

**CRITICAL ANALYSIS OF MOTIVATORS AND HYGIENE
FACTORS WITH SPECIAL REFERENCE TO EMPLOYEES
OF PRIVATE AND PUBLIC SECTOR BANKS IN INDIA**

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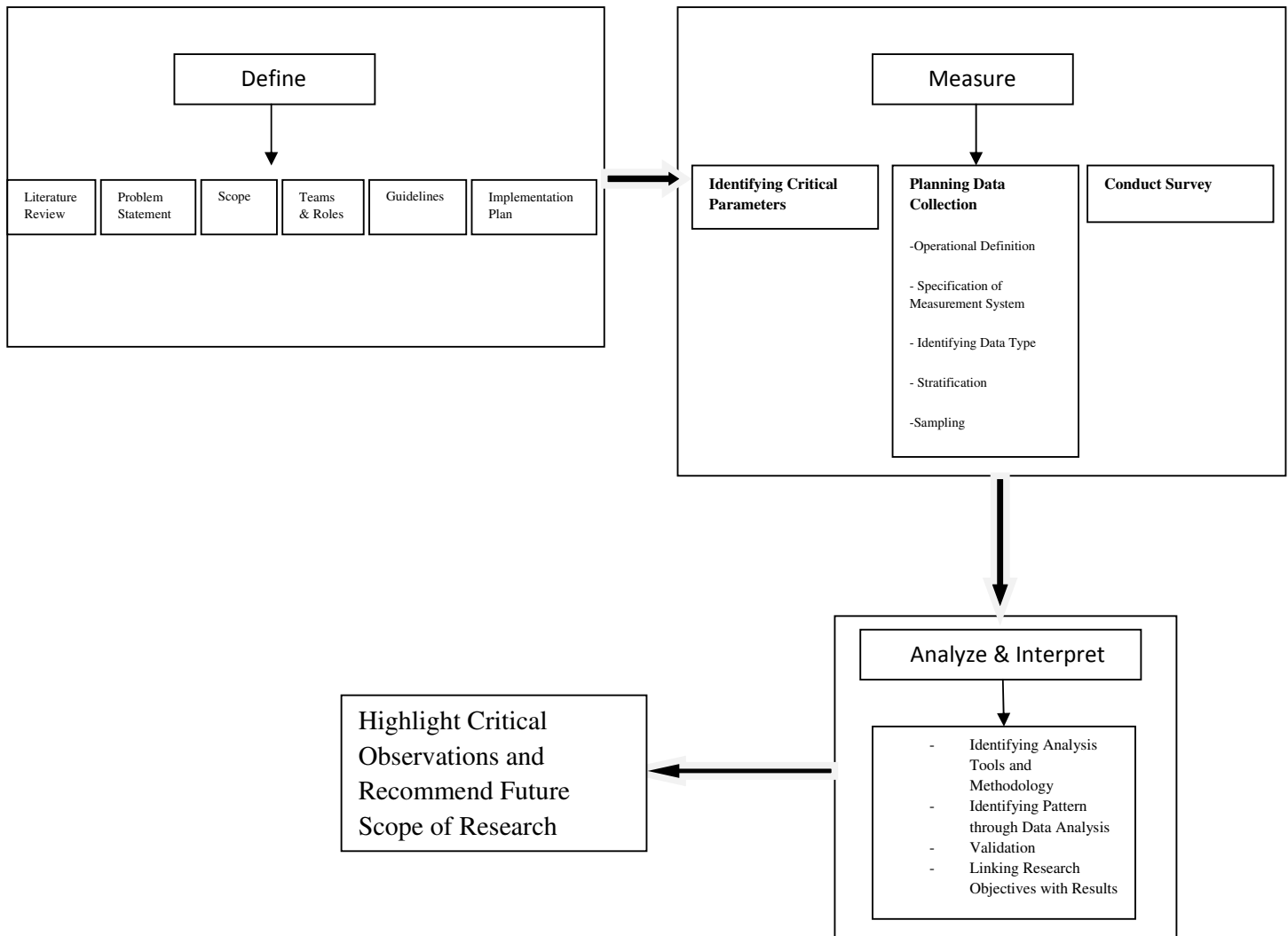
ABSTRACT

