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# Factors Affecting Employee Motivation Towards Employee Performance: A Study on Banking Industry of Pakistan

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**Abstract.** The study provides the cognitive support for developing employee's motivation level at optimized level through consciousness towards applied approach and unrealistic ideas. The diligence of the research is to present the factors that help to motivate the employees to perform their job well. Whereas, the study restrains empirical and descriptive analysis of variables which comprehensively highlight the significant relationship among the independent variable and dependent variable; the close-ended questionnaire is constructed to compute the statistical data. The study identifies the strong relationship among the defined factors that enhance the employee's motivation level in banking sector. Although the research is also aware the management and the managers of banks about the most preference factors that improves the employee motivation in the banks. This study valued the integrating knowledge, experience, action to groom skilled employees in the banks. Moreover, the main contribution of the research evaluating the role of the motivational factors in banking industry.

**Keywords:** Motivation · Empowerment · Job environment · Banking · Employee performance algorithm

## 1 Introduction

In the most current scenario employees have become the primary strength of any business where the employees deliver their continuous effort to drive organizations' decisions into action to accomplish its objectives. Whereas, the motivational factor regarding the employees is becoming a part of organizational strategy. However, motivation is an aspect that helps an individual to select or deselect the job, to continue and work proficiently during his/her job [16].

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Further, the motivational research proposes to facilitate the individuals to get motivated through the target to satisfy their unconvinced desires; consequently they apply their endeavor hoping to be satisfied with their needs. Conversely, modern studies' regarding the motivation doesn't highlight the Basel desire conception, but in addition they highlight the objective, equality, and values [24]. However, the after effect from the motivated workforce provides the less employees, turnover, retention and high productivity rate, which leads the organization towards growth and development [13].

Further, the motivation explains as a dynamic strength among individual which inspire the employees to do the incredible work to achieve the goal that regulates to accomplish want or anticipation [19]. It is a complex subject of human behavior which differs from person to person; therefore, varied individuals will be stimulated in unique ways [12]. Individual's behavior will state that what encourages them to implement the effect of both capacity and inspiration [19]. Spiral inspiration can be characteristic and inappropriate [9]. A few theories of inspiration were created to recognize the variables of inspiration that impact human conduct in distinctive ways.

While in conventional management approach the idea is that "Manager recognize the job optimum" is prevailing in current management. In modern conception the representative's inspiration will be extremely enormous particularly for service businesses. While, the resource provokes the representatives, that analyst separated them into two gatherings; outside and inside components [10]. However, external elements, there will be inspiration implies such as meeting expectations condition, pursuing, organization's picture, work assurance, advancement, social environment, and position. In terms of learning organizations, when seeing outer ecological components quick alteration and difficulty to be measured in a firm national and global struggle, these organizations taking choices to profound impact in organizations' by keeping up its presence.

The method individual responds towards organizational working condition depends over job reliability, job stress, working hours. Thus interpersonal associations imitate satisfaction in correspondence with a subordinate. Job satisfaction is completely prejudiced by range of professional characteristic such as organizational ethnicity, interpersonal affairs, worker empowerment, cooperation, and self-apparent accountability [11]. Further, employees assess their working ability by receiving rewards furthermore identify additional fulfillment by getting fair pay in exchange of their efforts within the organization [8]. Fair payment for their efforts can effect in motivation and fulfillment for invulnerable workforce. An individual value system is being studied while creating the awareness of rewards and compensation, whereas individual's values of receiving pride for their efforts to support and increase their work level while it's related to their educational period or from salaried time line [7]. Individual at its initial level of its career pays high values to intrinsic and extrinsic feature related to their job. Moreover, individuals with the startup of their careers valued the rewarding towards their work assessment and environment further the expert and experienced individuals with high potential and opportunities also provide values. As

the different researcher consider the motivation as the function of compensation and belief towards their jobs; because of which the high rewarding employees having the high satisfaction in respect to their job [11].

