

## “AN EMPIRICAL STUDY OF FACTORS RESPONSIBLE FOR MOTIVATING BANK EMPLOYEES AT LOWER LEVEL: AN INDIAN PERSPECTIVE”

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### ABSTRACT

This paper deals with the topic of employee motivation in banking sector in India. Motivation is deliberated as one of the most significant ways for a sustainable organizational growth and it is important to study the employee motivation at every level. An empirical study has been conducted on the topic and the main findings are presented and analysed in the content of this paper. This study aims at identifying practices for increasing the degree of employee motivation amongst bank employees at lower level for sustainable organizational growth. The research has made it likely to recognize the most pertinent behavioural aspect of employee motivation process. At the end, based on the findings, the paper comprises of some suggestions for the contemporary managers to become highly effective to nurture a sustainable organizational growth by supporting the employees working under them.

**KEYWORDS:** Employees, Motivation, Salary

### INTRODUCTION TO THE TOPIC

Motivation is a concept which was researched with relevance to work environment. As the shift in growth aspirations of employees and changing scenario at Indian banks suggests, salary is one of the major motivation techniques that suggestively impact employees' workloads at least at lower level. In short, salary plays an important role in motivation of employees. As the specialists are saying, all people should have equal opportunities to find a good job enabling them to obtain a salary attractive enough to meet needs as well. Lack of adequate salary would lead to people unable to live in normal conditions. Having said this, apart from salary there are other significant factors that influence the work motivation of employees in banking sector, which have been discussed in this paper. This study aimed at understanding the factors impacting employees' motivation, who are working at lower level and designated as clerks, service executives, cash management officers, customer support staff, bank teller etc. The factors responsible for motivation such as salaries, working conditions, stress at work, and need of training and growth opportunities for employees in banking sector have been analysed and worked upon. Based on the finding of this study, the author has suggested some measures for managers to keep the employees motivated and control the attrition rate for sustainable growth of the organization.

### Foundation of the Present Study: Review of Literature

In the last few decades the researchers (Munir, 2011; Pritchard, 2008) have noted and explained the motivation of employees from different perspectives. Starting with different premises, some writers have stated (Nobre et al., 2011) the fact that motivation is the main instrument which can be used for a direct correlation between salary and the results obtained.

There are some researchers who suggest (Murphy, 1981) that employees should be motivated through a

proportional salary according to their efforts on the job and the others that support the idea of human resources motivation according to their results and performances obtained. (Deaconu et al., 2002).

Motivation and job satisfaction of employees (Deal & Jurkins., 1994) should be one of the main priorities of the management in any organization to have a sustainable growth of its medium and long term. (Erez & Early, 1993) There is a growing interest for effective compensation within the organizations. As some of the scholars pointed out (Ciocoiu, 2011) that motivation is not only a consequence but also a prerequisite for effective social and economic activities. (Colesca, 2010)

One interesting idea is that motivation like a part of the organizational policies has to be judiciously prepared and perfectly damped with the general policy of the organization in order to stimulate economic efficiency rather than to affect it. (Sims & Veres, 2007).

Development of salary & wages policy is a complex activity that requires consideration of all aspects of essentially the salary, duties and functions of its base, its correlations with the most difficult economic and social variables and their implications on all interests of often divergent businesses. (Tyson, 2006).

For the labour force and for the employees, salary is main support for their livelihood and family. (Topolosky, 2011). Every employee will expect not only to get adequate salary but also to earn a decent one to have a good lifestyle. Therefore, policies should not neglect the needs and goals of employees, because salary is an instrument of supporting both social and personal needs of employees. This era has been strongly marked by the modern communication and informational technologies and even at the lower level, (Gavrila, Babeanu & Boldeanu, 2009) individuals enter the organization with the hope to meet personal needs.

