

## **MOTIVATION AS A TOOL TO HOLD BACK THE EMPLOYEES – A PRAGMATIC STUDY WITH REFERENCE TO INDIAN BANKING SECTOR**

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**Abstract:** *The purport of the research work is to probe the importance of the motivation in employee retention. Accomplishing satisfied employees is the essence of retention. Hence, the appropriate way to retain the workforce is to motivate the employees at the right time. An efficacious management is the one that mastery respect and cartel by the followers. Extant research has shown that employee's financial and non financial motivating factors will chasten the relationship between motivation and employee retention. The present study spotlights the importance of motivation in employee retention in Indian Banking Industry. The study necessitates to continuously comparing the opinions and experience of respondents chosen incisively from the public, private and foreign banks of Chennai region India. The respondents opinion were statistically discussed and the importance of motivation on retaining the workforce is discussed in detail*

**Keywords:** *Satisfied employees, employee retention, Motivation.*

### **INTRODUCTION**

Motivation is the most important factor which acts as a driving force in the mind of the employees. From practical standpoint it is mandatory to cognize the employees who lack motivation. Intrinsically the preface of this exploratory study is to explore the relationship between motivation and employee retention in terms of whether motivation has a moderating influence on the relationship between the various motivation factors and holding back the workforce in Indian banking sector. In addition it is important to shed light on motivation as it has a direct link with the employee's performance on job (Mitchell 1982, Oldham 1976).

### **Framework of the Research**

The research article caters the grandness of employee motivation in employee retention in Indian banking sector and casts aside an account of how employee motivation dissembles employee retention in the workplace. Furthermore explicating the richness in holding the employees within the organisation, the researcher described the relevant motivation concepts and narrates statistically

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the importance of motivation on employee retention in Indian context.. The final incision of the exploratory work furnishes statistical exemplification.

### **LITERATURE REVIEW**

Great management thinkers [5, 12] asseverates employees career development and offer them increase in the level of responsibility and finally result in an increase in their social status, irrespective of employee's nature work recognition is considered as the midpoint in their workplace, it acts as a best motivating tool amongst the prevailing factors. Whereas [4] is of the view that recognition is the most important factor in reward system, once the employee feels his work is recognised the performance level moves up.

On the other hand [11] systematically found that intrinsic motivation plays a leading role in holding back the employees within the organisation and also adds intrinsic motivation makes the employee produce creative work and also stated that extrinsic doesn't have that much effect over employee's progress. Furthermore [9] laid a new methodology on retaining the employees some major five concepts drives the employees to stay back within the organisation.

Whereas [4] is of the view that certain companies is of the opinion that reward system offered to the employees is the best work recognition for employees. In certain organisation a modern method of work recognition is available that is conditional recognition where the employees are forced to attain something willful only then the work is recognised. This method is done by employees own efforts and an action of result is been achieved [16].

### **MATERIALS AND METHODS**

Data were collected from 500 employees from three banking sectors Public, private and Foreign Banks. The questionnaires were hand delivered to the bank employees and prior to the completion, the respondents were informed of the intent of the research. The respondents were ensured of the prudence concerning the study. To obtain the views of the respondents on work motivation, a measurement scale with 32 items in the value range from 1 to 5 for 'strongly disagree' to 'strongly agree' (2, 3 & 4 for disagree, neutral and agree in between) are used in questionnaire. The collected data are analyzed by reliability / item analysis to find out internal consistency of the items in the measurement scale. After confirming internal consistency of scale items, the principal component method factor analysis is carried out on the data in order to find out the underlying major dimensions of work motivation of the bank employees. Then, the perceived status of each dimension underlying work motivation is explored by the averaging the scores of items that are highly loaded on the dimension. In order to ascertain whether the respondents of different socio economic characteristics have viewed

the status of work motivation differently or not, the mean perception scores are compared across respondent categories by sex, age, job levels, length of service in bank and length of service in current position.

The research work is provided with tabulation and discussion of the results of analysis from Structural Equation Modeling (SEM) relating Socio Economic Status (SES) and work place motivational factors. The SEM model relating HR practices and Work place motivation is also incorporated here. The structural part of the model involves SES indicator variable constructed on five observed socio-economic variables, viz., sex, age, job levels, length of service in bank and length of service in current position and Work motivation indicator obtained from linear composites of all seven motivational aspects, viz., rewarding good work, pay & remuneration, work interest, growth opportunity, good working environment, welfare and recreational facilities and inter-personnel relationship.