## 2 Literature Review

### 2.1 Motivation

Motivation is mostly differentiate as one of the most influential predictors of individual behavior and a key analyst of performance for essential aspect of behavior [22]. Hence, it is not shocking that motivation show in a range of regulation paper [15], scholars and executives have vast attention in accepting person motivation to use communal medium and tools on behalf of companies [14]. Motivational aspect (such as success, appreciation, accountability, effort, progression, individual development) are associated to the application contented though hygiene aspects (such as corporation strategy and management, interpersonal relatives, working environment, pay, job safety, position, reimbursement) are associated to the employment background [6]. Herzberg measured hygiene aspects as extrinsic features, which have an unsettling outcome on the staff job approach and create them eventually displeased in their profession when the needs aren't sufficiently meet. Further, motivational aspects are recognized as intrinsic feature, which make staff fulfilled when needs are meet, conversely, do not formulate them disgruntled in the deficiency of these [21]. Further the study affirms that motivation exists merely when individual appreciates an optimistic correlation that endeavor direct to work performance and work performance directs to incentives [6]. Moreover, the objective locale theory of motivation, where the theory emerge from the proposal of anticipation theory as a target locale is an essential instrument, which work as an "instant valve of individual act" [17] that direct the individuals towards attaining the objective. The objective influences the performance by straight concentration, organizing endeavor, rising determination and inspiring plan. Further the earlier research [3] offer a perceptive of an individual attitude, prospect, plan and aims in life. Moreover, this research helps business to considerate their employees' objective in both their qualified and private life, whilst identifying the need to stimulate them. At the Similar time, they seem to improve the participation, reliability, and assurance of the staff to their businesses. Positively, accepting the features that influence the motivation of staff is an huge dispute for business, leaders and executives [23]. Especially the people worth different aims in life. People might have diverse needs and wants, ethics, ambition, objective, and prospect in life [1]. A motivational presumption effort to clarify the aspect that have straight or circuitous pressure on motivation and business performance, such as worker stimulus and other motivational factors [23].

### 2.2 Job Environment

The environment where the job performs in their work surroundings can be diverse from those fully contented challenging and unsafe for the life and health of employees. Whereas, the complex operational surroundings can be prejudiced by:

- Peripheral aspect that comprises environment, meteorological condition, temperature, clamminess, breeze, illumination in the office and intrusion, gases and other harmful factors.
- Individual aspect that contain sexual characteristics and maturity of the employee, exhaustion, repetitiveness, adverse stance throughout exertion.
- Another aspect associated with the business of production towards the period of the working hour, working plan, working occasion, work speed, extreme injure, etc. further, the work with complicated operational circumstances may achieve only the workforce who convene precise requirements in stipulations of maturity, gender, education, strength, corporeal and psychological circumstances and psycho-physiological and emotional capacity. Complex operational environment manipulates employees' work performance.

Further, it is significant that staffs are qualified and knows how to perform job related duties with the help of paraphernalia as insufficient utensil usage can affect in mishap or divergences in recital no issue that how a lot and utensil was appropriate. Learning of the individual must also be provided oriented to the good use of defensive tools and individual safety [4].

### 2.3 Benefits

Benefits can affect the Employee performance in many ways. The benefits are not frequently issued towards assessment and are consequently cheaper to achieve during an employer throughout the market [2]. Therefore, cheaper the benefits ought to amplify employee performance. Further the benefits can proceed as an alternate for salary. To inspect the employer investigation facts and establish the employee's reduced the salary; once numerous benefits had obtained to the individual after a few years [2]. Moreover, the employees sight the benefits and salary as alternatives, disposed to provide salary in trade for extra benefits. While the benefits set as a significant part of employee compensation correspondence and simply acted as organize in different researches, but not as the key issues of analysis.