Job satisfaction is another important aspect of organizational climate. It can be achieved by a variety of ways. Over the time, research has been conducted on series factors that determine the dimensions which generate state of satisfaction / dissatisfaction and the types and levels of satisfaction/dissatisfaction. Some of work performed the development of personality traits, the employee contribution to the production of goods and services, development of human relations and shaping welfare state benefits. Satisfaction/dissatisfaction mainly depends on the relationship between expectations and outcomes of employees, abilities and goals of the employees on the one hand and existing conditions at work on the other hand (Androniceanu, 2009).

A fair wage and incentive system should be able to meet the following criteria for assessing the rationality and efficiency:

- Remuneration proportional to the relative importance of the work
- Consistency levels of pay between jobs with tasks compatible
- Pay adjustment in accordance with changes in the labour market
- Recognition of professional capacity and efficiency of the individual
- Understanding by senior management oversight and payroll system
- The existence of rational methods for solving the problems of pay

## **RESEARCH DESIGN**

### **Research Objectives**

The overall objective of the research is to identify and analyse the employee motivation at lower level from employee payroll process considering three different banks in Pune.

The specific objectives of this study are to understand:

- To find which motivational factor is more important
- To understand about the employees satisfaction level
- To understand employee satisfaction on monthly remuneration
- To understand factors motivating employees who wish to remain in the same organization

This study aimed at identifying and understanding the determinants of motivation. In order to have a clear view concerning employee motivation level, graphical representation of data has been included at every research stages. The questionnaire Survey and Informal Interview Survey has been conducted to collect the data required for the research. First of all the author had an extensive informal discussion with respondents in groups and after thoroughly conducting group interviews, the author received a guideline for designing questionnaire to further address and analyse the factors which were having utmost significance in the life of these employees at lower level.

To analyse salary of employees at lower level, a questionnaire survey has been conducted for three different public sector banks in Pune and 109 employees have participated in the questionnaire survey. These employees have been designated as clerks, service executives, cash management officers, customer support staff and bank teller. The author has personally met these employees from the selected banks and administered the questionnaire. The sample technique used for this research is simple random sampling. The hard copies of questionnaires have been distributed to 120 employees across banks. Out of which the 112 employees have responded to the survey and 3 copies have been rejected due to incomplete information. Thus the sample size consists of 109 samples.

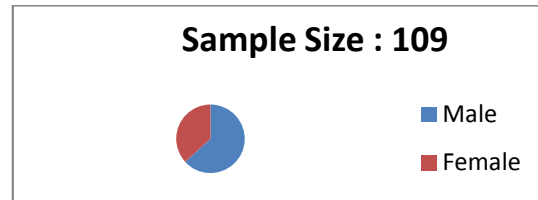
### **Following are the Demographics of the Sample Employees**

The sample demographics showcase that the percentage of male respondents (63%) were more than percentage of female respondents (37%). Most of the respondents were from the age group of 20-30 (67%) and some of them were of age group of 30-40 (25%). Very few respondents belong to age group of 40-50 (8%) and no one was from the age group of 5- and below. As far as the qualification is concerned, 66% respondents were graduates, 27% were completed HSC and very few have done post-graduation (7%). Most of the respondents earning annual income between 1-2 lack (44%), another major income group was of 2-3 lack (30%) and some of them were from the income group between 3-4 lack (27%) and none of them were earning more than 4 lack per annum.

Demographical factors have a foremost impact on the personality, thinking pattern and responsiveness of an individual, that's the reason why the author found it important to explain the demographics.

