

Promoting Factors for Employee Motivation in Nepalese Commercial Banks

Pushpa Maharjan, PhD¹

¹Asst. Professor of Management, Public Youth Campus, Tribhuvan University, Nepal
Email.: s3pushpam@gmail.com

Abstract: *This paper examines the promoting factors for employee motivation in Nepalese commercial banks. The study is based on primary data with 386 responses from 14 banks and used the descriptive research design based on the survey. The self-administered questionnaires were used to collect the perceptive opinions from the respondents. The study concludes that monetary rewards lead the employees to attract for best performance and is one of the most influential means of motivating employees to increase the production of the banks. Training, leadership, job enrichment, work environment and employee motivation are positively correlated with organizational performance; the study shows that employee motivation achieved the highest positive correlation with organizational performance.*

Keywords: Monetary Rewards, Training, Leadership, Job Enrichment, Work Environment, Employee Motivation and Organizational Performance

I. INTRODUCTION

Now days doing business all over the world is very challenging. Every organization wants to be successful and have desire to get constant progress. To survive in profitable way in the highly challenging and competitive global market economy, all the factor of management men, machine, material and money should be managed in an effective way. Among them human resource is main resource to get best organizational performance so it is only possible through employee motivation.

According to Tosi, Mero and Rizzo (2000), motivation has both psychological and managerial meaning. The psychological meaning of motivation refers to the internal mental state of a person that relates to the initiation, direction, persistence, intensity and termination of behavior. The managerial meaning of motivation on the other hand deals with the activity of managers and leaders to induce others in order to produce results desired or outlined by the organization or by the manager which conforms to a relationship between motivation, ability and performance.

Since all organizations are concerned with what should be done to achieve sustained high levels of performance through people, it means giving close attention to how individuals can best be motivated through such means as incentives, rewards and importantly, the work they do and the organization context within which they carry out that work cannot be understated (Armstrong, 2010). Without increased motivation and morale of the employees, the organization risks losing valuable employees and will be at a disadvantage in attracting potential top talents (Dessler, 2003). All forms of financial returns, tangible services and benefits can serve the purpose of attracting prospective job applicants, achieving human resource objectives and obtaining competitive advantage (Bratton & Gold, 2007).

On different level, studies found the different factors that affect the employee motivation. A study by Yang (2011) concluded that personality, work experience, good pay and personal characteristics, and monthly income factors affects employee motivation in China. Hailesilasie (2009) examined the Ethiopian public organization, Hailesilasie concluded that motivation experience, and role perception are the factors that affects employee motivation.

Horngren, Foster and Datar (2000) stated that any ultimate objective of a business organization is to maximization of wealth or financial performance for stakeholders. In general, the performance of organization is indicated by efficiency (organization properly use resources) effectiveness (achieves the organization objectives), employee satisfaction, and quality of services or products, innovation, and customers, and maintain a unique human pool ability (Katou & Budwar, 2007).

As the success or failure of an organization mainly centers on the employees' capabilities (Aluko, 1998). While, Bratton and Gold (2007) pointed out that the role of workers in organizations can never be over emphasized. Consequently, applying an adequate motivation of employee which will attain the desired organization's purpose must be effective. Furthermore, an effective motivation method can be illustrated as the technique to influence and enhance employee towards the performance of an organization.

Employees place great value on the different motivation factors as empowerment, leadership, promotional opportunities, job enrichment and rewards. As a result, when these motivation factors are not obtained, employees have a tendency to express their dissatisfaction through poor performance and non-commitment to their actions. Consequently, it is essential for the organization to think about the feelings and needs of its employees (Aljaf & Sadq, 2015).

Ackah (2014) investigated the impact of motivation on employee performance in the manufacturing industry in Ghana. Using 120 respondents from 5 manufacturing industries in Ghana, qualitative and quantitative data are analyzed using tables and graph. The research revealed that training and development, promotion have a significant on employee performance. The researcher has therefore made a significant contribution in the area of employee development in the manufacturing industry in Ghana. Banks, as service

organizations are knowledge-intensive and therefore the efficiency of human resources practices and the motivation of the employees is very important.

In context of Nepal, there are some studies were found related to employee motivation for organizational performance. However, factors of employee motivation are different. Therefore, the study on promoting factors for employee motivation on organizational performance is relevant in the present context of Nepal.

The objective of the study is to evaluate the major factors that motivate employees and to examine the relationship between employee motivational factors and organizational performance in Nepalese commercial banks. Remaining part of the paper has been divided in four sections. Second section presents the review of literature, third section reveals research method, fourth section presents results and the final section reveals the conclusion of the study.