The Research has focussed on studying & identifying critical motivators & hygiene factors in a job as perceived by employees from banking sector in India. The instrument contains 14 items, seven related to intrinsic & 7 related to extrinsic motivation as described by Herzberg. Validity of the instrument has been measured with the help of Factor Analysis using a Two Factor Solution. The ranks given are added for factors. The Lower the Score, the higher is the value given to the concerned motivational factors. Also the same is validated through measuring the mean values for all the 14 items for the group of respondents. This has further helped the researcher in identifying intrinsic & extrinsic aspects having significant factor loadings.

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CONCEPTUAL FRAMEWORK



1 DEFINE

1.1 LITERATURE REVIEW

Maslow's (1954) famous theory of Hierarchy of needs drew attention to different types of motivation. This theory distinguishes between higher order and lower order needs. This distinction was dramatically sharpened by Herzberg (1966), whose theory of work motivation is most widely known, applied and discussed. His theory is also called the two-factor theory of motivation, as he discusses two main classes of the deficit and development needs. The

study led him to two sets of factors: one set of needs that caused dissatisfaction if they were not met; and the other set, which provided positive satisfaction to the people. Herzberg proposed a two factor theory. He further classified the various needs into, what he called the hygiene factors (those which may prevent dissatisfaction) and motivators (factors which may provide satisfaction).

These can be called extrinsic and intrinsic motivation respectively because as per Herzberg, the former needs are contextual (external or extrinsic) and the latter relate to the content of the job (internal or intrinsic). Based on the review of several Indian studies using Herzberg's methodology, Roy and Raja (1977) tentatively concluded that the evidence regarding the two factor theory of Job Satisfaction and Dissatisfaction, representing two different continual, found support in most studies.

It has been found that motivators and hygiene's have found to influence satisfaction and dissatisfaction in a mixed fashion. While Intrinsic factors (e.g. job content, promotion and growth) contribute to dissatisfaction, the extrinsic factors (e.g. security, co-worker relations, and friendliness of superior) contribute to satisfaction. It appears that the Higher Order Need of even the managers are thwarted by organizational practices.

Lawler and Porter (Roy and Raja, 1977) found the higher levels of management assigned greater importance to intrinsic incentives like interesting work and self-expression as determinants of Job Satisfaction. The Lower level groups preferred pay, security, and co-worker, Indian evidence along these lines is also available.

LaxmiNarain, (Roy and Menon, 1977) found that overall need satisfaction increased from lower to higher levels of management. Jaggi (1979) found higher level managers reporting higher order needs than managers at lower level. Haireet *al.* (Jaggi, 1979) found Indian managers reporting the lowest degree of fulfilment of esteem and autonomy needs, the second lowest fulfilment of actualization needs in comparison with managers from other countries. However, Pareek and Keshote (1982) did not find any hierarchical differences in a group of Malaysian managers and executive trainees in a Malaysian agriculture bank.

1.2 PROBLEM STATEMENT

What Does One Look for in a Job? (with special reference to Banking Sector in India)

1.3 RESEARCH OBJECTIVES

1. To study the motivational profile of employees specifically belonging to Banking sector.
2. Identifying critical motivators and hygiene factors related to a job as perceived by employees based on factor strength.
3. To identify whether there is a significant difference in motivators perceived by employees of a Public sector bank as compared to employees of a Private sector bank.
4. To identify the extent to which motivational factors differ based on hierarchy of employees.

1.4 SCOPE

Scope	SCOPE 'IN'
Sector	Banking Sector
Respondent Experience	>= 1 Year
Theory	Herzberg's Theory of Motivation
Function	Organizational Behaviour
Location	Bangalore, Mysore, Hubli
Duration	45 Days Survey

2. MEASURE

2.1 IDENTIFYING CRITICAL PARAMETERS / VARIABLES FOR THE STUDY

Parameters/ Factors for the research were identified through a detailed Brain-Storming Session conducted after having reviewed the literature on Herzberg's Two Factor Theory.