**Table 1: Gender Wise Distribution of Data**

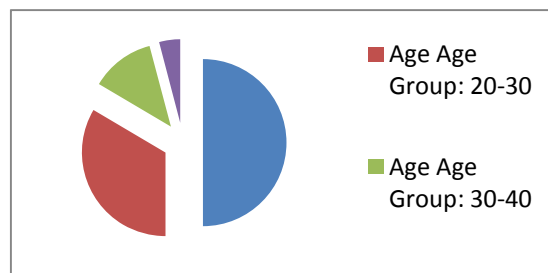
Gender	Sample Size	Gender: Male	Gender: Female
	109	69	40
	100%	63%	37%



**Figure 1: Gender Wise Distribution of Data**

**Table 2: Age Wise Distribution of Data**

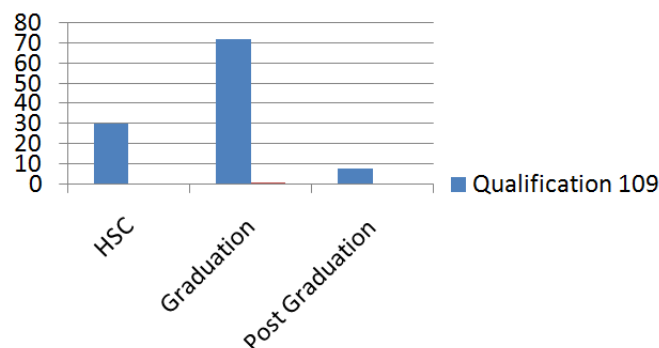
Age	Sample Size	Age Group: 20-30	Age Group: 30-40	Age Group: 40-50	Age Group: 50+
	109	73	27	9	0
	100%	67%	25%	8%	-



**Figure 2: Age Wise Distribution of Data**

**Table 3: Qualification Wise Distribution of Data**

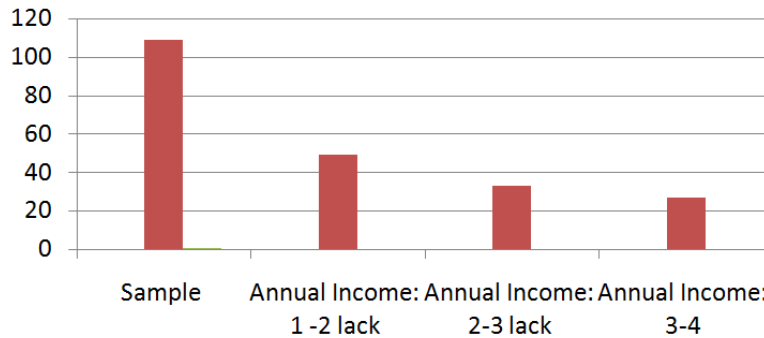
Qualification	Sample Size	Qualification: HSC or Less	Qualification: Graduation	Qualification: Post-Graduation	Qualification: Any other
	109	30	72	8	0
	100%	27%	66%	7%	-



**Figure 3: Qualification Wise Distribution of Data**

**Table 4: Annual Income Wise Distribution of Data**

Income Group	Sample Size	Annual Income: 1 -2 lack	Annual Income: 2-3 lack	Annual Income: 3-4	Annual Income: 4 & Above
	109	49	33	27	0
	100%	44%	30%	26%	-



**Figure 4: Annual Income Wise Distribution of Data**

**DATA ANALYSIS**

**Question 1: Are you Satisfied or Dissatisfied with your Job?**

- Very Satisfied
- Moderate satisfied
- Unsatisfied

While answering the 1<sup>st</sup> question that is about the job satisfaction of the bank employees, 29% respondents have said that they were satisfied with the job and most of them have attributed the satisfaction to the growth opportunities and leadership positions they attained in the banks where they were working. Mostly these respondents were from the 30-40 age groups and earning 20-30 lack and above per annum.

50% of the sample has said they do not consider satisfaction as a significant aspect and they would stick to their job for security and because they find it difficult to get a job outside. 21% of respondents have said that they are dissatisfied with their job and the attributes were not abo to avail their leaves as and when they need, the job was stressful and they were not able to afford a decent lifestyle with the money they received.