II. REVIEW OF LITERATURE

Motivation of employees is perceived to have positive impact on the performance of organizations, yet many organizations have not realized this, or they have but lack the capacity to implement it (Kemoh, 2016). Considering various kinds of motivation such as training, promotion, salary increment, sponsorship for further studies, improving working environment conditions, rewards and praises, many organizations have not adopted these strategies for improving organizational performance (Osabiya, 2015). Instead, the employees get their salaries or remunerations late, they sometimes face harassment and frustrations, they work in poor working environments and treated as slaves with their leaders, they are at times discriminated and denied promotions and denied even the sick leave, medical cover and houses allowances, in some cases they are not paid for overtime.

Abubakari and Adam (2018) concluded that an enquiry to ascertain how employees believe their motivation influences the performance of the organization, it was noted that employee motivation has strong effects on the performance of an organization. The survey found that, profitability, productivity, market share, innovativeness, shareholders' worth, sales and liquidity are all influenced greatly by employee motivation. Specifically, the influence of employee motivation is most felt through increasing profitability and productivity. It tells that, employee motivation has that favorable effect on organization performance. These findings support the positions of Wiley (1997); Shadare and Hammed (2009); Onukwufor and Ugwu (2013); Garino and Martin (2008) as they found favorable impacts and relations between employee motivation for organizational performance. There is a real positive relationship between employee motivation for organizational performance. The positive correlation thus means that, the more employees are motivated, the more improved their performance and for that matter, the performance of the organization would be.

Muogbo (2013) presented the problem that how employee motivation has an impact on organizational performance of selected manufacturing firms in embryo state. One hundred and three employees selected from 17 company across the three senatorial zones of Anambra State over the population of 120 workers of selected manufacturing firms in embryo state. The study used descriptive statistics to answer three research questions posed in the study. The correlation coefficient was used to test the three hypotheses. The study revealed that there is a significant relationship between employee motivation and workers' performance. Extrinsic motivation has a major influence on the employee's performance. The researcher recommended that every organization should implement extrinsic rewards to increase productivity. The company should continually develop pay policies to motivate retain their employees.

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Dobre (2013) presented the problem that examine the drivers of employee motivation to get to attain a high level of organizational performance. The two factors that are empowerment and recognition is increased the employee will be motivated and they will work with dedication which leads to organizational performance. It depends on the employee that how they will be motivated either by recognition or empowerment. Organizations should provide a better environment for their employees, value their employees. And fulfills their needs through which they can be motivated.

Employee motivation has a strong influence on the effectiveness of an organization (Paul, 2017). Organizational effectiveness is a broad term but this study follows the concept as "locating targets and attaining them proficiently in spirited and energetic surroundings" (Constant & Offodile 2001). There are no fixed parameters to compute the effectiveness of an organization since it varies from company to company and from case to case. However, it can be used to measure anything within an organization, from leadership, communication, accountability, metric, human performance, to the delivery systems (Anderson & Adams, 2015).

Nguyen (2017) focused on human performance, specifically on the aspect of employees' motivation. The aim is to prove the connection and made concrete the idea of employee motivation resulting in organizational effectiveness. In summary, motivation is important to both an individual and the organization. For an individual, motivation is an essential factor that encourages a person to achieve his/her personal goals. Within an organization, motivation is said to be a factor that leads to employee satisfaction. Also, motivation inspires a person to widen his/her knowledge, to explore and unleash his/her full capabilities and

potential. Correspondingly, from the organizational aspects, motivation leads to a positive attitude in the workplace, easy adaptation to changes and more creativity.

Ogbe, Ajanya, and Cyril (2013) evaluated the relationship between the two variables motivation and performance. Employees from four different departments of power holding of Nigeria Company were used in this study. A questionnaire was used to gather the data and methodology used in this research for hypothesis testing were regression and Chi-square statistical method. The major findings were that proper employee motivation improved performance, also training, promotion and proper salary and work environment have found positively related to performance. This study reminded to motivate their employees properly and made it a habit to facilitate accomplishing the performance in 21st century.

Akhtar, Aziz, Hussain, Ali and Muhammad (2014) presented the problem that what is the relationship between motivation and different factors. The sample size consists of 150 employees of various branches of Pakistan. The methodology used for the analysis multiple regression, correlation and reliability analysis. The finding in research was that different factors like rewards, job design traits have a positive impact on employee motivation. Firms that provided high financial rewards were more likely motivate than others.