The fitted model is obtained after intensive analysis of modification indices and fit measures produced while running SEM in AMOS software. The diagrammatic presentation of fitted structured model and estimated parameter values in tabular form are exhibited Figure 1 and Table 5 along with interpretation. All SEMs are run using the maximum likelihood (ML) method

**Table 1**  
**Socio-Job Status Profile of the Respondents**

<i>Profile</i>	<i>Number of Respondents</i>	<i>% to Total</i>
Sex		
Male	271	54.2
Female	229	45.8
Age (in Years)		
Up to 30	158	31.6
31 - 40	147	29.4
41 - 50	109	21.8
> 50	86	17.2
Job Level		
Top	78	15.6
Middle	258	51.6
Low	164	32.8
Work Experience		
Up to 5	184	36.8
5 - 10	137	27.4
> 10	179	35.8
Work experience (Currentness)		
Up to 5	247	49.4
5 - 10	146	29.2
> 10	107	21.4
Total Sample	500	100.0

Table 1 provides the distribution of the sample respondents based on the socio-economic status of the respondents. As per the table, there are 54.2 per cent of the respondents in the male category and the remaining 45.8 per cent from female groups. While 31.6 per cent of the respondents are with age up to 30 years, 29.4 per cent, 21.8 per cent and 17.2 per cent of the respondents are aged between 31-40 years, 41-50 years and above 50 years respectively.

More than 50 per cent (51.6%) of the sample comprises of the bank employees in the middle management while bank employees in low and top management constitute 32.8 per cent and 15.6 per cent of the total sample respectively. The length of service in banks has been up to 5 years for 36.8 per cent, more than 10 years for 35.8 per cent and from 5 to 10 years for 27.4 per cent of the total respondents in the sample.

**Table 2**  
**Results of Reliability / Item Analysis for Scale Items Measuring**  
**Employee Work Motivation in Banking Sector**

<i>Item No</i>	<i>Item Description</i>	<i>Item to Total Correlation</i>	<i>Alpha if Deleted</i>
Q1	Interpersonal relationship between top management and employees should be encouraged	0.3468	0.8765
Q2	Recreational facilities are important in every organization	0.3170	0.8771
Q3	Rewarding good work and excellence can contribute to more excellence and healthy competition	0.4009	0.8756
Overall Cronbach's Alpha			0.8788

**Table 3**  
**Type of Incentives for Employee Motivation by Banking Sector**

<i>Banking Sector</i>	<i>Type of Incentives</i>			<i>χ<sup>2</sup> Value</i>
	<i>Non-Financial</i>	<i>Financial</i>	<i>Both</i>	
Public Sector Banks	26 (11.7)	13 (5.8)	184 (82.5)	106.18**df=4
Private Sector Banks	44 (25.3)	22 (12.6)	108 (62.1)	
Foreign Banks	63 (61.2)	13 (12.6)	27 (26.2)	
Total	133 (26.6)	48 (9.6)	319 (63.8)	

Source: Primary Data

\*\*Significant at 1% level

According to the table 3, 82.5 per cent of the employees in public sector banks against 62.1 per cent of private sector and 26.2 per cent of the foreign bank sector groups have stated that they are motivated by both non-financial and financial

**Table 4**  
**Type of Incentives for Employee Motivation- Comparison of Opinion by Socio Economic Status**

Socio-Economic Factor		Type of Incentives			$\chi^2$ Value
		Non-Financial	Financial	Both	
<b>Sex</b>	Male	83 (30.6)	18 (6.6)	170 (62.7)	9.11** df=2 p=.0105
	Female	50 (21.8)	30 (13.1)	149 (65.1)	
<b>Age (in Years)</b>	Up to 30	31 (19.6)	20 (12.7)	107 (67.7)	34.88** df=6 p=.0000
	31 - 40	62 (42.2)	13 (8.8)	72 (49.0)	
	41 - 50	24 (22.0)	13 (11.9)	72 (66.1)	
	> 50	16 (18.6)	2 (2.3)	68 (79.1)	
	<b>Job Level</b>	Top	29	12	
	Middle	60 (37.2)	20 (15.4)	178 (47.4)	
	Low	44 (26.8)	16 (9.8)	104 (63.4)	
<b>Length of Service in Bank</b>	Up to 5 years	47 (25.5)	22 (12.0)	115 (62.5)	12.09* df=4 p=.0167
	5 - 10 years	48 (35.0)	14 (10.2)	75 (54.7)	
	> 10 years	38 (21.2)	12 (6.7)	129 (72.1)	
<b>Length of Service in Current Position</b>	Up to 5 years	63 (25.5)	22 (8.9)	162 (65.6)	5.91 df=4 p=.2057
	5 - 10 years	47 (32.2)	17 (11.6)	82 (56.2)	
	> 10 years	23 (21.5)	9 (8.4)	75 (70.1)	
	Total	133 (26.6)	48 (9.6)	319 (63.8)	

Source: Survey Data; Figures in brackets are percentages to row total

\*Significant at 5% level; \*\*Significant at 1% level

incentives. On the other hand, 61.2 per cent of the foreign bank employees against 25.3 per cent of private sector banks and 11.7 per cent of public sectors are found to be motivated by non-financial incentives. That is, motivation through non-financial incentives is higher in foreign banks whereas motivation of the employees through both non-financial and financial incentives is more in public sector banks.