**Table 5: Satisfaction Level of Employees**

Satisfaction Level			
Level	Very Satisfied	Moderate Satisfied	Un Satisfied
Sample	32	55	22
%	29%	50%	21%



**Figure 5: Satisfaction Level of Employees**

**Question:2 how Stressful your Work Profile is?**

- Not at all stressful
- Little stressful
- Very stressful

When asked about the stress level, most of the employees (82%) have said that the job is stressful attributing to the pressure from seniors and not getting any support or proper training and 16% have said that their job is very stressful because these were the employees who were handling cash flows and they found it risky. Very few, 2% of respondents have said that the job is not at all stressful and they were not very sure about the reasons.

**Table 6: Stress Level of Employees**

Stress Level			
Level	Not at all Stressful	Little Stressful	Very Stressful
Sample	3	89	17
%	2%	82%	16%



**Figure 6: Stress Level of Employees**

**Question: 3 Which of the following statements, which are considered as true for your work?**

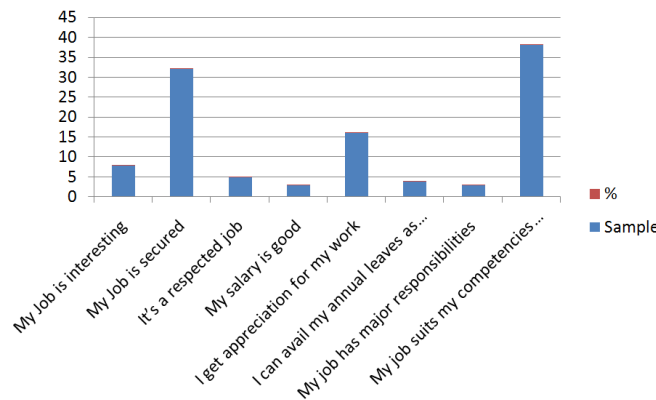
- My Job is interesting
- My Job is secured
- It's a respected job
- My salary is good

- I get appreciation for my work
- I can avail my annual leaves as and when I require
- My job has major responsibilities
- My job suits my competencies and qualification

The author has indirectly tried to understand the factors responsible for satisfaction and motivation of the employees working in banking sector at lower level. 8% of respondents have said that the job is interesting because they hold supervisory position in their profile, 30% have said that they prefer to work in the respective bank for job security. 4% have felt that job in bank is looked at as respected job in the society. Very few (2%) have said that they have good salary. 15% have felt that their work is appreciated by the supervisors. Very few (4%) felt that they can avail the leaves as and when they need. Majority of them were of the opinion that their job is not valued. Many of the respondents have accepted the fact that their job suits the level of competencies and qualification they have.

**Table 7: Parameters for Work Satisfaction of Employees**

Work Satisfaction								
Parameter	My Job is Interesting	My Job is Secured	It's a Respected Job	My Salary is Good	I get Appreciation for my Work	I Can Avail my Annual Leaves as and when I Require	My Job has Major Responsibilities	My Job Suits my Competencies and Qualification
Sample	8	32	5	3	16	4	3	38
%	8%	30%	4%	2%	15%	4%	2%	35%



**Figure 7: Parameters for Work Satisfaction of Employees**

**How Do you Value your Salary?**

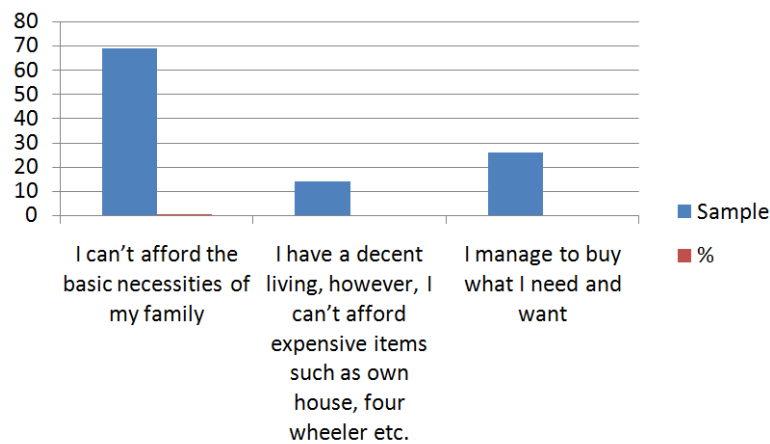
- I can't afford the basic necessities of my family
- I have a decent living, however, I can't afford expensive items such as own house, four wheeler etc.
- I manage to buy what I need and want