Chovarda (2021) revealed that there was a strong relationship between perceived training opportunities and perceived investment in employee development and work engagement. Banks should invest in training and development opportunities in order to enhance work engagement and develop a competitive edge over their competitors in delivering high quality services to the customers. Manzoor (2011) opined that no matter how automated an organization may be, high productivity depends on the level of motivation and the effectiveness of the workforce so staff training is an indispensable strategy for motivating workers. Employee empowerment and employee motivation towards organizational tasks have also direct and positive relationship between them. Le, Aquino, Jalagat and Truc (2021) stated that the company should build policies that allow the people to improve themselves and their career as well as gradually accumulate standards for advancement, perfecting the training programs that help develop employee's skills.

Many researchers found that different leadership styles enhance the motivational level. Eyal and Roth (2004) described the relationship between educational leadership and motivation. Independent variable was Israel leadership and dependent variable was motivation. This literature has the background of Israeli school teachers from different educational institutions. To find that leadership styles have great impact on teacher's motivation. This study told the relationship between transformational and transactional leadership and teacher's motivation. Akhtar et al. (2014) opined that quality of supervision increases the staff motivation. The study showed that supervisor selected the friendly way to monitor the employees gained the positive results. Supervision has positive impact on employees' motivation (Panagiotakopoulos, 2013).

Job enrichment involves designing jobs with variety of work content that requires a high level of knowledge and skill. It provides a meaningful work experience and greater responsibility for planning and controlling his/her own performance. It requires decentralization of decision-making authority to the worker. The task is redefined, restructured and broadened in scope and responsibility. The worker gets the freedom and discretion in scheduling his work (Gupta, 2005). Job enrichment is said to be a key to higher motivation and productivity. It removes the labor management distinction. It creates a self-managed job where the worker himself plans and controls his tasks. It offers job satisfaction in the whole man (Gupta, 2005).

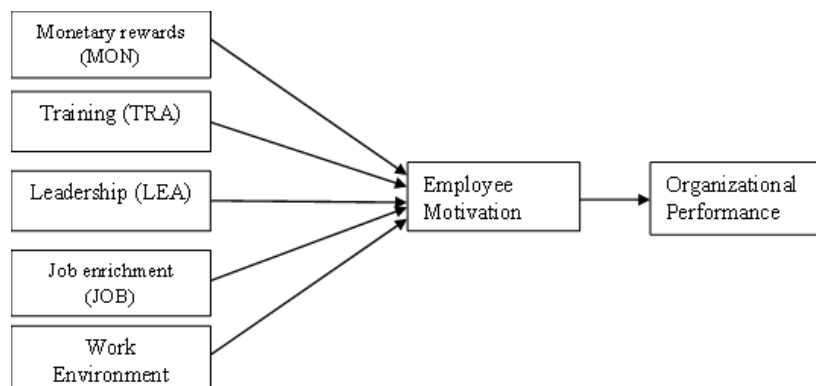
Every employee needs a stress-free environment. This factor has not been considered by many organizations. In fact, some managers and leaders in the organization have slighted the issue of working environment (Surjosuseno, 2015). Many scholars have always advocated for a healthy and safe working conditions. Sedarmayanti (2012) gave two distinct working environments which comprises physical and non-physical. He further contended that employees are motivated by a better working condition. According to him clean, secured, friendly and safe working environment motivate employee and this in turn improves the organizational performance.

Employees' perceptive of the goals, standards and political principles of their firms were positively and significantly related to employee motivation and gratification towards work (Ali & Ahmad, 2009). Empowerment creates motivation and energy in workforce to do their work efficiently and effectively (Kalimullah, Yaghoubi & Moloudi, 2010). Employee participation and empowerment not only direct to efficiency, effectiveness and innovation but they also boost employee gratification, work motivation and trust in the organization (Beugre & Offodidle, 2001).

Figure 1

Promoting factors for employee motivation

Motivational Factors



III. RESEARCH METHODOLOGY

To examine the promoting factors for employee motivation in Nepalese commercial banks the study used the descriptive research design based on the survey. The quantitative research design is applied to develop an understanding of the research issue.

The study has used primary data collected from general manager/director/CEO, assistant director, assistant managers, human resources officers, sales officers, information system officers, assistant administrative officers, public relation officers, marketing officers and account officers. The survey was conducted in the month of January-March, 2021. Questionnaires were administered on concern respondents by applying a convenient sampling method for imposing the promoting factors for employee motivation in Nepalese commercial bank. In the process of gathering information, a structured questionnaire was used as the main instrument. The primary data were collected by 'Online Google Forms' methods.

