

A Comparative Analysis of the Factors Determining Motivational Level of Employees Working in Commercial Banks in Kohat, Khyber Pukhtunkhwa

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Abstract

The aim of designing present study was to analyze the role of reward that plays in motivating employees of commercial banks of Kohat, Pakistan. Specifically present study aims to analyzed the variance explained by predictor variables (payment, promotion, benefits and recognition) in criterion variable (Employee motivation). A hypothesis was developed for the present study and was tested by applying Multiple regressions. The sample group (N= 167) consisted of male and female employees of the commercial banks of Kohat, Pakistan. Data was collected through Questionnaire. Questionnaire comprises two parts. First part of the Questionnaire comprises of questions seeking Biographical data of the respondents and the second part comprises five variables, four predictor variables and one criterion variable. Content of the second part of questionnaire was adopted for use developed by (De Beer, 1987). The results of the study indicated that 71% variance is explained by predictor variables in employee work motivation of commercial banks' employees of Kohat. The results also showed that promotion among four independent variables has greater effect in explaining variance in employee work motivation of targeted subjects.

Keywords: Rewards, Performance, Employee motivation, Benefits, Payment, Human Resource, Commercial banks

1. Introduction

The commercial banks play important role in worldwide economy and their employees are the best sources of delivering good services to their customers. Excellent services provided and offered by employees can create a positive perception and ever lasting image in the eyes of banks' customers. The individual motivation of a commercial bank employee plays a major role in achieving high level satisfaction among its customers (Petcharak, 2004). Commercial banks are physical structures maintained by human resources that enable the delivery of good service. The process of delivering quality service is the individual motivation of all employees whether professional, skilled or unskilled.

With increase in the growth of the service industry, the commercial banks at present struggle for retaining employees possessing the capabilities of quality service. Research finds that it is a challenge for management in Pakistan today to motivate employees in commercial banks of Pakistan to provide quality services as it has been observed that there is tough competition among the above state area (Commercial banks in Pakistan) to provide best services and to satisfy the needs of their customers. Satisfaction of banks' customers depends on the quality of services and the way commercial banks employees render these services to their customers. Commercial banks employees' satisfaction, loyalty, commitment and motivation ensure the satisfaction of customers. Keeping in mind individual motivation of commercial banks of Kohat, Pakistan, present study is conducted to analyze and to know the extent that payment, promotion, benefits and recognition (predictors variables) explain variance in employee work motivation (Criterion variable). This study is designed to answer the following questions:

Question # 1. Up to what extent payment, promotion, recognition and benefits explain variance in employee work motivation of commercial banks of Kohat, Pakistan?

Question # 2. Which among the four independent variables (payment, promotion, recognition and benefits) is most important for commercial banks' employees of Kohat, Pakistan?

Hypothesis developed for this study is:

Ho- The four independent variables (payment, promotion, recognition and benefits) will not significantly explain variance in employee work motivation of commercial of Kohat, Pakistan.

2. Literature Review

A complete and thorough understanding of employees' motivation is required for organizations to address and accomplish expectations of employees and organization Beer et al, (1984). According to Butkus & Green (1999), motivation is a process in which people are convinced to move forward for performing something special to fulfill their needs and get satisfaction. Baron (1983) defined motivation in his own right. He says that "motivation is collection or arrangements of procedures involved in the push and pulls forces that strengthen the actions towards reaching specific goals. Kinicki and Kreitner (2001) assume that motivation correspond to "those psychological processes that cause the stimulation, persistence of voluntary actions that are goal directed"

Cheng, (1995) Express his views and states that the biggest challenge for banks management today is to motivate employees for sake of proficient offer and better services according to customers' expectations. The most powerful purpose of Human Resource Managers' is to guarantee the satisfied administrative centre or offices where employees can work well. The purpose of helping out the general manager is to satisfy the employees and to tie up their interests with their work by providing the motivation of different kinds.