As discussed earlier, salary is one of the major parameters of motivation at the lower level. In view of this fact, while respondents have been asked about their views on salary, 61% of them have said that they can't afford basic necessities with the salary that they getting and have to be reliant on some other sources of additional income. 17% have

said that they can afford the basic necessities; however, they can't afford the expenses like buying a house or four-wheeler. This views can be attributed to the factor that most of these respondents belong to the 1-2 lack annual income category. However, 22% have stated that they can manage decent lifestyle with the salary they receive. This probably would be the group who receives salary between 3-4 lack per annum.

**Table 8: Employees' Views on Salary**

Views on Salary			
Parameter	I can't Afford the Basic Necessities of my Family	I have a Decent Living, However, I can't Afford Expensive Items such as Own House, Four Wheeler etc.	I Manage to Buy what I Need and Want
Sample	69	14	26
%	61%	17%	22%



**Figure 8: Employees' Views on Salary**

**What about Additional Income?**

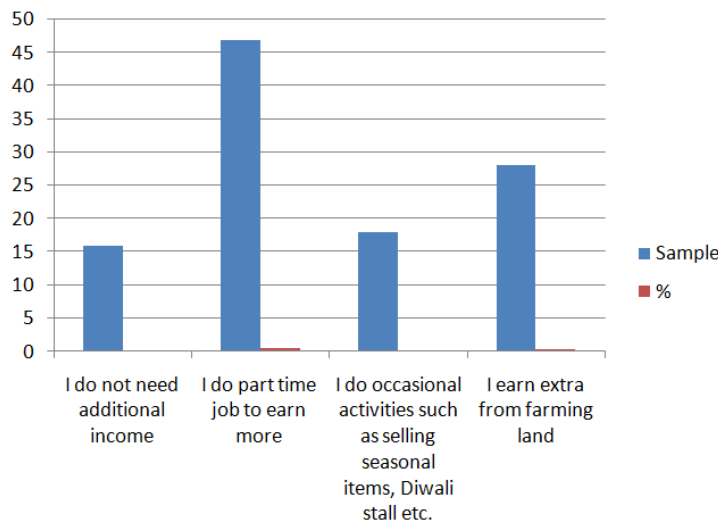
- I do not need additional income
- I do part time job to earn more
- I do occasional activities such as selling seasonal items, Diwali stall etc.
- I earn extra from farming land

Since, majority of respondents have mentioned about the additional income sources, it was necessary to understand these sources and reliabilities of these sources. 15% of the respondents have said that they do not need any additional income. 43% have said that they do part time jobs such as collection agent, insurance agent, tuition teacher etc. Some of them (16%) have stated that they do seasonal activities such as selling crackers or diyas in Diwali, selling Indian food such as pickle, mangos etc. and 26% of respondents have said that they have farming land and earn additional income through that.



**Table 9: Sources of Additional Income for Employees**

Sources of Additional Income				
Parameter	I do not Need Additional Income	I Do Part Time Job to Earn More	I Do Occasional Activities such as Selling seasonal Items, Diwali Stall etc.	I Earn Extra from Farming Land
Sample	16	47	18	28
%	15%	43%	16%	26%