The total of 386 responses was collected from 14 banks. Self-administered questionnaires were used to collect the perceptive opinions from the respondents. Items featured a five-point Likert scale, with response options ranging 1 to 5 where, 1 for "strongly disagree" and 5 for "strongly agree". Questionnaire items developed included a list of 54 items to measure the different constructs in the study: monetary rewards, training, leadership, job enrichment and work environment. The development of the items was done by re-evaluating intensively the literature review related to the concepts and constructs stated in the integrative view. The aim of this empirical research is to test whether the dimensions proposed in the above-mentioned integrative view support a significant distinction between different kinds of promoting factors.

Quantitative instrument was used in the study. The descriptive statistical tools were used for the detailed data analysis and presentation. The study made use of the measures of central tendencies (mean), standard deviation and ranks. Measurement of the influence of independent variables on dependent variables can be quantified through the scaling methods; the study has made use of parametric tests like person correlation coefficient.

IV. RESULTS AND DISCUSSION

Promoting factors for employee motivation. In order to highlight the significance of the selected statements of observations; mean value, standard deviation and rank of responses for each variable of observation have been computed. The higher value of mean indicates that the variable is highly significant to the majority of respondents. Applying these criteria, the survey results have been presented in Table 1 in order of their significance.

Table 1*Promoting factors for employee motivation*

S. No.	Statements	Mean	Std. Deviation	Rank
1.	Monetary Rewards	1.900	0.495	1
2.	Training	1.901	0.474	2
3.	Leadership	2.076	0.523	3
4.	Job Enrichment	2.346	0.498	5
5.	Work Environment	2.321	0.546	4

Source: Questionnaire survey, 2021

The mean values of observation factors varied from 1.900 to 2.346. The majority of the respondents identified that motivational factors for employee motivation mainly affected by “monetary rewards”. Similarly, they thought “training”, “leadership” “work environment” and “job enrichment” as the second, third, fourth and fifth important factors, respectively, influencing employee motivation.

It indicates that the monetary rewards lead the employees to attract for best performance and is one of the most influential means of motivating employees to increase the production of the banks. Therefore, it can be concluded that commercial banks should give more priority to grow monetary rewards and training to promote the system for motivating employees which can provide more organizational performance. The finding is similar to the study of Tella, Ayeni and Popoola (2007), to use salaries as a motivator effectively, managers must consider salary structures which should include importance organization attach to each job, payment according to performance, personal or special allowances, fringe benefits, pensions and so on.

Correlations analysis for organizational performance: In order to highlight the correlation coefficient of monetary rewards, training, leadership, job enrichment, work environment, employee motivation for organizational performance. The higher value of correlation indicates that the variable is highly positive correlation. Applying these criteria, the survey results have been presented in Table 2 in order of their correlation.

Table 2*Person correlation coefficient*

		MON	TRA	LEA	JOB	WOR	EM	OP
MON	Person							
	Correlation	1						
	Sig.(2-tailed)							
TRA	Person	.149**						
	Correlation	.003	1					
	Sig.(2-tailed)							
LEA	Person	.296**	.402**					
	Correlation	.000	.000	1				
	Sig.(2-tailed)							
JOB	Person	.202**	.379**	.200**				
	Correlation	.000	.000	.000	1			
	Sig.(2-tailed)							
WOR	Person	.012	.345**	.493**	.250**			
	Correlation	.814	.000	.000	.000	1		
	Sig.(2-tailed)							
EM	Person	.078	.391**	.189**	.192**	.250**		
	Correlation	.124	.000	.000	.000	.000	1	
	Sig.(2-tailed)							
OP	Person	-.167**	.385**	.015	.078	.086	.542**	
	Correlation	.001	.000	.774	.126	.093	.000	1
	Sig.(2-tailed)							

Source: Questionnaire survey, 2021*Notes:* * and ** denote that the results are significant at 1 percent and 5 percent level of significance respectively

Table 2 shows the correlation matrix indicates that the independent variables (training, leadership, job enrichment, work environment and employee motivation) are positively correlated with organizational performance. If organization provides regular training program, supervisory support, opportunities to use variety of skills, good working environment the employees can be motivated. Furthermore, the table shows that employee motivation achieved the highest positive correlation with organizational performance. However, monetary reward has the negative correlation with organizational performance because employees do not only think about base pay, merit pay, incentives, commission, bonus and allowances. Nowadays employees give more priorities on social life, work-life balance and stress-free work with good leadership, good working environment.

V. CONCLUSION AND IMPLICATIONS

This study shows that the monetary rewards lead the employees to attract for best performance and is one of the most influential means of motivating employees to increase the production of the banks. Training, leadership, job enrichment, work environment

and employee motivation are positively correlated with organizational performance. Furthermore, the study shows that employee motivation achieved the highest positive correlation with organizational performance.

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