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Impact of Motivation and Recognition on Employee's Performance: A Study on Public and Private Sector Banks in Punjab and Haryana

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Design/methodology/approach: Structured questionnaire is used to collect the required primary data from 100 respondents in public and private sector banks in Punjab and Haryana. Descriptive statistics, correlation, regression analysis, factor analysis and t-test are used as statistical tools in analysis.

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Impact of Motivation and Recognition on Employee's Performance: A Study on Public and Private Sector Banks in Punjab and Haryana

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Design/methodology/approach: Structured questionnaire is used to collect the required primary data from 100 respondents in public and private sector banks in Punjab and Haryana. Descriptive statistics, correlation, regression analysis, factor analysis and t-test are used as statistical tools in analysis.

Findings: The study found that Performances of employees are significantly affected by the salary and other monetary benefits provided by the organization. Recognition is the most important non monetary reward which improves performance of the employees of banks. Employees feel that their organization should provide them more opportunities for personal growth and advancement

Practical implications: The research offers a more precise way to understand the impact of different factors of motivation and recognition on performance of employees of banks. Management of Public and private sector banks can recognize the importance of non monetary rewards with monetary ones to improve productivity and performance.

Originality/value: This research is conducted for the first time paradigm which explores the effectiveness of motivation of employees in public and private sector banks in Punjab and Haryana. There is currently limited evidence on the impact of motivation in the performance of the extended public sector. This research is one of the very few that has been made from the perspective of employees.

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I. INTRODUCTION

The success of an organization depends not only on technical expertise but also on the interest of the workers. Enthusiasm or willingness to work can be enhanced by motivation. A strong positive motivation will increase the output of employee and native motivation will reduce their performance. Motivation

leads to job satisfaction. A person who is not motivated and not in high morale and spirit would not be satisfied. Dessler (2001) support that motivation as the intensity of a person's desire to engage in some activity. Motivation is an inner drive that initiates an employee towards goal directed behavior. According to Frimpong and Fan (2009) performance management is the process through which managers ensure those employees' activities and outputs are congruent with the organization's goal. A highly motivated person will work hard towards the achievement of organizational goal. Luthans (1992) says, "Motivation is a combination of needs, drives and incentives. Motivation is defined as the process that starts with physiological or psychological deficiency or need that activates behavior or a drive that is aimed at a goal or incentive". In today's era it is a challenge for the managers to imply strategies which encourage employees to improve their work performance and productivity. Managers of modern days company in the financial services employees but also help them to achieve competitive advantage in the market. The achievements of individuals and organizational goals are independent process linked by employee work motivation. Individuals motivates themselves to satisfy their personal goals, therefore they invest and direct their efforts for the achievements of organizational objectives to meet with their personal goals also. It means that organizational goals are directly proportion to the personal goals of individuals. Every individual is different from other in terms of ability, preferences, ideology, social and economic background .so every employee has to be motivated in different way. While motivating employee leader should keep in mind the needs of the employee which they desired to be fulfilled. An employee can be only motivated by satisfying is unsatisfied needs. Jobs differ on the basis of their specialization and requirements. A particular type of job will not be liked by every employee of the organization. Certain jobs are challenging and liked by few individuals .There can never be a particular job which could provide pleasure and satisfaction to every individual. Right jobs make people right and motivate them. Motivation has direct link with working conditions and environment. The first reason why motivation is a

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difficult job is that the workforce is changing employees join the organization with different needs and expectations their values, beliefs, background, lifestyle perceptions and attitudes are different not many organizations have understood these. Motivating employees is also more challenging at a time when firms have dramatically changed the jobs that employees perform, reduced layers of hierarchy. Motives can only be inferred, they cannot be seen. What motivates one employee could be failed to motivate another employee. The dynamic nature of needs often poses challenge to any manager in motivating his or her subordinates. An employee at any given time has various needs, desires and expectations. Further these factors change over time and may conflict with each other.