**Figure 9: Sources of Additional Income for Employees**

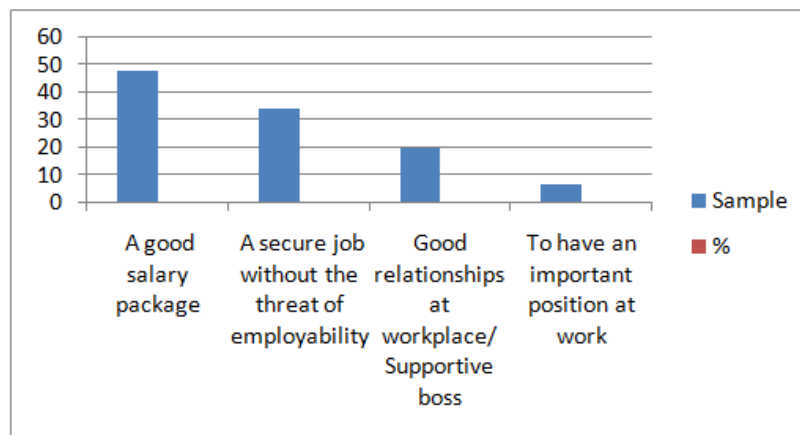
**If you Were to Look for Another Job, what Will you Value?**

- A good salary package
- A secure job without the threat of employability
- Good relationships at workplace/ Supportive boss
- To have an important position at work

The next noticeable question here was to understand if these employees would plan to change the job, what would be the factors they would be looking for? This question would help the author to understand the expectations of these employees and what measures the managers or bank can take to retain the employees at this level can be suggested with the help of this analysis. 44% employees were dissatisfied with the salary they received. 31% of them were unsecured about their job; this was a category of employees on contract basis. 18% of respondents were unhappy with the treatment they received from their superiors. 7% of them were looking for career growth.

**Table 10: Job Aspirations of Employees**

Job Aspirations				
Parameter	A Good Salary Package	A Secure Job without the Threat of Employability	Good Relationships at Workplace/ Supportive Boss	To have an Important position at Work
Sample	48	34	20	7
%	44%	31%	18%	7%



**Figure 10: Job Aspirations of Employees**

**What will be your Motivation to Stick to the Current Organization?**

- Annual Bonus
- Holiday Packages

**What will be your Motivation to Stick to the Current Organization?**

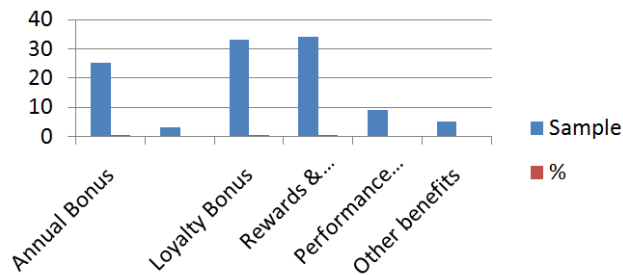
- Annual Bonus
- Holiday Package
- Loyalty Bonus
- Rewards & Recognition
- Performance based Incentives
- Other benefits

The last question was completely aimed at understanding the factor for retaining and motivating these employees. The author has asked the employees if they were already getting any benefits, they have responded that apart from salary and compensation, they are not getting any other benefits. 23% of the respondents expect annual bonus from the bank, very less, 2% have said that they would be happy to receive holiday package, 31% of them have said that they should get loyalty bonus and rewards for good performance whereas, 8% have said that they should get performance based incentives. Only

5% have stated that they should get other benefits such as free of charge bank accounts, additional leaves or perks etc.

**Table 11: Motivation Factors for Employees**

Motivation/Retention Factors						
Parameter	Annual Bonus	Holiday Packages	Loyalty Bonus	Rewards & Recognition	Performance Based Incentives	Other Benefits
Sample	25	3	33	34	9	5
%	23%	2%	31%	31%	8%	5%



**Figure 11: Motivation Factors for Employees**

**FINDING & DISCUSSIONS**

The above research clearly indicates that those employees who have received leadership position or promotions are satisfied with the organization, whereas, those employees, who did not find their salary equivalent to their work profile, are dissatisfied with the organization. Further, detailed analysis infers that many of the employees consider their work stressful. The profile of bank employee consists of much of confidential information about the customers as well as many of them have to deal with cash flow and this makes the job stressful.