Deeprise (1994), examined that the effective reward system improve worker enthusiasm and its efficiency that play significant role in the growth of a company accomplishment. Baron (1983) describes the friendly affiliation between stimulus and work accomplishment. Both performance and motivation are directly proportion to each other.

Flynn (1998) states that the primary focus of reward programs is to examine how organizations classify their reward schemes and how they communicate to the employees and how clearly they understand the link between reward and performance.

Rutherford (1990) found in his research that motivation is the effective agent in an organization because, motivated employees are always innovative in their jobs. It is task for the management to appreciate and comprehend the procedures necessary for an organization to have an effect on inspiration of their workers.

The research conducted by Dr. Kashifurrehman et al., (2007) in Pakistan measuring the outcome of human resource strategies, such as compensation, endorsement and coaching concerned with employees' work satisfaction. Their study focused on workforce of service based companies in Pakistan. They concluded from their research, factors that have significant impact on employees' job satisfaction are compensation or pay, endorsement, and coaching. They argued and suggested that employees in Pakistan have the tendencies to favor and necessitate pay and promotion than coaching or training.

Robert, (2005) take into account the work of Baron, (1983) in which he mentioned that not only motivation can influence performance, but performance can also influence motivation, if followed by rewards. To summarize from the above facts, it is absolutely clear that organizations could benefit from implementing total reward programs that focuses on formal rewards.

It is clear that there are many factors affecting employee work motivation and performance. Each factor has its own unique approach, significance and contribution towards motivation and performance that elevate and maximize organizational progress. In order to co-relate the relevant literature of the scholar's employee motivation to the present study in general, this present study specifically focused to analyze the importance of payment, promotion, benefits and recognition in employee motivation in commercial banks of Pakistan.

3. Methodology

Research Design: The survey research design method was used in this study. It involves using questionnaire, developed by De beer (1987), in collecting data from the respondents.

In collecting concerned data, Questionnaire was used as the main method and interviews were also conducted and applied on the employees of commercial banks of Kohat, Pakistan. Interviews were conducted from the targeted population generally and some of the important personnel were considered specifically from the same sample.

Subject: Subjects for the study were one hundred and sixty seven employees of commercial banks of Kohat, Pakistan. The selection of subjects was done in such a way to include all categories of employees.

Research Instrument: The instrument used in this study is a close ended-ended Questionnaire designed by De Beer (1987). The questionnaire consists of two parts. Part "A" consist of five items seeking demographic data such as age, sex, education level, marital status and experience. Section 'B' consists of items, which sought to collect information about payment, promotion, recognition, benefits and employee work motivation dimensions like focus, intensity, quality and Duration).

Reliability of Instrument: De Beer (1987) is credited to carry out the item analysis for assessing the inter item consistency of the questionnaire. Such method provides information on the items of work motivation. The Cronbach-Alpha reliability coefficients for the subsections of questionnaire are as follows: payment ($r = 0.86$), promotion ($r = 0.84$), recognition ($r = 0.90$), and benefits ($r = 0.84$)

Procedure: The subjects were given the questionnaire in their work place. Instruction on how to fill the questionnaire was given. Confidential treatment of information was assured. With regard to the scoring of responses, the first section of the questionnaire needs no score attached to it, since the information required are bio-data of the subject. The second section that is "B" was ranged from 5-1 point Likert scale in the following pattern.

4. Data Analysis

For the purpose of analysis and presentation, version 16 of the software 'Statistical Package for the Social Sciences (SPSS)' commonly used for statistics and mathematical reasons were frequently used for carrying out accurate results. Multiple regressions was applied for the purpose of testing hypothesis and answer the study questions. The level of significance in the present study was 1% for testing the null hypothesis.

5. Results

The results shown in **table 1** shows that a high degree of employee work motivational rate of variance is explained by the variables inserted in the equation ($R - \text{squared} = 86.38\%$, $R - \text{squared (adjusted)} = 71.4\%$). The variations of employee work motivation in commercial banks of Pakistan were found as 71%, and these are forwarded being explained by the terms payment, Promotion, recognition and benefits.