II. LITERATURE REVIEW

Motivation has become a dominant topic in recent years. Despite this, there remains a paucity of critical academic literature on the subject, and relatively little is known about how motivation can be influenced by management in banking sector. This literature survey examined peer-reviewed journal articles, working papers, textbooks, and other published resources relevant to employee motivation. The review also identifies gaps and issues that have not so far been investigated, making clear the focus of where further enquiry should be. The review aims to add value to the current state of knowledge by critically evaluating the existing literature on motivation of employees. *Uzonna (2013)* investigates the factors which prompt people, what influence them and why they stick to particular action. He also evaluate motivation of employees in the banks. *Owusu (2012)* assess the different motivational packages offering by the organization to its employees and which package influence the performance of employees the most and how it affects the performance of organization. *Omollo and Dr.Oloko (2015)*, demonstrates the effect that motivation had on job of the workers in Kenya commercial bank. He establishes the effect of job enrichment, training and team building on performance of employees. *Manolopoulos (2007)* tries to understand the relationship between work, motivation and organization in public sector. *Ankli and palliam (2012)* investigates self determination theory to motivate workforce of an organization and he recommended SDT s encompassing theory of motivation. *Chebatet.Al (2002)* assessed the effect of managerial tools to increase the prosocial behavior of employee. *Romero and kleine(2000)* investigate the effect of positive reinforcement on employees. *Khan et al. (2010)* analyzed the role reward plays in motivating employees of commercial banks of Kohat, Pakistan. *Daschler and Ninemeier (1989)*, conducted research and investigated what employees may seek from the work environment. A

review of past literature studies are descriptive, qualitative, quantitative and empirical studies. As *Omollo and Droloko (2015)* has used descriptive survey method, collected primary data through self structured questionnaire to assess the effect motivation had on job of workers of Kenya commercial bank. A study has been conducted upon Ghana commercial bank by *Qwosu(2012)*, by using survey research deign with observation and questionnaire method. *uzonna (2013)* used quota and simple random sampling for empirical study to know effect of motivation on employees. *Manolopoulos (2007)*, *Ankliand palliam (2012)*, *Chebat et. Al (2002)* used descriptive statistics as a research tool to gain more insights in relation between motivation and employees performance. The purpose of this research is to give a better understanding of motivation and its effect on employee's performance. The research tools used for the study were questionnaires. The information on the influence of motivation on performance was presented as received from the respondent. Descriptive survey is a process of collecting data in order to answer questions concerning the current status of the subject in the study. *Uzonna (2013)* in his studies found that motivators which are being given in monetary form like fringe benefits and pay for performance had high impact on performance of employees, on the other side bonuses, profit sharing had low effect on the employees performance. *Manolopoulos (2007)* studied that the demographic characteristics of an employee and its ability to perform task are the major factors which determines the motivational performance of an employee. *Ankli and palliam (2012)* in their study explored that essential extrinsic motivation can be detrimental to intrinsic motivation. *Omollo and Dr oloko (2015)* studied that monetary rewards significantly affect the performance of the employee in the organization. In summary, the literature surrounding performance suggests that motivation is the key factor which influences the performance of employee. Management themselves need to be understand the extrinsic and intrinsic needs of the employee so that right motivator can be used in order to influence the performance of employees.

III. OBJECTIVES OF STUDY

1. To investigate the effect of motivation on employee performance at public and private sector banks.
2. To establish the effect of recognition on performance of employees in public and private banks.

IV. RESEARCH METHODOLOGY

The scope of the study will be limited to the public and private sector banks in Punjab and Haryana. This research will cover the aspects related to the activities related to motivation and recognition in public sector banks and the different tools that are used by

public sector banks for motivation. This study was conducted in public and private banks in Punjab and Haryana. The data was collected from top level and middle level employees as the target group of the study. This research took a period of two months during which data was collected from the field, organized, analyzed and presented in analytic form. The significance of this study is to find that which motivators affect the performance of employees the most. Therefore findings of this study will provide important information to decision makers and human resource managers of the bank to either change ways of motivating staff of the bank. The results of the study will also add to the existing body of knowledge on the issue of motivation and productivity in the public sector banks. All the items under consideration in any field of inquiry constitute a population .we select only a few items from the population for our study purposes. The items so selected constitute what is technically called a sample. Sekeran, (1990) defines a sample as a portion of the population that has attributes as the entire population. The target population for the study consists of staff of private and public sector banks of Punjab and Haryana. The study employed the use of self structured questionnaire to collect the required primary data. Descriptive statistical analysis technique was employed to obtain useful summary of responses. Simple random

sampling is used and total sample population of hundred employees. Sampling is necessary because population interest is large, diverse and scattered over a large geographic area (Kothari 2008). Simple random sampling was used since no complexities were involved. Simple random sampling is used and total sample population is hundred respondents. Primary data was collected through the use of self-structured questionnaires. A questionnaire consisted of a number of questions in a definite order on a form or set of forms. The questionnaire contained both structured and semi-structured questions.