This picture has clearly envisages that type of incentive factor that determines the employee motivation differ by banking sector. Further, the above observed difference by banking sector is significant at mentionable level as chi-square value of 106.18 is highly significant at 1 per cent level. Overall, it is found that type of incentives play a significant role in determining the motivation among bank employees in the study area.

To know whether the perceived incentive factors that play an important role in determining the motivation among the bank employees is independent of their socio-economic status, the opinion data are compared across categories by sex, age, job level, length of service in bank and length of service in current position and statistical significance of the relationship is tested by chi-square analysis. The results of the analysis are reported in Table 4.

It can be observed from the table that the percentage of female respondents with opinion financial and both (non-financial and financial) as motivating factors are higher whereas those among male group with opinion non-financial as motivating factor is more. Further, the above observed difference in significantly statistically at 1 per cent level ( $\chi^2 = 9.11$ ,  $p < 0.01$ ). Similarly, the differences in proportion of cases with non-financial, financial and both opinion across respondent categories by Age ( $\chi^2 = 34.88$ ,  $p < 0.01$ ), job level ( $\chi^2 = 12.38$ ,  $p < 0.01$ ), length of service in banks ( $\chi^2 = 12.09$ ,  $p < 0.01$ ) are significant at required level.

But, the level of opinion does not vary by length of service in current position. Overall, it is found that perceiving type of incentive factors for employee motivation is significantly affected by difference in sex, age, job level and length of banking service.

From the observation of the estimated parameters, which are shown at the bottom of the Figure 1, it is found that fitted model for 'Rewarding good work' with SES of the respondents has been good as the chi-square value is insignificant. Moreover, GFI, RFI, NFI and CFI are well above the acceptable level and RMSEA of 0.011 is much less than 0.05, the criterion for very good fit of the model. Hence, further interpretation based on path coefficients, which are shown in Table 5, are carried out.

According to the table 5, the path coefficients for SES with all socio-economic variables except for Sex are significant with high contribution of length of service

**Table 5**  
**Estimated Parameters by SEM for REWARDING GOOD WORK (RGW) with**  
**Demographic and Job Attributes (SES) of Bank Employees**

<i>Parameters</i>			<i>URW</i>	<i>SRW</i>	<i>S.E</i>	<i>t Value</i>	<i>R<sup>2</sup> Value</i>
<b>SES</b>	→	JOBLVL	-0.428	-0.190	0.106	-4.02**	0.036
<b>SES</b>	→	LOSBNK	2.430	0.908	0.105	23.06**	0.825
<b>SES</b>	→	LOSPOSI	1.751	0.703	0.104	16.87**	0.495
<b>SES</b>	→	AGE	2.663	0.791	0.137	19.37**	0.625
<b>SES</b>	→	SEX	-0.031	-0.019	0.077	-0.40	0.000
<b>RGW</b>	→	Q42	1.530	0.824	0.088	17.31**	0.679
<b>RGW</b>	→	Q41	1.769	0.828	0.104	16.98**	0.686
<b>RGW</b>	→	Q31	1.032	0.575	0.087	11.81**	0.331
<b>RGW</b>	→	Q44	1.062	0.539	0.100	10.67**	0.291
<b>RGW</b>	→	Q22	0.864	0.438	0.090	9.56**	0.192
<b>SES</b>	→	RGW	0.081	0.080	0.051	1.58	0.006