2.1.1 Defined variables for the study:

- a) Advancement
- b) Interesting Work
- c) Respect & Recognition
- d) Responsibility & Independence
- e) Achievement

- f) Technically Competent Supervisor
- g) Equitable Pay
- h) Security
- i) Adequate Earnings
- j) Fringe Benefits
- k) Comfortable working conditions
- l) Sound Company Policies & Practices
- m) Considerate & Sympathetic Supervisor
- n) Restricted Hours of Work.

2.2PLAN THE DATA COLLECTION

2.2.1OPERATIONAL DEFINITION

The operational definition is clear and understandable description of what exactly has to be measured?

2.2.1 a) Dis-Satisfiers

Are the features or parameters that the employee takes for granted and will be dissatisfied only when it is absent. For e.g. An employee takes it for granted that a company should provide a healthy & comfortable working conditions. The employee would complain only if the expectations are not met, but would never appreciate the same if it was already provided.

2.2.1 b) Satisfiers

These are the characteristics in the job which when improved correspondingly improves the employee satisfaction. For e.g:- Job Enrichment, Respect & Recognition etc.

2.2.2 SPECIFICATION OF MEASUREMENT SYSTEM

2.2.2 a) Tools for Data Collection

Structured Questionnaire (Ranking- Ordinal Scale)

2.2.2 b) Administration

Its administration was simple. It was Self-Administered, and the respondents were asked to rank-order the 14 items depending on their importance to them from 1 (Highest Rank) to 14 (Lowest Rank).

2.2.3 RESEARCH DATA

2.2.3 a) Nature

Continues (Rank-Order)

2.2.3 b) Type

Variable (Ordinal Scale)

2.2.4 STRATIFICATION

2.2.4 a) Sector

Banking Sector

2.2.4 b) Classification

Public Sector

Private Sector

2.2.5 SAMPLING

2.2.5 a) Technique

Simple Random Sampling

2.2.5 b) Response

Considering an aggregated response from all the locations, a total of 360 potential respondents were approached. Out of which 330 responded positively to the survey.

Only 326 responses was considered for the final analysis since 4 respondents had committed a mistake while filling up the questionnaire.

So the response rate for the survey was 90.55 %.Further, Out of a total of 326 Respondents, 186 Belonged to Public Sector Banks and 140 Belonged to Private Sector Banks.Further, Out

of a total of 326 Respondents, 62 Belonged to Senior Management Level and 264 Belonged to Middle Management & Administrative Level.

2.3 SURVEY

The following steps were observed/ followed during the survey stage

- 1) Outlined the Survey Process
- 2) Scheduled the Survey meeting with respect to Respondent Availability / Project Requirements / Timeline etc.
- 3) Conducted & Administered the Survey
- 4) Followed-up on the survey status as decided in Project Charter

3. ANALYZE

3.1 IDENTIFYING TOOLS AND METHODOLOGY FOR DATA ANALYSIS

3.1 a) Sampling Adequacy: KMO and Bartlett's Test.

3.1 b) Validity: An Research Instrument is valid if it measures what it is meant to measure. Here the content validity is measured through Factor Analysis focusing on Two-Factor Solution.

3.1 c) Scoring: The ranks given are added for factors. The Lower the Score, the higher is the value given to the concerned motivational factors. Also the same is validated through measuring the mean values for all the 14 items for the group of respondents.

3.2 IDENTIFYING PATTERN THROUGH DATA ANALYSIS

Exhibit3.2.1 (a) KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.594277
Bartlett's Test of Sphericity	Approx. Chi-Square	1218.686
	df	91
	Sig.	.000

Exhibit3.2.1 (b) Factor Analysis

Rotated Component Matrix	Factors	
Variables	1	2
Career Advancement Opportunity	0.79	
Interesting & Challenging Work	0.64	
Respect & Recognition	0.56	
Responsibility & Independence	0.52	
Achievement	0.65	
Competent Supervisor	0.51	
Equitable Pay	0.59	
Job Security		0.70
Adequate Salary		0.70
Fringe Benefits		0.66
Comfortable Working Conditions		0.56
Sound Company Policy & Procedures		0.53
Sympathetic & Considerate Supervisor		0.51
Restricted Hours of Work		0.64