V. DATA ANALYSIS AND FINDINGS

The data collected was processed using the statistical package for social science (SPSS).The results of the study are shown in tables, percentage charts and graphs. Both qualitative and quantitative methods of data analysis were used for the study. The variables of interest to the researcher were motivation and recognition was analyzed.

A self designed questionnaire was used to explore various factors of motivation which affects on the different questions regarding factors of motivation which improves employee's performance.

Descriptive statistics				
	Mean	Std. Deviation	Variance	Skewness
Salary	1.97	1.141	1.302	1.059
Benefits	1.99	0.927	0.858	0.798
Increment	2.61	0.931	0.867	0.17
Personal growth	2.9	1.068	1.141	0.355
Promotion	2.6	1.146	1.313	0.88
Status	2.05	0.744	0.553	0.821
Advancement	2.42	0.89	0.792	0.642
Recognition	1.76	0.793	0.629	0.955
Rewards	1.91	0.933	0.871	0.487
Program	2.5	0.882	0.778	0.451
Skills	2.16	1.022	1.045	0.829
Working conditions	2.42	1.027	1.054	0.791
Team spirit	2.64	0.948	0.899	0.421
Potential	2.26	0.928	0.861	0.152
Participation	2.76	1.093	1.194	0.209
Retirement benefits	3.4	1.119	1.253	-0.229

In the above data Mean clearly shows that respondents are agreed with the fact that motivational factors do impact their performance, except in the case of retirement benefits where means lies at 3.4, where

employees are neutral or disagree that the retirement benefits available are sufficient. Standard deviation of the above data is less than 1 case of maximum variable which support that data is normal. Skewness of the

collected data also shows that data is normal which signifies that the response of the employees is not skewed either positively or negatively. The response of

respondents is forming a particular group which signifies that they are agreed in same manner.

	salary	benefits	increment	growth	promotion	status	advancement	recognition	reward	programme	skills	recognition	work conditions	team spirit	potential	participation	retirement
salary		.411**	.227*	.462**	.501**	.371**	.082	.104	.111	.216*	.342**	.224*	.097	.167	.198	.059	.104
benefits	.411**		.230*	.152	.244*	.221*	.017	.217*	-.024	.303**	.332**	.290**	.079	.088	.144	.217*	.257**
increment	.227*	.230*		.539**	.392**	.028	.395**	-.251*	-.204*	.548**	.448**	.033	.078	.469**	-.209*	.126	.374**
growth	.462**	.152	.539**		.660**	.019	.385**	-.076	.133	.450**	.524**	.378**	.241*	.512**	.179	.369**	.507**
promotion	.501**	.244*	.392**	.660**		.320**	.335**	.160	.212*	.440**	.624**	.516**	.333**	.442**	.327**	.156	.331**
status	.371**	.221*	.028	.019	.320**		.060	.415**	.108	.223*	.229*	.205*	.131	-.032	.201*	-.072	.061
advancement	.082	.017	.395**	.385**	.335**	.060		.044	.034	.245*	.370**	.109	.148	.397**	-.085	.157	.215*
recognition	.104	.217*	-.251*	-.076	.160	.415**	.044		.612**	.173	.247*	.473**	.274**	.112	.621**	.248**	.280**
reward	.111	-.024	-.204*	.133	.212*	.108	.034	.612**		.166	.259**	.567**	.430**	.248**	.692**	.424**	.306**
programme	.216*	.303**	.548**	.450**	.440**	.223*	.245*	.173	.166		.627**	.415**	.268**	.471**	.321**	.210*	.645**
skills	.342**	.332**	.448**	.524**	.624**	.229*	.370**	.247*	.259**	.627**		.592**	.301**	.550**	.307**	.396**	.535**
recognition	.224*	.290**	.033	.378**	.516**	.205*	.109	.473**	.567**	.415**	.592**		.500**	.380**	.629**	.518**	.537**
work conditions	.097	.079	.078	.241*	.333**	.131	.148	.274**	.430**	.268**	.301**	.500**		.395**	.436**	.388**	.406**
team spirit	.167	.088	.469**	.512**	.442**	-.032	.397**	.112	.248**	.471**	.550**	.380**	.395**		.303**	.306**	.442**
potential	.198	.144	-.209*	.179	.327**	.201*	-.085	.621**	.692**	.321**	.307**	.629**	.436**	.303**		.401**	.463**
participation	.059	.217*	.126	.369**	.156	-.072	.157	.248**	.424**	.210*	.396**	.518**	.388**	.306**	.401**		.649**
retirement	.104	.257**	.374**	.507**	.331**	.061	.215*	.280**	.306**	.645**	.535**	.537**	.406**	.442**	.463**	.649**	

** . Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed).

The above correlation table is showing the interdependency of various factors of motivation. Salary is correlated to promotional opportunities to the extent of 50%. Bank employees see their personal growth and advancement if they get promoted. Recognition for their

work is 62% correlated to potential of employees. Rewards are also showing good percentage of relation with potential of the employees. Potential of the employees is the variable which is highly correlated to recognition, rewards and working conditions.

Model Summary of regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.655 ^a	.429	.319	.614

Above table is showing regression analysis in which satisfaction of employee has been taken as dependent factor and others as independent factors. Dependent factor is regressing by 65%. This table provides the R and R² values. The R value represents the simple correlation and is 0.655 (the "R" Column), which indicates a high degree of correlation.

The R² value (the "R Square" column) indicates how much of the total variation in the dependent variable, satisfaction can be explained by the other independent variable. In this case, 65.5% can be explained, which is very large.

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	23.493	16	1.468	3.899	.000 ^b
1 Residual	31.257	83	.377		
Total	54.750	99			

This table indicates that the regression model predicts the dependent variable significantly well. Here, p < 0.0005, which is less than 0.05, and indicates

that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data).

Factor analysis was done to extract and club the factors of motivation. KMO and Bartlett's test is used as correlation matrix.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.792
Approx. Chi-Square	935.132
Bartlett's Test of Sphericity df	136
Sig.	.000

An examination of the Kaiser-Meyer Olkin measure of sampling adequacy suggested that the sample was factorable (KMO=.792). A Principal Axis Factor (PAF) with a Varimax rotation of the 17 Likert scale questions from this attitude survey questionnaire was conducted on data gathered from 100 participants.

Rotated Component Matrix^a

	Component			
	1	2	3	4
Salary	.259	.018	.195	.711
Benefits	-.046	-.015	.735	.439
Increment	.714	-.345	.369	.044
Growth	.774	.077	.245	.118
Promotion	.664	.234	.072	.497
Status	-.008	.191	-.016	.776
Advancement	.695	-.004	-.166	.013
Recognition	-.157	.746	.062	.327
Rewards	.057	.864	-.058	.017
Program	.526	.174	.510	.166
Skills	.622	.292	.389	.255
Recognition	.278	.713	.326	.161
Working conditions	.329	.596	.048	-.044
Team spirit	.736	.279	.105	.083
Potential	.021	.846	.168	.146
Participation	.218	.512	.520	-.310
Retirement benefits	.422	.427	.633	-.159

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.^a

VI. CONCLUSION

The conclusions have been drawn by the researcher based on the research questions that had been formulated in chapter one and they are as follows; to investigate the effect of motivation and recognition on employee performance at public and private sector banks in Punjab and Haryana. Performances of employees are significantly affected by the salary and other monetary benefits provided by the organization. Recognition is the most important non monetary reward which improves performance of the employees of banks. It can be confirmed that Incentives and other benefits provided by the organization significantly affect job performance. Employees feel that they should be rewarded for meeting specific criteria above and beyond normal duties. Study reveals that good physical working conditions provided by the organization could highly motivate the employees to perform their duties. The research has given some valuable insight into motivation and its role in the organization. Organizations need to provide growth opportunity and challenging jobs in order to better motivate employees. The study reveals that recognition plays a major role in employee's motivation. Employees feel that their organization should provide them more opportunities for personal growth and advancement. Participating in cultural activities does not make any difference in motivational level of employees. Retirement benefits provided by the organization and its affect on motivation are still a question in this research because new policy of government on retirement benefits is yet to come. We can conclude that monetary rewards have higher impact on performance of bank employees but to bring out cent percent efficiency of them non monetary rewards play indispensable role. It is recommended that further study can be extended to more states of the country to find out the effects of motivation on employee performance. The sample size can be increased in those regions and different statistical tool can use in the research. This finding could bring relative different factors of motivation that could be implemented. Apart from this other financial institutions can also investigate levels of motivation that can improve performance of their employees. Further finding would help the banks to gain insights about new techniques of motivation which can improve productivity of organization.

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