Furthermore, in the literature the reward shape towards the benefits that individual obtain from their work [11], and the important part of a worker job approach such as business assurance, incentive and employee performance [12]. Thus, in any business rewards in cooperate as a significant role in structuring and supporting the obligation between the workers that guarantee an average job performance and employee loyalty. As, the business entity substitute premise, employee penetrates corporate with the exact set of proficiency towards requiring goals, and anticipate in revisit a respectable working conditions where the employees assist to use their skills and satisfy and attain the desired goals [18]. The rewards enhance the height of effectiveness and efficiency of the individual towards their jobs and in place of outcome there is an improvement of organizational performance [18].

## 2.4 Empowerment Concept

Empowerment as initially is an important and vital concept by which personnel are capable to effect and have regulator over judgments that influence over their productivity in their job. Moreover, this perception support workers to workout determined regulator or consultant of their effort situation tangibly, communally, ethnically and spiritually over the assets owed to them [5]. Partaking egalitarianism is extra essential idea or belief that qualities enlarging on. Rendering to [25] sharing was careful to be an inherent quality of equality and thus a clarification to suppression. This idea contains the methods and conclusions to inspire development and autonomy.

## 2.5 Recognition

“Recognition explains as the appreciation to the employees for the level of performance, and success or an influence to achieve goal. It can be intimate or community, fundamental or official. It is continuously in tally to pay.” [20]. However the employees also need recognition. Persons like to distribute the celebration of their success with others and have to be recognized in the organization. Whereas the needed is satisfied it works to be an excellent motivator. Further, if employers depend on reward only to recognize influence and success it is most probable that the employee’s goals will become altered to protect the pay and nothing more while this will lead to a besmirched culture of the organization. Thus using recognition correctly it will be cost-effective way of increasing success and allow employees to feel intricate in the corporation culture [20].

## 3 Problem Statement

Today the banks are facing the problem of low productive employees in all the sectors. However, in banking industry the lower level of motivating employees are in number due to the nature of their work. However, this study assist to find out the relationship among the following factors Benefits, Job environment, Empowerment, Recognition, to extract the best known factor among the employees to enhance their motivational level. The study will investigate the impact level for the above mentioned aspects on employee motivation of their job and their after cause on their moral satisfaction and their individual performance in banks.

### 3.1 Research Question/Objective

The following are the objectives of the research:

- To extract the best known motivational factors that supports the moral intention of individual to perform.
- Which factor is highly motivates employees in the banking industry?
- Do the motivational aspects enhance the individual performance?

## 4 Hypothesis

### 4.1 Motivational Factors

*Hypothesis<sub>a1</sub>*( $H_{a1}$ ): There is a significant impact of Benefits over employee Motivation in the Pakistani Banks.

*Hypothesis<sub>a2</sub>*( $H_{a2}$ ): There is a significant impact of Job environment over employee Motivation in the Pakistani Banks.

*Hypothesis<sub>a3</sub>*( $H_{a3}$ ): There is a significant impact of Empowerment over employee Motivation in the Pakistani Banks.

*Hypothesis<sub>a4</sub>*( $H_{a4}$ ): There is a significant impact of Recognition over employee Motivation in the Pakistani Banks.

### 4.2 Motivation and Individual Performance

*Hypothesis<sub>a5</sub>*( $H_{a5}$ ): There is a significant relationship among motivation and individual performance in the Pakistani Banks.

*Hypothesis<sub>05</sub>*( $H_{05}$ ): There isn't a significant relationship among motivation and individual performance in the Pakistani Banks.