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization

Table 3.2.1 (c) Motivational Profile of All the Respondents

Descriptive Statistics			
	N	Mean	Std. Deviation
Career Advancement Opportunity	326	4.73	3.478
Interesting & Challenging Work	326	5.41	3.389
Respect & Recognition	326	5.40	3.278
Responsibility & Independence	326	6.58	3.269
Doing Something Worthwhile	326	8.18	3.862
Competent Supervisor	326	9.29	3.069
Comparable & Competitive Pay	326	7.87	3.804
Job Security	326	4.58	3.723
Adequate Salary	326	5.63	3.806
Fringe Benefits	326	9.40	3.425
Comfortable Working Conditions	326	8.19	3.547
Sound Company Policy & Procedures	326	8.79	3.457
Sympathetic & Considerate Supervisor	326	10.71	2.983
Restricted Hours of Work	326	9.98	3.764
Valid N (listwise)	326		

Table 3.2.1 (d) Motivational Profile- Sector-wise

Public Sector

Descriptive Statistics			
	N	Mean	Std. Deviation
Job Security	188	3.98	3.476
Career Advancement Opportunity	188	5.09	3.506
Respect & Recognition	188	5.41	2.969
Interesting & Challenging Work	188	5.44	3.225
Adequate Salary	188	5.62	3.981
Responsibility & Independence	188	6.68	3.341
Comfortable Working Conditions	188	7.76	3.712
Comparable & Competitive Pay	188	7.97	3.778
Doing Something Worthwhile	188	8.38	3.885
Sound Company Policy & Procedures	188	8.66	3.455
Competent Supervisor	188	9.40	2.971
Fringe Benefits	188	9.41	3.463
Restricted Hours of Work	188	10.05	3.737
Sympathetic & Considerate Supervisor	188	10.82	2.975
Valid N (listwise)	188		

a. Banking Sector Type = P1

Private Sector

Descriptive Statistics			
	N	Mean	Std. Deviation
Career Advancement Opportunity	140	4.24	3.392
Interesting & Challenging Work	140	5.38	3.607
Job Security	140	5.39	3.897
Respect & Recognition	140	5.39	3.659
Adequate Salary	140	5.64	3.575
Responsibility & Independence	140	6.44	3.179
Comparable & Competitive Pay	140	7.74	3.847
Doing Something Worthwhile	140	7.92	3.831
Comfortable Working Conditions	140	8.75	3.243
Sound Company Policy & Procedures	140	8.97	3.464
Competent Supervisor	140	9.13	3.198
Fringe Benefits	140	9.39	3.386
Restricted Hours of Work	140	9.88	3.811
Sympathetic & Considerate Supervisor	140	10.56	2.999
Valid N (listwise)	140		

a. Banking Sector Type = P2

Table 3.2.1 (e) Motivational Profile Hierarchy Wise

Level: Senior Management

Middle Management & Administration

Descriptive Statistics ^a				Descriptive Statistics ^a			
	N	Mean	Std. Deviation		N	Mean	Std. Deviation
Career Advancement Opportunity	62	1.35	.630	Job Security	264	4.06	3.627
Interesting & Challenging Work	62	4.77	2.989	Adequate Salary	264	5.20	3.728
Respect & Recognition	62	4.89	3.224	Career Advancement Opportunity	264	5.52	3.398
Responsibility & Independence	62	6.47	3.434	Respect & Recognition	264	5.53	3.285
Job Security	62	6.81	3.308	Interesting & Challenging Work	264	5.56	3.465
Adequate Salary	62	7.47	3.607	Responsibility & Independence	264	6.60	3.236
Comparable & Competitive Pay	62	7.61	3.075	Comparable & Competitive Pay	264	7.93	3.958
Doing Something Worthwhile	62	8.05	4.014	Comfortable Working Conditions	264	8.00	3.576
Sound Company Policy & Procedures	62	8.84	3.225	Doing Something Worthwhile	264	8.21	3.833
Comfortable Working Conditions	62	8.98	3.331	Sound Company Policy & Procedures	264	8.78	3.515
Competent Supervisor	62	9.03	3.259	Competent Supervisor	264	9.34	3.026
Fringe Benefits	62	9.47	2.935	Fringe Benefits	264	9.39	3.535
Restricted Hours of Work	62	10.48	3.949	Restricted Hours of Work	264	9.86	3.717
Sympathetic & Considerate Supervisor	62	10.97	2.642	Sympathetic & Considerate Supervisor	264	10.65	3.060
Valid N (listwise)	62			Valid N (listwise)	264		

