Along with this few suggestions have been given to implement or revise such policies so that employee can be more satisfied with their job and they can perform best. The motivation of the employees is a necessity for all organizations performance. This study sought to define the motivational factors for the employees of the bank.

Last this article will help in making public sector bank industry strong along with employee satisfaction near to 100%. It will result in to improve overall working of banks and individual employees.

REFERENCES

- [1] A.H. Maslow (1943), "A Theory of Human Motivation", *Psychological Review*, Vol. 50, No. 4, Pp. 370–96. Retrieved from: <http://psychclassics.yorku.ca/Maslow/motivation.htm>.
- [2] Frederick Herzberg (1966), "Work and the Nature of Man", *Cleveland: World Publishing*.
- [3] Frederick Herzberg (1968), "One More Time: How Do You Motivate Employees?", *Harvard Business Review*, Vol. 46, No. 1, Pp. 53–62.
- [4] J. Richard Hackman & Greg R. Oldham (1976), "Motivation through the Design of Work: Test of a Theory", *Organizational Behavior and Human Performance*, Vol. 16, No. 2, Pp. 250–279.
- [5] D. Hellriegel & J. ve Slocum (1978), "Management: Contingency Approaches", *Addison-Wesley Pub. Co.*
- [6] H.J. Arnold & D.C. Ve Feldman (1986), "Organizational Behaviour", *McGraw-Hill International Editions*, Singapore.
- [7] F. Sapançali (1993), "Induced Tools used in the Motivation of Employees", *Productivity Magazine*, No. 4, Pp. 55–74.
- [8] S.C. Certo (1997), "Modern Management", 7th Ed., *Prentice-Hall*, Pp. 387.
- [9] R. Gibbons (1998), "Incentives in Organizations", *Journal of Economic Perspective*, Vol. 12, Pp. 115–132.
- [10] S. Batmaz (2002), "Organizations Importance of Motivation", *Standard Magazine*, Pp.45–48.
- [11] E. Çeltek (2003), "Motivation Management", *Workforces Journal*, Vol. 6, No. 1, Pp. 8–17.
- [12] J. Greenberg & A.R. Baron (2003), "Behaviour in Organisations", *Prentice Hall*, Vol. 8, Pp. 188–215.
- [13] T. Koçel (2003), "Business Management", *Beta Publications*, Istanbul.
- [14] E. Eren (2004), "Psychology, Organizational Behavior and Management", Edition: 8, *Beta Publishing*.



Ankita Srivastava has done MBA (HR & Finance) from UPTU in 2009. Presently she is working with BBDNITM as a lecturer in department of humanities and also a research scholar at school of management BBDU.



Dr. Pooja Bhatia has done MBA in rural marketing from Lucknow University and Ph.D. in management, presently she is working as a professor at BBDU in school of management.