

Evaluating the practices of motivation in hatton national bank

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Hatton National Bank PLC, your Partner in progress emerged as a commercial bank to provide efficient banking services with a view to improving the socio-economic development of the country.

Today, HNB has the largest network from among private commercial banks comprising 200, with more in the pipeline and an ATM network in excess of 275 machines.

INTRODUCTION

Human Resource are the most important assets of an organization, a business cannot be successful without effectively manage this resource. Another important principle, articulated by Michael Armstrong in his book “ A Handbook of Human Resource Management”, is that business success “ is most likely to be achieved if the personnel policies and procedures of the enterprise are closely linked with, and make a major contribution to, the achievement of corporate objectives and strategic plans.” And also HR’s responsibility to find, secure, guide, and develop employees whose talents and desires are compatible with the operation needs and future goals of the company.

Armstrong says, “ HRM is a strategic approach to the acquisition, motivation, development and management of the organization’s human resources. It is devoted to shaping an appropriate corporate culture and introducing programs which reflect and support the core values of the enterprise and ensure its success”.

Any successful organizations have motivated and enthusiastic employees. Motivated employees are more productive, efficient, happier, and stay with the organization longer. Interesting work, company policies, employee pay, job enlargement, job enrichment, promotions, monetary and non-monetary compensation should be important links to higher motivations.

Identification of existing practices in motivation & Critical evaluation

To motivation factor, organization has to understanding employee needs, what rewards to use to motivate them. HNB is a bank; therefore HNB has an advantage motivate their employees without any effects. Because HNB is the one of the leading bank in Sri Lanka, as well as it is large and well established. Brand and job security are the first think employees are self motivate. And social recognition of when they are working in the bank, another factor to employees are motivate without any effects. According to the Abraham Maslow's hierarchy of needs theory (370-396), Safety, Social and Esteem Needs fulfill above factors. In other words, they feel safe because the organization will not bankrupt, concerned with social interaction with others and acceptance of the people.

HNB introduced some of the strategies for motivate their employees. Salary and Allowances are one of the strategy HNB introduced to motivate their employee. According to the Fredrick Herzburg's two-factor theory, hygiene factor, salary can be act as de-motivators, but if satisfactory, their motivational affect is limited without motivators. Basic salary in any category is much higher than any other industries similar positions. And additionally

other allowances, Medical, Dental and Vision for you and eligible family members, Paid and supplemental Life Insurance for you and eligible family members, Paid and supplemental Long-Term disability insurance, retirement savings pension plan feel safety from employees. And also fixed periodic salary review is another motivation factor introduced by the bank. Every three years, bank review employees salaries and increase maximum 30% of their salaries. Using these strategies will overcome the unsatisfactory of the hygiene factor, and increase the satisfaction and motivation.

Bonus is other crucial strategy bank use to motivate their employees. Three types of bonus category are available in the bank, the first category, up to executive level employees are available to maximum three month bonus, critically evaluate their performance by the department head. The second category, above the executive level have ' performance bonus', it will critically evaluate by the bank top management. And last bonus type is ' profit bonus', this type of bonus eligible for all employees in the bank, that will give, only for bank director board decide. That fulfills the Herzburg's two-factor theory; the satisfactory is referred to as motivators which include advancement, and performance recognition.

Career path is another motivation factor bank introduce. HNB has clearly defined path to promote the employee.

Trainee Banking Assistant -> Banking Assistant -> Executive1 -> Executive2-> Executive3-> Manager-> Senior Manage-> Chief Manager -> AGM -> DGM -> CEO

To go through this path, any employee can become the CEO of the bank. Employee can promote three ways - Upon their services, performance and academics and professional qualification. Also has that is the major motivation strategy because of, all humans are like to go at least one step at today's step. And including expectancy theory of Victor Vroom, he says, individual gives a certain level of performance, and then a desirable outcome is expected called 'instrumentality'.

Low interest rate loans, vacation and personal leave system, social activities, work environment, job enrichment and enhancement, Job rotation, team work, yearend party and trips, employee award system are some of the other motivational strategies to motivate their employees using Human Resource division.

Motivational Strategy

Software developers in the bank are assigned the 'Research & Development' unit in 'ISD'. They are involved in the Non-main scheme before, but that's path is broken now in the bank some reason. Already Information Technology fresh degree holders appointed as 'Trainee software engineer' designated in two year contract basic. Their basic salary was Rs. 20000/= and no banking allowances are allowed. After contract is finished, their contract is extend another one year and salary increase Rs. 26000/= and no their designation change. NO path to absorb them in to banking scheme. Normally, individual software developer had to train at least six month for banking systems. They all in the contract basic, therefore no

banking facilities are allowed to them in HNB or any other bank. And normal banker salary is much higher than those.

Comparing with software developing company, as a beginner software developer basic salary is Rs. 40000/=. Very talented Software developer basic salary at least one lack after 3 years in software developing company. But bank give them to Rs. 26000/=:, and after 3 years their jobs are not certain.

According to two-factor theory's work environment, management, salaries and company policies become them in to unsatisfactory. Unsatisfactory hygiene factors can act as de-motivators.

To motivate them and get their maximum, they must need to clearly define path. The structure must change. I purpose contract period is must reduce to two year to six month. After the six month over, if they perform well, they are absorbed in to banking scheme with ' Junior Executive' level and change their designation as ' junior software engineer'. And after three year they perform well, they promote in to ' Executive level' with designate with ' Software engineer'. And after every three years, considering their performance continuously promoting them, bank will can motivate them and get their maximum.