

A comparison of the Level of Intrinsic & Extrinsic Motivation of Employees Working in Public and Private Sector Banks of Surendranagar & Gandhidham City

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Abstract

Human being work to earn their living, this is the general thought. But none can actually live without work. Everybody works, some for satisfying their basic needs and some for satisfying their inner needs of accomplishment and self-actualisation. Some theorist say that man gets motivated if something is given in return of their work and some theorists are of the thought that a human being is more motivated if the work which is given to him is of interest to her. Here in this research paper the researcher has tried to show if the importance of intrinsic and extrinsic motivational factors are same for employees working in public sector banks and private sector banks. An attempt has also been made to identify if the two types of motivational factors vary for employees belonging to different genders and different age groups. The results revealed that for employees belonging to private sector banks intrinsic motivational factors are more important. Results also show that with age the importance of intrinsic and extrinsic motivational factors vary.

Keywords: Motivation, Intrinsic, Extrinsic, Banks

Introduction

Motivation is the route that explains for an individual's strength, direction, and perseverance of effort toward the accomplishment of a goal. Strength is concerned with how hard a person tries. However, unless effort is directed in a course that benefits the organization, high intensity is no assurance of positive job-performance outcomes. Quality of effort, therefore, is just as significant as strength of effort. Finally, perseverance (how long a person can uphold effort) is important. A motivated person stays with a task long enough to attain his or her goal.

Intrinsic motivation denotes a motivation to participate in an activity purely for the sake of the activity itself (Lepper, Green, & Nisbett, 1973). When persons are intrinsically motivated, they chase activities for the interest and pleasure those activities provide (Csikszentmihalyi, 1975), and they often execute at relatively high levels (Amabile, 1996; Grolnick & Ryan, 1987). Inspirations, according to self-determination theory (Deci & Ryan, 1985), can be either extrinsic or intrinsic. Ryan and Deci (2000, p. 56) define intrinsic motivation as "the doing of an action for its intrinsic gratifications rather than for some distinguishable result."

In contrast, extrinsic motivation characterizes a motivation to get involved in an action as a means to an end rather than an end in itself (Pintrich & Schunk, 1996). When persons are extrinsically motivated, they participate in activities in hunt of rewards they wish such as money, prestige, or journal publications.

Cognitive evaluation theory suggests that intrinsically driven personalities perform for their own realization and satisfaction. If they come to have confidence that they are doing some job for the want of

the pay or the working environments or some other external reason, they begin to lose motivation.

A lot of changes in the banking sector and new ways of working have been introduced. The world is more turbulent. Private Banks are giving a tough competition to public banks with young staff. This changes demand a motivated staff. So here in this paper we have termed what kinds of motivation work more for the workforces of public and private banks.

This study is concentrating on these two categories of motivation. And an effort has been made to find the level of intrinsic and extrinsic motivation and if it diverges between different age groups and gender.

Review of Literature

Donovan (2015) in his study titled "The effects of Intrinsic and Extrinsic Motivation on Cognitive Performance in Humans" considered 32 students recruited from his own friends and family in London, Ontario, Canada. The ages of the members extended from 16 years to 27 years (M= 19.7). A roughly equal number of males (N= 17) and females (N= 15) participated in the study. Two fractional sets of the Raven's Standard Progressive Matrices (Raven, 2000) were utilized as a dependent score measure. The sets used in this study contained eight questions, with one set being relatively simple compared to the other set which was relatively challenging. It was hypothesized that intrinsically motivated participants would perform best on the difficult task, followed by intrinsically motivated participants completing the easy task. The research did not support the hypothesis.