## 5 Methodology

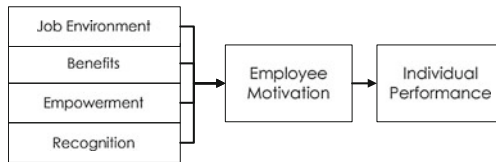
The research focuses on descriptive research design. Whereas, the precarious connection among the answers about discovering out the connection of Benefits, Job environment, Empowerment, Recognition, that help to enhance the motivational level of individual also to optimize their work performance and as well as its effect on organization. Furthermore explanatory study helps us to explain the relationship among Dependent and independent variables. The descriptive study helps to find out the line of intervention on the factors affecting the individual motivation. However, the job satisfied employee's leads the organization towards the improvement in employee performance and customer satisfaction. This study disquiet with discover how, when, what, why questions concerning about the factors of motivation and clarification of distinct variables may lie in the study which also ornate the modern association among variables that how the delimit factors have their impact over the employee performance.

However, the research depends upon two areas, i.e. the base use which is used for the tactical attitude which trusts over secondary data, comprising seminar proceedings, books, intellectual journals, webinars and articles. Moreover, the research sturdily depends over primary data source by accompanying the survey on employee motivation to collect material about diverse aspects which expressively influence over the employee job performance in banking industry. The banks included in this study are Meezan Bank, Bank Al-Habib, Albaraka, and Faysal Bank. The demographic aspect included age, gender, salary range, job position, service period, and last promotion that received in their organization cover in the questionnaire. Structured Close ended questionnaire is being a

part of my study. The questionnaire is the primary tools to gather data for my dissertation. Further human comportsment is coherent which rely upon reasons, however all individuals has their own explanation for precise concern they are attaining from convinced area and services even by exploiting certain individual skills, this is the key reason for picking questionnaire as the primary to of data collection.

### 5.1 Research Model

The motivated employees are the most important assets for the organization. Although it is the considerate perceptional preference of employees being rightly treatment, the functional loom is being centered towards the inference of an employee’s motivation on executive success (Fig. 1).



**Fig. 1.** Conceptual model

Moreover, the employee motivation is in the interest to the executives since it has a reciprocal outcome for every individual and every other thing in organization. Further, in banks employee’s motivation is the main factor due to the nature of job and higher employee turnover rate and stress. Further testing will I identify the effect of factors on employee motivation.

## 6 Results and Discussions

### 6.1 Employee Preference over the Factors Affects Employee Motivation

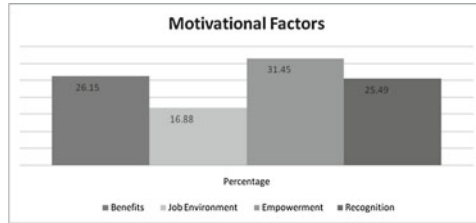
The Analysis of the motivational factors that is most preferable by the employees working in the banking sector industry. However, the factor state below indicates that the maximum preferable factor is used to increase the level of individual motivational (Table 1). Further the bar-chart indicate that Benefits share the ratio of 18% to enhance employee motivational level as well as the interpersonal skills of an individual has 13% of its contribution (Fig. 2).

Although the most affective factors that helps to improve the employee inner motivational level is the individual empowerment the employee decision making authority and its contribution among the other factors is almost 22%. However, job environment, recognition and employee growth also have their impact on employee motivational level over their job.



**Table 1.** Preferable factors that improves employees motivation

| Motivational factor | Frequency | Percentage  |
|---------------------|-----------|-------------|
| Benefits            | 79        | 26.1589404  |
| Job environment     | 51        | 16.88741722 |
| Empowerment         | 95        | 31.45695364 |
| Recognition         | 77        | 25.49668874 |
| Total               | 302       | 100         |



**Fig. 2.** Preferable factors that improves employees motivation

### 6.2 Multi Regression Empowerment, Benefits, Job Environment, Recognition and Motivation

The regression equation between empowerment, recognition, growth & development with motivation:

$$\text{Motivation}(y) = f(\text{empowerment, recognition, benefits, job environment}),$$

$$y = b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + \text{Error},$$

where  $b_1x_1$  signifies the intercept of empowerment  $x$ ,  $b_2x_2$  signifies the intercept of recognition  $x$ ,  $b_3x_3$  signifies the intercept of benefits  $b_4x_4$  signifies the intercept of job environment (Table 2).