a. Position = 1

a. Position = 2

3.3 VALIDATION & INTERPRETATION

Exhibit 3.2.1(a): KMO and Bartlett's Test

The value of **KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy)** is found to be **0.594** which is greater than 0.5. So, **factor analysis** is an appropriate technique to analyze the data. Furthermore the sample size of respondents can be considered to be a representative of the whole population.

Exhibit 3.2.1(b): Factor Analysis

Table 3.2.1 (b) represents Factor Analysis of Data collected from respondents using a Two Factor Solution. Out of 14 variables, 7 are included in Factor 1 and 7 are included in factor 2. These two factors can be considered as:

Factor 1: Intrinsic Motivational Factors

Factor 2: Extrinsic Motivational Factors

Sr.No	Intrinsic Motivational Factors	Extrinsic Motivational Factors
1	Career Advancement Opportunity	Security
2	Interesting work	Sound Company Policy
3	Respect & Recognition	Comfortable Working Conditions
4	Responsibility & Independence	Adequate Earnings
5	Achievement	Fringe Benefits
6	Competent Supervisor	Restricted Hours of Work
7	Equitable Pay	Sympathetic & Considerate Supervisor

Two Intrinsic Factors (i.e. Career Advancement & Interesting Work) and Three Extrinsic Factors (Security, Adequate Earnings & Fringe Benefits) have significant factor loading. These are general motivational factors. Equitable Pay and Sympathetic Supervisor has a low loading on the respective factors implying a low impact / influence on Motivation.

Exhibit 3.2.1 (c)

This table represents the overall motivational profile of all respondents. Mean values of all the fourteen items, and extrinsic and intrinsic motivation are given. It can be easily seen the lower the score of mean, higher is the value given to the concerned motivational factor.

For all the 326 Respondents, the Following details are observed:

Mean Value	Score	Factor	Impact on Motivation
Lowest:	4.58	Job Security	High
Highest:	10.71	Sympathetic Supervisor	Low

Exhibit 3.2.1 (d): Motivational Profile- Sector Wise

This table represents the motivational profile of respondents belonging to Banking Sector. This Sector is further categorised into:

- 1) Public Sector- 186 Respondents (Banking Sector Type: P1)
- 2) Private Sector- 140 Respondents (Banking Sector Type: P2)

Values in both the tables are arranged in ascending order starting from the Lowest Mean Value and ending with the Highest Mean Value.

Lowest value of mean represents a factor which has the highest impact on motivation and the Highest Mean Value represents a factor which has the lowest impact on motivation.

Table 3.2.1 (e): Motivational Profile- Hierarchy Wise

This table represents the motivational profile of respondents belonging to their specific level of occupation (Position Held). This is segregated into:

- 1) Senior Management – 62 Respondents (Position Type: 1)
- 2) Middle Management & Admin- 264 Respondents (Position Type: 2)

Values in both the tables are arranged in ascending order starting from the Lowest Mean Value and ending with the Highest Mean Value. Lowest value of mean represents a factor which has the highest impact on motivation and the Highest Mean Value represents a factor which has the lowest impact on motivation.

3.4 LINKING RESULTS WITH RESEARCH OBJECTIVES (Critical Observations)

3.4.1 RESEARCH OBJECTIVE 1

To study the motivational profile of employees specifically belonging to Banking sector.

3.4.1 a) FINDINGS

Having analysed the data provided by all the 326 respondents, it is inferred that **JOB SECURITY, CAREER ADVANCEMENT OPPORTUNITY** has a very positive impact on Motivation. However it is interesting to note that Job Security is an Extrinsic Motivational Factor. i.e. (Dis-Satisfier) whereas Career Advancement Opportunity is an Intrinsic

Motivational Factor (i.e. when this characteristic is improved or included in the Job, it significantly improves the satisfaction level of employee).