Sleimi & Davut (2015) studied the role of intrinsic and extrinsic motivation on bank tellers' satisfaction in Palestine, comparing overall contentment with the

intrinsic and extrinsic motivation, and the relationship between bank tellers' satisfaction and their performance. To evaluate the effect of intrinsic and extrinsic rewards on employees' satisfaction random samples of 139 respondents (bank teller) were composed. Study result revealed that Intrinsic and extrinsic motivation are so significant for management and bank tellers concurrently, for bank tellers these both types have constructive effects on their satisfaction and performance. For management, no one of them alone is adequate to achieve a good level of satisfaction or to inspire bank tellers to be able to put more effort on their jobs. Furthermore, study result showed that intrinsic and extrinsic rewards and bank tellers' performance positively correlated with overall satisfaction, which is in tune with the general thought that intrinsic and extrinsic rewards increase overall job satisfaction and performance of bank tellers.

Leng, et.al (2011) in their work on An Exploration of Social Networking Sites (SNS) Adoption in Malaysia Using Technology Acceptance Model, Theory of Planned Behaviour, and Intrinsic Motivation explored the factors that encourage students to adopt social network sites in Malaysia. A theoretical model of Technology Acceptance Model, Theory of Planned Behaviour and intrinsic motivation was projected and empirically confirmed in the context of SNS usage. Structural Equation modelling was done on the survey data from 283 university students to test the prototypical fit and conforming hypotheses. The outcomes show that both TAM and TPB were maintained in their predictions of SNS usage purpose and perceived pleasure is a more noteworthy antecedent of attitude as equated to perceived usefulness. Other than interacting with others, the users are considering fun and delight from using SNS. The results of the study highlighted the importance of intrinsic motivation in user adoption of SNS.

Manzoor (2011) calculated the impact of employee's motivation on organizational effectiveness. The intention of this paper was to recognize the factors that effects employee motivation and inspecting the relationship between organizational effectiveness and employee motivation. The study focused on the exercise and adherence of the two central factors, empowerment and employee recognition for improving employee motivation which leads to organizational effectiveness. Results exposed that recognition and empowerment play a vital part in enhancing employee motivation towards organizational tasks.

Bernard & Wilfrid (2010) in their work on Intrinsic and Extrinsic Motivation and Participation in Budgeting: Antecedents and Consequences, projected and tested a motivation-based prototype of contribution in budgeting that differentiates among intrinsic motivation, independent extrinsic motivation, and organized extrinsic motivation for participative budgeting. The results suggested that while intrinsic motivation and autonomous extrinsic motivation for participation in

budgeting are definitely related to performance, controlled extrinsic motivation is harmfully associated with performance.

Mahaney & Lederer (2006) studied the effect of intrinsic and extrinsic rewards for developers on information systems project success. After rigorous validation, path analysis showed that use of intrinsic rewards predicted client satisfaction and perceived quality whereas use of extrinsic rewards predicted implementation success.

True motivation (also called "intrinsic motivation") relates to having positive experiences that give pleasure, support growth, and satisfy needs (Emelander, 2013). Self Determination Theory holds that individuals have a need for autonomy (freedom to choose and act), competence (demonstrating mastery), and relatedness (engaging in significant relationships). While these drives can be stuck or misdirected through life experiences, normal and healthy development entails their fulfilment, and workplace activities that support these needs are thought to be intrinsically motivating. According to (Epstein, et. al, 2013) intrinsic motivation to know relates to curiosity, exploration and learning goals. In academic settings, it refers to students learning because they are curious about the subject and want to explore it further. Intrinsic motivation to experience stimulation is operative when someone engages in an activity in order to experience stimulating sensations" (Vallerand et al., 1992, p.1006), such as fun, excitement, thrill or pleasure.

Extrinsic motivation is "a construct that pertains whenever an activity is done in order to attain some separable outcome" (Ryan & Deci, 2000, p.60). External regulation is the most typical form of extrinsic motivation; it comes from the outside factors that "regulate" the behavior, such as rewards or punishments (Epstein, et. al, 2013). Identification stands on the borderline between extrinsic and intrinsic motivation because the person consciously values both the experience and the end-result. The behavior becomes important for the person, and the person self-endorses the goals (Epstein, et. al, 2013). Getting ahead in business historically meant moving up the corporate ladder in both position and income.