Although the table of regression shows the value of R about 0.942 which identifies the strong relationship among independent variable (empowerment, recognition, benefits and job environment) and dependent variable Employee motivation. Whereas,  $R$  square shows co-efficient of simple determination which is 88% variance in empowerment, recognition, benefits and job environment explained by motivation. The F-test identifies the rationality of the research model and the model fitness. The significance of F-test is computed where the F calculated is greater than F tabulated which is 0.05. Thus, the null hypothesis  $H_{01}$ ,  $H_{02}$ ,  $H_{03}$  and  $H_{04}$  has been rejected followed by the results and the results also identifies the significant connection between empowerment, recognition, job environment, benefits and employee motivation.

**Table 2.** Please write your table caption here

| Regression Statistics |     |        |       |        |              |
|-----------------------|-----|--------|-------|--------|--------------|
| Multiple R            |     |        |       |        | 0.942        |
| R Square              |     |        |       |        | 0.888        |
| Adjusted R Square     |     |        |       |        | 0.884        |
| Standard Error        |     |        |       |        | 0.1704       |
| Observations          |     |        |       |        | 126          |
| ANOVA                 |     |        |       |        |              |
|                       | df  | SS     | MS    | F      | Significance |
| Regression            | 4   | 27.92  | 6.98  | 240.18 | 0.000        |
| Residual              | 121 | 3.516  | 0.029 |        |              |
| Total                 | 125 | 31.437 |       |        |              |

### 6.3 Regression Analysis Between Employee Motivation and Employee Performance

The regression equation between motivation and employee performance:

$$\text{Employee performance}(y) = f(\text{motivation}).$$

The regression outcome identifies the relation among employee motivation and performance which is being further specifies in the below mention table (Table 3).

**Table 3.** Regression analysis between employee motivation and performance

| Regression Statistics |     |        |        |         |              |
|-----------------------|-----|--------|--------|---------|--------------|
| Multiple R            |     |        |        |         | 0.722        |
| R Square              |     |        |        |         | 0.522        |
| Adjusted R Square     |     |        |        |         | 0.518        |
| Standard Error        |     |        |        |         | 0.32622      |
| Observations          |     |        |        |         | 126          |
| ANOVA                 |     |        |        |         |              |
|                       | df  | SS     | MS     | F       | Significance |
| Regression            | 1   | 14.386 | 14.386 | 135.184 | 0.000        |
| Residual              | 124 | 13.196 | 0.106  |         |              |
| Total                 | 125 | 27.583 |        |         |              |

In Table 3, the outcomes indicates the positive connection among motivation and employee performance is and identify that motivation is also a factor to enhance the employee work performance. However the result shows the regression R 0.722 and adjusted *Rsquare* is 0.522 which shows the significant relationship.  $F_{calculated}$  is greater than  $F_{tabulated}$  which is 0.05. Furthermore the result rejects the null hypothesis  $H_{05}$ .

## 6.4 Conclusion and Managerial Implication

The study specifically identifies the importance of motivation in the environment of the banking industries and specifies the factors that improve the employee motivation leveling banks. Whereas, the people spent their life working in the banks, which highlighted the point to improve the motivation level of employees towards their job. This research conducted to keep the motivation level high in banks. Further, the results identify the factors (benefits, recognition, empowerment, and job environment) helps to improve the employee motivation level. Further, each factor shows its level of importance. Moreover the study also explains the satisfactory results from the banks employees about the define factors can enhance employee motivation towards their jobs. The study illustrates that motivated employees satisfied with their job more delicately and serve the organization and customer, especially in the banks where the employees is directly linked with the customer. Whereas the results shows that the factors not only enhance the employee motivation as well as the factors also enhances their moral and social behavior that tends to improve their work performance.

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