The F- value of 16.48 ($p < 0.01$) indicates regression of work motivation appeared in variables entered and articulated by familiar squared multiple ($R - \text{squared (adj.)} = 71.40\%$).

Hence, the null hypothesis that four independent variables will not significantly explain variance in employee work motivation of commercial banks of Kohat, Pakistan is rejected.

Multiple regressions by Beta value also help us to distinguish which variable among four independent variables affects the most.

If the value of beta is high, its affect of independent variable on the dependent variable will have greater affects in response. By looking at the column beta, we notice that beta has the highest number .8957 for promotion. The question what the results mean obtained through multiple regressions is that 71% of the variance in employee work motivation has been specifically and thoroughly justified by all of four variables. The most important independent variable among four independent variables is promotion which has a greater impact on employee motivation in commercial banks of Kohat, Pakistan. This finding suggests that there are other variables which are not considered in the present study and could be source of carrying out another variance in the process of employee work motivation in commercial banks of Kohat, Pakistan.

The outcomes of present study signify relationship between rewards and work motivation. Therefore, present study confirms the importance of complete program that manage payment, promotion, benefits and common acknowledgment to improve the motivation among employees of commercial banks of Kohat, Pakistan specifically and to motivate staff of the organizations generally.

6. Conclusion & Recommendations

It is concluded from the research that management is capable and can manipulate different useful procedures and campaigns to encourage employees and provoke their stimuli in workplace environments. It is obvious that different tactics, strategies and policies may have unusual motivational affects on different people in different situations. The plans of motivation must have the authenticity to elevate motivation and drive it to one way and devalue and shrink in another way. The tools of motivation should be taken for sure accomplishment. It is extremely necessary to take into account the unique quality of condition and team of different people. As different people in organization belong to different cultures therefore, it is the job of management to consider different

alternatives according to situation. The study specifies that employee motivation is the result of several factors. Significant information was achieved that rewards and employee motivation have positive and direct relationship. Simply, change in reward offer will have same effect of change in employee work motivation and with high performance levels. There is competitive environment among all commercial banks of Pakistan and therefore all banks try their best to minimize cost and hold up with important employees. Consequently, at these positions commercial banks of Pakistan will possibly take advantages by getting attention on optimistic factors impacting employee work motivation. Management should be aware and take notice of balance between the magnitude of effort and size of reward. Rewards schemes should be supply balance behavior in respect to appropriate attainment. The result of the present study showed that payment, promotion, recognition and benefits explain significant variance in employee work motivation and among these four independent variables promotion is most important and influential variable for commercial banks employees of Kohat as shown by Beta value in table 1. Further researchers in this area should focus the work-life issues, flexible working hours of banks' employees', impact of factors other than rewards on employee motivation. Consider the different levels of employees in commercial banks. Consider the comparison of motivation level of private and public sector employees of commercial banks Pakistan. It is recommended for the management of commercial banks of Pakistan to focus on work and personal life issues of employees to be elastic to accommodate working hours, employee support program for sustainability and child care facilities and services.

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Table 1. Multiple regression (Dependent variable employee work motivation)

Multiple Regression	0.92942			
R squared (R^2)	0.86382			
(Adjusted R^2)	0.71404			
Standard error	3.43232		F = 16.48	Sig. F = 0.00**
Variables	B	Beta	T	P
Payment	-1.5234	.2863	5.32	0.00**
Promotion	-0.6828	.8957	2.48	0.00**
Recognition	-2.6846	.2903	3.65	0.00**
Benefits	-0.5856	.2903	1.65	0.00**

Pattern 1.

Strongly agree	-	5
Agree	-	4
Neither agree nor disagree	-	3
Disagree	-	2
Strongly Disagree	-	1