According to Lebow extrinsic motivation means being supervised or managed while intrinsic motivation means being self-managed. Extrinsic motivators may be best for creating short-term results, but sustainable results require the intrinsic motivators of self-management, self-motivation, and self-monitoring.

Fernando et. al. (2007) predicted a positive relationship between intrinsic motivation (IM) and adaptive selling. Wong-On-Wing et. al. (2010) in their study found that intrinsic motivation and autonomous extrinsic motivation for participation in budgeting is positively related to performance and controlled extrinsic motivation is negatively associated with performance.

Objectives of the Study

- To study the level of extrinsic and intrinsic motivation of employees in banking sector.
- To compare the level of extrinsic and intrinsic motivation between employees of two gender.
- To analyse the extrinsic and intrinsic motivation of employees belonging to different age groups.

Research Methodology

Research Design: The research design used in the current study is basically descriptive in nature. To enable such a description of Motivation, frequency and percentage distributions, along with means and standard deviations have been used.

Sample and Sampling Design: Stratified sampling where the 2 strata are employees of public sector and private sector banks have been used. The total number of respondents was 100. The accomplished survey forms were collated, encoded and statistically analysed.

Data Collection: Data was collected with the help of structured questionnaire. "What do you look for in a job?" by Pareek & Purohit (2011) has been used for the purpose. The instrument contains 14 items, seven related to intrinsic and seven to extrinsic motivation. Respondents were asked to rank-order the fourteen items depending on their importance to them: from 1 (highest rank) to 14 (lowest rank).

Hypotheses:

H₀₁: There is no significant difference between the extrinsic motivation score of employees working in public and private sector banks of the two cities.

H₀₂: There is no significant difference between the intrinsic motivation score of employees working in public and private sector banks of the two cities.

H₀₃: There is no significant difference between extrinsic motivation score of employees of two genders (male and female) working in public and private sector banks of the two cities.

H₀₄: There is no significant difference between intrinsic motivation score of employees of two genders (male and female) working in public and private sector banks of the two cities.

H₀₅: There is no significant difference between extrinsic motivation score of employees of different age groups working in public and private sector banks of the two cities.

H₀₆: There is no significant difference between intrinsic motivation score of employees of different age group working in public and private sector banks of the two cities.

Data Analysis: To analyse the data the ranks given were added for intrinsic motivation (item numbers 4, 6, 8, 9,

10, 12 and 14) and for extrinsic motivation (item numbers 1, 2, 3, 5, 7, 11 and 13). The lower the score, the higher is the value given to the concerned motivational factors.

Testing of Hypotheses:

H₀₁: There is no significant difference between the extrinsic motivation score of employees working in public and private sector banks of the two cities.

To test the hypothesis, z-test was applied. The experiential value of (17.42) was greater than the critical table value of 1.96. So the conclusion is to reject the null hypothesis which means there is a noteworthy difference between the extrinsic motivation score of employees in public and private sector bank. Looking at the average values it was found that employees of public sector banks are more extrinsically motivated.

H₀₂: There is no significant difference between the intrinsic motivation score of employees working in public and private sector banks of the two cities.

Here also z-test was applied. The experiential value of (-17.48) was more than the critical table value of 1.96. So the conclusion is to reject the null hypothesis which means there is significant difference between the intrinsic motivation score of employees in public and private sector bank. Looking at the average values it was found that employees of public sector banks are more intrinsically motivated.

H₀₃: There is no significant difference between extrinsic motivation score of employees of two genders (male and female) working in public and private sector banks of the two cities.

By applying z-test we came to know that the experiential value of (0.233) is less than the critical table value of 1.96. So the conclusion is to accept the null hypothesis which means there is no significant difference between extrinsic motivation score of employees of 2 genders (male and female)

H₀₄: There is no significant difference between intrinsic motivation score of employees of two genders (male and female) working in public and private sector banks of the two cities.

