

Staff motivation in indian banks

[Finance](#), [Banks](#)



Introduction

Organizations survive, grow and make profits by selling products and/or services to people or other businesses. Ever changing economic environment and globalization have forced the organizations to continually update with the changing demands of the consumers. The changing nature of this environment and competitive industry has forced Indian banks to constantly provide quality services to its clients. The performance of the banks largely depends on the quality of service as in how well they sell their financial packages or provide services. It can only be done if the banks have trained, skilled experienced, professional, enthusiastic and highly motivated employees.

Organizations such as banks need to motivate employees for the simple reason of survival and growth. Businesses need to earn revenue and they can only achieve that if the employees are willing to work effectively. Banking industry has always been in search of highly motivated staff especially in the rapidly changing working environments because employees work more productively and assist banks thrive and compete in the fiercely competitive environment.

One significant question that this research will answer is how the bank management can motivate employees and what benefit it can get from the motivated staff. It's the responsibility of the management how it carries out bank operations, how it understands employees' needs and what factors or conditions motivates them more in the context of their roles. Employee motivation is arguably the most complex out of all the management

functions partly because what motivates employees, changes constantly. The last decade or so has seen a lot of advancement in banking procedures, functions and operations especially in the technology side. Banks have made important updates and developed the financial packages and services accordingly. But still many Indian banks need to understand “ what good is a full menu of financial products and services if the bank can’t sell them?” And they can only do that if employees work effectively. By motivating bank staff, the banks can meet customers’ evolving needs.

In this research proposal, the researcher has overviewed the whole dissertation structure he has in mind. Aims and objectives are laid along with the research question. The following proposal just highlights what the researcher is planning to do. This will be updated with the time after taking into consideration supervisor’s comments and suggestions.

Research Significance/Problem Identification

In spite of the importance of the topic, most of the research on motivation of employees in Indian banks is theoretical. There has been little attention given on the research on how to motivate bank employees and what are the impacts of different types of motivation. Additionally it is hard to gather data or research regarding motivation or any other topic for banks in Delhi region. Even though numerous organisations such as banks motivate staff to work efficiently little has been aimed to motivate employees in the need for a better overall bank performance and efficiency. Performance based banking sector and continuously changing environment of banking industry are affecting the ways the banks operate and this leads to the fact that banks

require employees with a high level of skill that is attained by continuous on the job development and other means of training. It is imperative to believe that an employee can perform well without the proper training and motivation. In business management studies, motivating the employees as a topic is increasingly affecting the management line and has one of the most significant subjects. This in the context of banks is much related and they need to take up motivation and training need of the employees as a primary requisite in their operations.

Research Question

How employee motivation and motivational factors can affect performance of Indian banks?

For this purpose, the researcher has narrowed the research down to 2 banks, ICICI and HDFC bank (both main branches) in Delhi region.

Research Aim

To study the significance of motivation and effects of motivational factors on the employees performance in HDFC Bank and ICICI Bank, Delhi, India.

Objectives

To obtain and critically analyze the available literature on motivation and related issues.

To assess the bank employees needs and examine the motivating factors?

To determine the extent motivation affects performance of an employee, his development and performance, by interviewing management and questioning employees.

To perform a comparative analysis of HDFC Bank and ICICI Bank based on the findings.

To critically examine and analyze the results and conclude with recommendations to the management.

Literature Review

Motivation stands as one of the most interesting topics in the social-science studies. According to Armstrong (2010), a number of academic researchers have made considerable efforts developing a master theory of motivation, trying to incorporate various characteristics to the concept. Scholars from HRM background normally try to link secondary concepts and describe work motivation as a unifying topic. Armstrong (2010) has well established the linkage between performance, job satisfaction and work motivation. Many academics such as Mullins (2007) and Dickinson (2009) have examined and explained the motivation basis; though ignoring understanding of individual differences. According to Gillen's (2006) work psychology, researchers have long attempted to understand the factors that influence motivation. These theories propel the modern day organizations to achieve better organizational results through motivating their employees. Motivation is considered the driving force behind employees' actions (Ellis, 2005). Milne in 2007 argues that the force that derives individuals to achieve personal and professional objectives is motivation.

