Chapter Two
REVIEW OF LITERATURE

One of the important areas in commerce is ‘banking’ and the services provided by banks to potential customers and it is classified as ‘banking services’. But the banks have to adopt an appropriate human resources development, which involves the selection of suitable personnel, training and motivating them. However, the quality of the banking service depends upon motivational environment, and it is to necessarily concentrate more on customerisation and customer relationship is the quintessence of success of ‘service delivery in banking’.

Many research studies have been conducted by academicians, institutions and study centres. These studies have attempted to analyse the motivational climate, motivational factors and their impact on motivational environment.

A review of literature will bring out the conclusions of earlier studies, which enrich the researcher and help to identify the gaps for further research. Many studies on motivation, motivational factors and motivational climates have been conducted in different parts of India. However comprehensive studies in service industries on motivational environment are comparatively lesser. Since the present study is concerned with the motivational environment in banking sector, comprising of motivational climate and motivational factors,
an attempt is made to review the available literature. Like most researches, sufficient effort is taken to know and understand earlier research on motivation. Indeed, it has facilitated the selection and pursuing of the research work, which has not been adequately dealt with.

The present research brings to limelight the various motivational climates and motivational factors that exist both in nationalised banks and private sector banks, located in the study area and it is basically personnel based approach.

The studies undertaken by various researchers have been chronologically ordered and summarized in the following pages.

Taking communication as one of the motivational factor, the report of Georgopolus and Tannenbaum, (1957), stated that communication facilitates the formation of job attitudes and thus affects morale and motivation. Thus it is an important integrative and attitude shaping motivational factor.  

Myers, (1960) from his interviews with industrialists, government officials, labour leaders and managers in both Indian and Foreign–owned firms, concludes that though there are some exceptional companies, “many Indian top

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managements are relatively authoritarian in their relationships with lower management and with labour”.

‘Control’, one of the motivational climates is analysed by Ganguli. (1964). The prevalence of a high degree of control is highlighted in his study of leadership behaviour in a state owned engineering factory.

Two researchers, Litwin and Stringer, (1968), in their study on “Motivation and Organizational Climate” concluded that different management approaches lead to different climates. They also determined that climate effects motivation, performance and satisfaction.

In another study, (1968), they pointed out that different perceptual and behavioural patterns are the outcome of different climates. They have taken three climates, namely authoritarian or power climate, friendly or affiliation climate and achieving climates.

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1 Myers, C.A, “Industrial Relations in India”, Bombay; Asia Publishing House, 1960, p.166.
4 Litwin, G. and Stringer, R., “Motivation and Organisational Climate”, Managerial Psychology. 1968, 2(2) : 35-42.
Ponekar and Savur (1969) conducted a survey on supervision and its impact on subordinates in the management of different companies in Bombay, and found that most of the superiors (70%) express that subordinates can only work with supervision and have no sense of responsibility.

Pestorjee and Basu in their study (1972) namely "Study on Job Motivations of Indian Executives" has stressed the importance of Executive Motivation. In their opinion, the problem of Executive motivation, assumes significance because managements “mainly consists of about 85 per cent men, 10 per cent material and 5 per cent money”.

The study conducted at the Shri Ram Centre (1972) on “The Career Woman and Her Problems” revealed that the employers of women in different occupations were of the opinion that they could not expect the same level of performance from women as from their male counter parts.

The study on “Managerial Compensation and Motivation in Public Enterprises” conducted by Laxmi Narain (1973) on Public Sector Managers revealed that the motivational factor, “Recognition has been rated the least”.

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Nitish De (1974) related the concept group-based participative decision-making to the capacity of workers. And he found that though Indian managers prefer a belief in group-based participative decision-making, they have little faith in the capacity of workers for taking initiative and responsibility.¹

Rensis Likert, (1977) in his study on “Management Styles and The Human Component” pinpointed that both, the autocratic highly structured climate and participate, employees-oriented climate produces both a high level performance and greater job satisfaction.²

Stinson and Johnson (1977) correlate the two variables tasks and individual differences. He found that both the achievement-oriented workers and affiliation-oriented workers disliked the structured tasks, because their jobs were less challenging and little opportunity for making decisions felt by the first category; it restricted their freedom to make contacts with friends and mix socially on the job felt by the second category.³

Baldev Sharma and Das (1981) in their study on “Organisational Determinants of Human Relations in Banking Industry” pointed out that quality of employer-employee relationship is significantly determined by welfare, advancement, recognition and money. However, money is negatively related, while the rest are positively related to employer-employee relations.¹

Sekaran (1981) in his research on women employees in the Indian Banking Industry commented that women were found to be less involved in their jobs. They also experienced greater global satisfactions with pay, security and supervision.²

Klass and Bass (1982) stated that a positive relationship exists between communication and job satisfaction.³

D. Rajagopalan (1982) in his study has brought out that the factors, which appear to be relevant in the context of motivation of middle level Indian executives. Moreover these factors were analysed mainly in terms of perceptions that the executives hold on such factors.⁴