By applying z-test we came to know that the experiential value of (-0.236) is less than the critical table value of 1.96. So the null hypothesis was accepted, which means there is no significant difference between intrinsic motivation score of employees of 2 genders (male and female)

H₀₅: There is no significant difference between extrinsic motivation score of employees of different age groups working in public and private sector banks of the two cities.

To test this hypothesis one way ANOVA was applied. Table 1 shows the calculations.

Table 1: Comparison of means of extrinsic motivation scores of employees belonging to different age groups

Anova: Single Factor						
Summary						
Groups	Count	Sum	Average	Variance		
Column 1	43	1684	39.16279	211.1872		
Column 2	45	2218	49.28889	243.7101		
Column 3	10	645	64.5	38.5		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	5903.875	2	2951.937	14.06417	4.47E-06	3.092217
Within Groups	19939.6	95	209.8906			
Total	25843.48	97				

Source: Researcher's Own Calculations

The experiential value (14.06417) is greater than the F critical value 3.09. So the conclusion is to reject the null hypothesis which means there is noteworthy difference between extrinsic motivation score of employees of diverse age group. As can be seen in table 1 the extrinsic motivation seems to increase with age. This can be attributed to more social and financial responsibilities of individual as one age.

H₀₆: There is no significant difference between intrinsic motivation score of employees of different age group working in public and private sector banks of the two cities.

To test this hypothesis One way ANOVA was applied. Table 2 shows the calculations.

Table 2: Comparison of means of intrinsic motivation scores of employees belonging to different age groups

Anova: Single Factor						
Summary						
Groups	Count	Sum	Average	Variance		
Column 1	43	2829	65.7907	210.979		
Column 2	47	2657	56.53191	248.7761		
Column 3	10	405	40.5	38.5		
ANOVA						
Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	5690.872	2	2845.436	13.36512	7.47E-06	3.090187
Within Groups	20651.32	97	212.9002			
Total	26342.19	99				

Source: Researcher's Own Calculations

The observed value (13.36) is greater than the F critical value 3.09. So the decision is to reject the null hypothesis which means there is significant difference between intrinsic motivation score of employees of different age group. As can be seen in table 2 the intrinsic motivation seems to decrease with age. As we saw that extrinsic motivation increases with age, it is in tune that intrinsic motivation decreases with age.

Findings and Recommendations

After having looked at both the intrinsic & extrinsic motivation among the employees in banking sector, it could be said that intrinsic motivation is far stronger than extrinsic motivation in Private sector banks and extrinsic motivation is stronger in public sector banks when it comes to motivate employees in the long run.

The study reveals that there is no significant difference between extrinsic & intrinsic motivation score of employees of 2 genders (male and female)

The study also reveals that there is significant difference between extrinsic & intrinsic motivation score

of employees of different age group. It was found that with age the importance of extrinsic rewards increases. This can be attributed to higher financial responsibilities with an increase in age.

So it is recommended that as age of employees increases the banks should try to associate performance with more extrinsic rewards.

Conclusion

The current study focused on finding out if there are any differences in the type of motivation for employees working in public and private sector banks of the two cities. It is concluded that employees of private sector are more motivated by the intrinsic motivation as compared to extrinsic motivation. So we conclude that employees working in private sector banks are enjoying work more than those in public sector banks. It is also concluded through this study that as age increases employees depend more on external factors to motivate them instead of factors intrinsic in the job itself. The employees in private sector banks were mostly seen from 20-35 years

of age which is consistent with the results of age and private sector results. Based on current study it is recommended that banks should try to associate more extrinsic awards with work as the employees' age increases.

The research will be useful in designing the reward systems in the organisations.

Limitations

The current study is limited to banking employees of two cities only. The cities chosen as sample unit are not big enough so it is inappropriate to generalise the finding to whole sector. Data was collected through questionnaires which were distributed to the employees through their managers. Since higher authorities were involved in collection of data, respondents may have responded with biasness or they may have tried impression management.

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