\*\*Significant at 1% level

URW - Unstandardized Regression Weights; SRW - Standardized Regression Weights

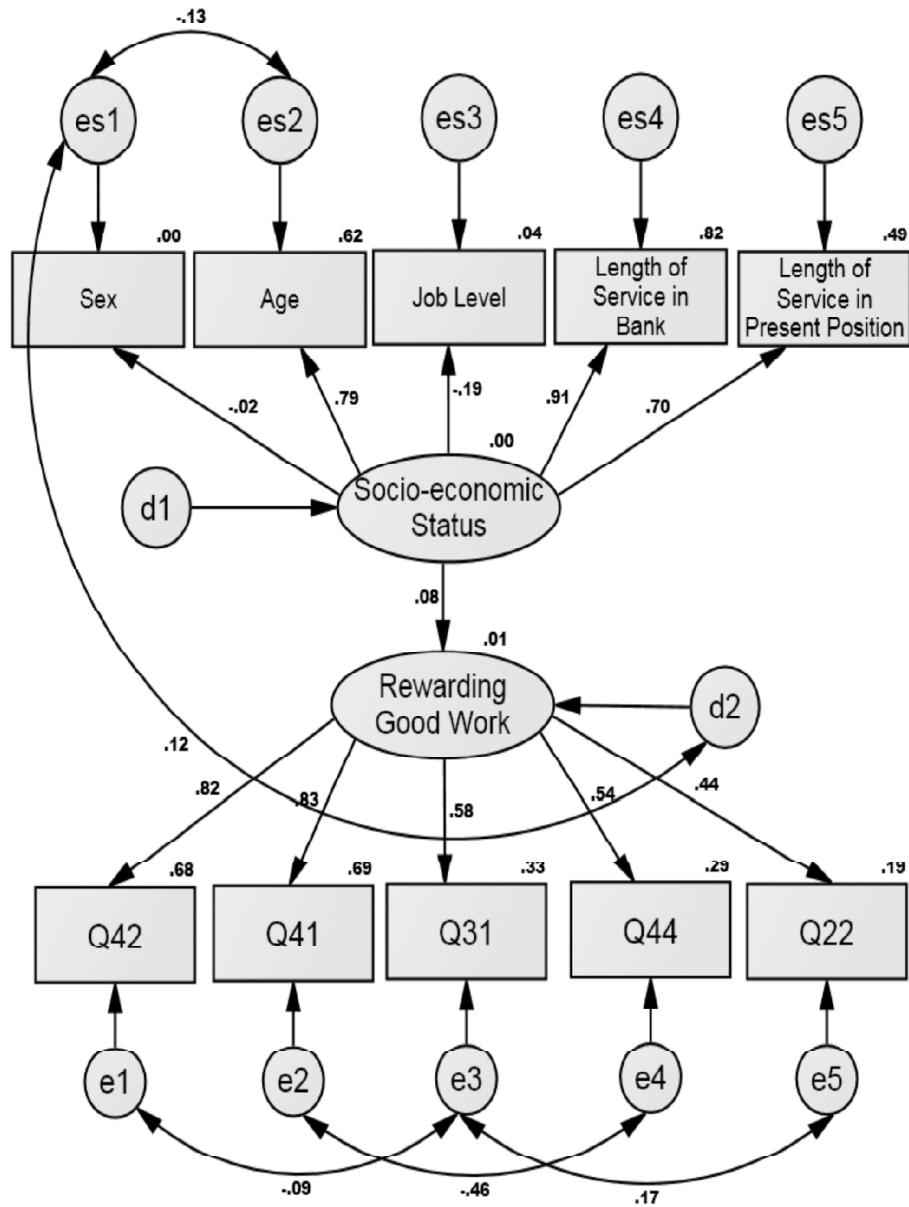
SE - Standard Error; JOBLVL - Job Levels; LOSPOS - Length of Service in Present Position  
 LOSBNK - Length of Service in Bank

in banks followed by age and length of service in current position. The sex of the employees is found to be unimportant in determining the SES of the employees in banks. Similarly, the 'reward for good work' is highly pronounced by Q41 and Q42 and substantially by other remaining items.

The regression weights (URW = 0.081 & SRW = 0.080) for SES with RGW (Reward for Good Work) is not found to be significant, in turn indicating that rewarding the employees for good work in order to motivating them in work is not determined by SES based on length of service in bank, age, length of service in current position and job levels.

The fitted model by SEM relating the SES with Pay & Remuneration (PR) to keep the employees motivated in work is pictorially presented as Figure 1. The estimated fit index parameters are shown at the bottom of the figure. It is observed that the fit of the model is found to be good as the chi-square value is insignificant. This is also strongly supported by fit indices, viz., GFI, RFI, NFI and CFI, which are well above the criterion value of 0.90 for good fit. The RMSEA of 0.023 is also further supported the good fit of the model.

Figure 1: SES and Rewarding Good Work (RGW)



**Goodness of Fit Estimates:**

Chi-square = 30.906 (29 df) p = .370 CHI/DF = 1.066  
 RMSEA = .011 (p = .998) RFI = .966  
 NFI = .978 GFI = .988 CFI = .999



## FINDINGS AND CONCLUSION

It can be observed from study that the work motivation of the bank employees is mostly induced by inter-personnel relationship followed by growth opportunity when other remaining motivational indicators are held constant. Similarly, the HR practice for employee retention is highly pronounced by motivation when all other HR practice measures are held constant. The path from HR practices to Work motivation with un standardized and standardized weights of 0.354 and 0.334 respectively, are significant at 1 per cent level. From significant unstandardized path coefficient, it is apparent that the motivation at work place among bank employees is likely to increase by 0.354 units for every one unit increase in the extent of HR practices mostly in respect of Talent retention. Similarly from standardized path coefficient, it is understood that the motivation at work place among bank employees is expected to increase by 0.334 standard deviation for every one standard deviation increase in HR practice levels in banks. In sum, it is concluded that HR practices have positive impact on motivation at work place among the employees in all banking sector.

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