SYMPATHETIC & CONSIDERATE SUPERVISOR & RESTRICTED HOURS OF WORK seems to have a very low mean score and a poor factor loading on both the factors signifying that this aspect seems to be irrelevant to motivation.

3.4.1 b) REFERENCE:Exhibit3.2.1 (c)

3.4.2 RESEARCH OBJECTIVE 2

Identifying critical motivators and hygiene factors related to a job as perceived by employees based on factor strength.

3.4.2 a) FINDINGS

The data of all the 326 respondents yields the following results

Intrinsic Motivational Factors which has significant Factor Strength are:

VARIABLE	FACTOR STRENGTH
a) Career Advancement Opportunities	0.79
b) Interesting and Challenging Work	0.64

Extrinsic Motivational Factors which has significant Factor Strength are:

VARIABLE	FACTOR STRENGTH
a) Job Security	0.70
b) Adequate Salary	0.70
c) Restricted Hours of Work	0.64

3.4.2 b) REFERENCE:Exhibit3.2.1 (b)

3.4.3 RESEARCH OBJECTIVE 3

To identify whether there is a significant difference in motivators perceived by employees of a Public sector bank as compared to employees of a Private sector bank.

3.4.3 a) FINDINGS

After having studied and analyzed the data for Public Sector and Private Sector Banks separately, some important observations came to fore. The most important motivational factor as perceived by Public Sector Respondents was **JOB SECURITY**. This could imply that people seeking a **STABLE CAREER / JOB** get attracted towards Public Sector. Whereas the most important motivational factor as perceived by Private Sector Respondents was **CAREER ADVANCEMENT OPPORTUNITY**. This could further imply that people who are **AMBITIOUS** by nature get attracted towards the advancement opportunities & challenging work that a Private provides.

However in stark contrast, both the Public Sector as well as Private Sector respondents ranked **SYMPATHETIC & CONSIDERATE SUPERVISOR** as the least motivating factor they look for in the job signifying that it does not have any impact on motivation.

3.4.3 b) REFERENCE:Exhibit3.2.1 (e)

3.4.4 RESEARCH OBJECTIVE 4

To identify the extent to which motivational factors differ based on hierarchy of employees.

3.4.4 a) FINDINGS

After having studied and analyzed the data for all the respondents after having segregated them into two categories of:

P1: SENIOR MANAGEMENT

P2: MIDDLE MANAGEMENT & ADMIN,

It was found that, the motivator's and Hygiene's rather influenced satisfaction and dissatisfaction in a mixed fashion.

From this study, the researcher has found that **HIGHER LEVELS OF MANAGEMENT** have assigned greater importance to **INTRINSIC MOTIVATORS** such as:

- a) **Career Advancement Opportunities**
- b) **Interesting and Challenging Work**
- c) **Respect & Recognition**

The **LOWER LEVEL OF MANAGEMENT** preferred **EXTRINSIC MOTIVATORS** such as:

- a) **Job Security**
- b) **Adequate Salary**

Further, It can be implied that **HIGHER LEVEL OF MANAGEMENT** is more inclined towards **HIGHER ORDER NEEDS**, whereas **LOWER LEVEL OF MANAGEMENT** is more inclined towards **LOWER ORDER NEEDS (Basic Needs)**. This is further consistent with Maslow's Need Hierarchy Theory.

It can be inferred from the above, that there is a significant hierarchical difference in perceived motivational factors in a group of Higher and Lower Level of Management in Banks in India.

3.4.4 b)REFERENCE:Exhibit 3.2.1 (e)

4. IMPLICATIONS & FUTURE SCOPE OF RESEARCH

Such Independent survey can be carried out by Individual Banks across the country to validate the findings. This instrument & data can be further used by banks across different states in India to become more aware of the employees motivational profile. The Organization can further develop Jobs / Profiles and Conditions of Employment around these findings ensuring employee satisfaction.

5. ACKNOWLEDGEMENT

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