What a bank wants to achieve from the motivation its providing to its employees has to be decided by the bank. Researcher such as Latham (2007), state that the bank's objectives must be realistic and attainable for both the bank and its staff. Milne (2007) argues that bank needs to develop a good strategic plan in order to the objectives. Decker (2009) suggests that the bank should assess its training and motivation needs before implementing any plan. He adds on that the banks must get there employees to get involved enthusiastically in their jobs. Banks urge employees for better output, success of the bank and sometimes even survival. Levesque (2007) debates that banks need motivated employees in rapidly changing bank's environment and operations. He believes that a bank needs to motivate employees to generate revenue and to operate effectively. Workers who are motivated tend to be more productive and they bring positive energy in the workplace. After the understanding of needs and ways for motivating the employees the banks chalk out a strategy for implementing motivation plan (Larson, 2009).

Manolopoulos (2008) argued bank management should understand motivation patterns of people they employ if it wants to introduce an effective system of banking. Latham (2007) has observed the factors that contribute to employees' behavior. Armstrong (2010) advises that in order to determine the behavior of employees, the bank has to examine their expectations and asses the reasonability of those expectations. Employees will base their expectations based on nature of the work they are to perform and the positions they would hold. Some work for their living and some work for the love of what they do. Part of workforce has differing mindsets for

which they work for. But, the work they do gives them something they want. This directly relates to the motivational level of each employee (Grimshaw and Miozzo, 2009). In order to create positive employee motivation banks need to treat their employees as if they matter. In these harsh economic times, managers should assess ways to maximize their resources (Latham, 2007). They need to ensure that their employees are provided with what they require for the best output. It is not a pay raise, the key is motivation.

Most of the studies according to Manolopoulos (2008) deal with job satisfaction and motivation have focused on factors like pay and mentoring. Only few take into account the differences between each person. Deckers (2009) found that people with similar job descriptions and responsibilities tend to carry various perceptions. This underlines the importance of taking into account the differences in personalities of staff which affect the attitude and behaviour towards job. Larson (2007) believed that intrinsic factors such as recognition need, appreciation and rewards can work strongly in case of extroverts with outgoing disposition. Podmoroff (2005) viewed employees as a backbone and livelihood of an organization. Their feelings and results achieved from that work directly influence bank's performance and eventually its stability. A stable bank ultimately performs (Lauby, 2005).

7. Research Methodology

Numerous data collection techniques will be applied. Methods which are cheap and fast will be utilised because of the financial and time constraints (Saunders et al. 2009). Only data that is relevant will be used to minimise

the irrelevant data. Two main sources namely Internal (banks' information will be discussed and analysed) and external which consist of newspapers, magazines, journals, reports and websites (Bryman and Bell, 2007). The researcher will apply the deductive approach of reasoning as per the need of social research and because it directs a structured research. This approach will assist in collecting data defining problem and other issues. Research methodology will include both primary and secondary methodologies (Kothari, 2008). Primary data will be collected through a purposeful approach. Bank motivation being a unique topic, the literature and data is limited; although the research material along with the primary data will be good enough for the structure of the literature (Kumar, 2005). Books and articles relevant to the motivational theories and concepts will form the backbone of the structure. Primary data will consist of questionnaire survey and management interviews, and for secondary research data on the internet, books, and latest articles will be searched. Both primary and secondary data will include "Qualitative" and "Quantitative" information. Results will be based on the data that will be collected from both the forms. Structured questionnaires for which the answers are predetermined will be used for collecting quantitative data. Measurements will be objective and will be valid statistically. On the contrary qualitative data is subjective and will be based on the interviews with the management. Numerical values will be assigned for conclusion of data that will be coded for quantitative purposes. Interviews will be held with the management as it is believed that it is a suitable way to extract from the management's experience (Saunders et al. 2009). The management is expected to be co-operative during the

interviews and also expected to assist in the collection of primary data. Initial interviews will be carried out the on telephone (Bryman and Bell, 2007)The researcher will utilize the latest information and communication technologies (ICT) such as using video-conferencing for detailed interviews from the managers during the research process. Informal approach for the interviews will be selected for the collection of data (Ghauri, 2010). For quantitative data questionnaires will be used as it is helpful to analyse scholarly data. It is expected to be cost efficient and the bank employees are well aware of it. Closed-ended questions will be used with predetermined answers, for the employees to just select the most favourable option. This will help in gathering the information easily and computing percentages. Questions made will be aimed to collect data only that is relevant. The researcher will scan the research findings for reliability and validity and will adapt suitable processes for collecting and generating information (Ghauri, 2010). Internet will be the preferred mode of communication because it makes collecting the data easy and fast. Latest ICT applications and tools will be utilised to liaise with the banks' management. The researcher will process the data and draw graphs using Microsoft Excel spread-sheet. ' Microsoft Word – 2010' will be used as a design tool due to its ability to sync with variety of graphical alternatives and other helpful options.