Some of the employees were unhappy about the fact that they cannot avail their annual leaves as and when they require. Some of them feel that management does not support them and does not take any initiative for their development. On the other hand, many of the respondents have appreciated the fact that their job suits their abilities and qualification.

Some of the employees have stated about additional income through farming land or spouse working to support the family and some of them have mentioned about the part time job they undertake to support the family needs. Some of the respondents also have believed that getting job outside the bank is not easy, thus they are ready to compromise on certain aspects such as low salary or stress.

Many of the respondents have also specified that they do not receive any kind of bonus or incentives during a whole year and they have to completely be dependent on the regular salary.

With the help of the above findings, one can conclude that most of the employees at lower level are dissatisfied with their monthly salaries. They believe that their salary is not proportionate to their responsibilities and expectations and work profile.

## CONCLUSIONS

With regard to salary, employees were highly dissatisfied as they believe that they receive lesser remuneration in relation to work that they perform within the bank where they are employed. However, some of these employees are satisfied with the salary they receive at bank in consideration to their competencies, qualification and experience.

Most of the employees responded that they have another source of income such as farming land; however, they are not able to afford large expenses such as buying a house and they need to undertake a part time job to be able to support their families.

A large number of employees, despite a busy schedule at bank, choose to do side income activities because they feel that the money earned at the bank is not enough for them to have a decent lifestyle and to pay for expenses related to their children's education.

## SUGGESTIONS

The primary suggestion based on the above mentioned research is moreover related to the perspective of approach to motivation. The data revealed the fact that factors of motivation are changing drastically and it is a crucial aspect and a key tool for stimulating the employees to perform better. Thus managers have to support employees working at lower level and have to undertake some employee engagement initiatives such as meeting over lunch, club membership or family get together.

Further, it is suggested that substantial upgrading is required for organizational climate to reduce stress in organizations, because the research results demonstrated that the stress is influencing the organizational development extensively because employees are not able to focus on their work if they are stressful and they tend to make mistakes in such situations. Thus it is suggested that they should get small breaks in between work hours and organization should conduct some meditation or stress management sessions once in a while and there should be supporting and pleasant environment in banks across all level of employees and managers should be supportive and understanding.

It is also suggested that different monetary and non-monetary benefits such as employee engagement initiatives, work-participation and freedom to take routine decisions and recognition & rewards for better performance should be initiated even at the lower level of employees to foster and encourage outstanding performance of the employee at this level. The new system should include bonuses and incentives to motivate the employees to contribute significantly to a sustainable organizational development.

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## APPENDICES

### Questionnaire

- What is your gender?
- What is your age?
- What is your qualification?
- What income group you belong to from the following?
- 1 -2 lack per annum
- 2-3 lack per annum
- 3-4 lack per annum
- 4 lack and above per annum
- Are you satisfied or dissatisfied with your job?
- Very Satisfied
- Moderate satisfied
- Unsatisfied

How stressful your work profile is?

- Not at all stressful
- Little stressful
- Very stressful

Which of the following statements, which are considered as true for your work?

- My Job is interesting
- My Job is secured
- It's a respected job
- My salary is good
- I get appreciation for my work
- I can avail my annual leaves as and when I require

- My job has major responsibilities
- My job suits my competencies and qualification

How do you value your salary?

- I can't afford the basic necessities of my family
- I have a decent living, however, I can't afford expensive items such as own house, four wheeler etc.
- I manage to buy what I need and want

What about additional income?

- I do not need additional income
- I do part time job to earn more
- I do occasional activities such as selling seasonal items, Diwali stall etc.
- I earn extra from farming land

If you were to look for another job, what will you value?

- A good salary package
- A secure job without the threat of employability
- Good relationships at workplace/ Supportive boss
- To have an important position at work

What will be your motivation to stick to the current organization?

- Annual Bonus
- Holiday Packages
- Loyalty Bonus
- Rewards & Recognition
- Performance based Incentives
- Other benefits

\*Note: Please mention what you are receiving as on today out of the above