Sampling

Due to natural limitations of time and money, information cannot be collected from all the available sources, therefore, three out of four managers (including branch manager) of HDFC Bank and all three managers of ICICI Banks will be requested for interviews (Saunders et al. 2009). If time

permits, the researcher will go for general consensus of employees in both bank; otherwise 50 employees of each bank will be selected randomly (Saunders et al. 2009).

Limitations

Due to the financial constraints, most of the interviews will be done through the telephones; pilot questionnaires will be also filled through electronic mails. Self representation at the bank is not always feasible because of the time and money constraint. Some books, journals, magazines and articles will have to be ignored using Bell's checklist parameter (Bryman and Bell). Another limitation is unavailability of authentic, reliable and professional literature on motivation of employees in Indian Banks in Delhi region. The researcher will have to search from scratch as there is no such help available.

Theoretical Framework

This research serves the purpose to observe and research the employee motivation analysis of the banks staff in HDFC Bank and ICICI Bank, for analysing the satisfaction levels and the affect they may have on daily operations. Another purpose of this research work includes examining the motivational requirements of the staff and to appraise if they are satisfied with the current job profile. This dissertation focuses on the how do the motivational factor effect the performance of the bank's employees. The researcher also focused to understand the relationship between the bank performance and motivation, testing empirically existing theoretical frameworks' features. This work will also evaluate and discuss the means for

motivation of employees in the banking atmosphere and effects of critical factors on motivation. The researcher has planned to consider detailed explanations on types of motivation techniques and methods, role of the management, and employees' requirements will also be considered. The final sub-section of the literature will concentrate on the need for employee appraisal and evaluation. After an analysis of the influence of motivation on the employees it will be linked to a bank's performance. A debate on issues related to motivations, arguments and counter arguments by scholars will also be provided. This purpose of this research will be to focus on the motivational factors and its effects on the employees of banks. A comparison on the research carried out on the banks and the literature will be carried out and at the end a conclusion based on the effects of motivating employees of the banks will be made.

Hypothesis

Banks can increase the performance by staff motivation and their training and development. An increase in the efficiency of the employees can be achieved by developing and motivating the staff appropriately. Banks usually take up techniques that were effective in the past and now are inadequate but cannot exist in the current scenario. The banks tend to ignore tailored methods for the motivation of the staff according to the individual culture and banking environment. For a better overall performance of the bank it will have to introduce and implement new ways that can motivate the staff.

Usefulness of the Research (Suitability)

The focus of this dissertation will be to find out the relevant factors to motivation, its importance in motivating the employee to outperform and how is this related to the overall effectiveness of the operations. The research can be a handful to branches HDFC Bank and ICIC Bank researched. Additionally this work can be used by other banks as a benchmark for motivating their employees and evolving a culture that would utilise the benefits that will reap off from motivating the employees. Further, it can be used for any research studies carried out by others.

Summary of the Research

Introduction of the literature is the section one of this dissertation where the whole research will be summarised. Aim and objectives will be overviewed together with research Gap questions. The researcher will explain the rationale and hypothesis of the research along with the reasons for selecting the topic and how, why and where the research would be carried, will all be examined and analysed.

Literature review forms the second chapter of the dissertation where all the motivation related issues regarding Indian Banks will be discussed. The researcher will examine the employees' motivational requirements and evaluate whether the bank management can fulfil their requirements of motivating employees and training them with appropriate skills. In literature review, the researcher will examine the effects of motivational factors on performance of both bank and its employees. Views of several authors will be taken into consideration during critical analysis of this chapter. The

researcher will present a debate and arguments on motivation related issues. This chapter will specifically examine motivation of employees in banks specifically focusing on motivational factors and its effects.

Research methodology is the third chapter of the dissertation where all the available methods will be assessed and evaluated. The researcher will provide a detail of research methods, techniques, approaches and tools and will justify why those are chosen and provide reasons why some are rejected. The benefits of using chosen methods will be explained along with limitations and constraints of the research. Information about sampling method and data analysis tools will also be discussed.

Findings and data analysis section is the fourth section of the research project. All the primary data findings will be presented in graphical format. Results from interviews and questionnaires will be critically discussed in detail. The researcher will provide a comparison between both Banks.

In chapter five, the researcher will summarise the dissertation, provide recommendations and conclude the research by presenting proofs and evidences.