Unpublished research report submitted by Sen (1982) to Gujarat University, captioned “A Study of Personal and Organisational Correlates of Role Stress and Coping Strategies in some Public Sector Banks” sheds light on the existence of differences in Operating Effectiveness Quotient [OEQ] for different motives along levels of management and age group.¹

Ownership has an influence over motivational strategy of a company. Mr. Kumar Krishna (1982) in his article “Motivational Strategies in Corporate Sector” has concluded that at top level, private sector managers experience higher sense of "worthwhile accomplishment" than the public sector managers. This study has also exposed the existence of sectoral differences in motivational strategies in Indian Corporate Sectors. The differences are in both the components of motivational strategies namely the degree to which various needs have been satisfied, and the degree to which satisfaction of need depends on an individual’s efforts.²

Mc Clelland and Boyatzis (1982) in their article on “Leadership Motive Pattern and Long Term Success in Management” showed that high achievement need correlated with the managerial success.¹

Money can act as a motivator up to a certain level. This point strengthened by Mr. R.D. Gupta (1984) in his study on “Executive Motivation in Public Sector”. He has stated that monetary rewards and other tangible benefits could be considered as important motivators only up to a particular level.²

Khaleque and Nirmala Choudhary observed that top managers perceive nature of the work and job status as the most important factor for overall job satisfaction as compared to bottom managers. Further it was concluded that wage was a potential dissatisfier rather than a satisfier.³

Das (1984) found role efficacy having moderating impact on purposeful job behaviour and independent variables such as organisational climate and role stress. Increased work related tension was found to have overall negative relationship with role efficacy.⁴

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The socio-economic variable ‘age’ is studied as one of the important criteria for deciding the factor job satisfaction. Krishnan, A and Krishnan, R. (1984), in their research on American and Indian respondents found that, a positive and linear relationship exists between age and job satisfaction.

Dr. Ashok Sahni in his article titled "Managerial growth and Obsolescence in Public Sector-Developing Effective Managers for Tomorrow", (1984) has concluded that the growth oriented managers tend to be more satisfied with their job both in terms of the nature of work which they do and the environment in which the job is performed. They tend to be more satisfied with the job and tend to perceive less job satisfaction with regard to economic and social factors associated with the job.

"Differential Experiences of Men and Women in Computerized offices", a study conducted by Gutek and Bikson (1985) reported women’s computer attitudes to be more favourable than their office position would suggest.

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Pondey and Prakash (1984) found, in a study of industrial employees, that respondents with high achievement motivation were more satisfied than those with low achievement motivation.¹

Women occupy a dual position both in the office and at household work. Their achievement motivation may differ from that of their counterparts. In a study on private and public sector employees, Srivastava (1984) found that among the two sexes, it was group of men which had significantly higher achievement motivation than the group of women.²

Mr. Joseph Ofori in his study, "Employee Motivation-Utilisation of Maslow's needs Categorization Model in an Organizational Context," (1985) has pointed out that motivation of employees is not an automatic thing. Motivation in its real term would be achieved only by way of implementing a systematic and carefully planned scheme.³

In his study on "Job Motivation of Executives", Mr. S.K. Bhatia (1985) has stated that majority of the executives are satisfied with the job content factors and derive job motivation. Positive perception is revealed by majority

of respondents in respect of all the factors (i.e.) recognition, work itself, responsibility, opportunity for growth and advancement and sense of achievement.¹

Pratap and Srivastava (1985) reported significant differences between private and public sector employees in terms of job satisfaction and organisational climate, with private firm employees being more satisfied and finding their organisational climate to be better.²

Miss. S. Nirmala, in her article, (1985) “Executive Motivation–A Public Sector Enterprise”, has stated that operational freedom and scope for innovation are two important areas to be concentrated in a public sector undertaking, at the executive level to make a better motivated managerial team. She has also observed in her study that the executives are content with the external factors of their jobs and express more desire to enrich the substance of the job.³

The level of motivation will influence the perception towards organizational climate. Srivastava (1985) in his article stated that ‘Employees who maintain high level of motivation perceive various components of organisation climate in more positive form and vice-versa’.\footnote{Srivastava, A.K., "Motivation and Perception of Organisational Climate", Productivity, XXVI (1), 1985, pp.55-58.}

Gupta (1986) stresses the importance of human element in industry, which is an indispensable factor for achieving the objectives of any industry, and the factor includes both physical and physiological aspects of work. Out of human factors, the author says that workers attitude and morale are of utmost importance. He also feels that to motivate a person first thing to be noted is that whether right man is on the right job and only then he feels that job satisfaction could be attained. Motivational requirements differ from person to person and that the manager must be intelligent enough to appraise these needs and tailor his approach to suit both the needs of the people and of the situation.\footnote{Gupta, M.C., "Mechanism of Motivation and Morale in Industry", Personnel Today, Jan – March 1986, Vol. 6, No.4.}

M/s. K.B. Akhilesh and S. Pandey (1986) in their study, “A Comparative Study of Organisational Climate in Two banks" have pointed out that Nationalised bank has a better attitudinal profile over private sector bank. In their opinion, there is better recognition and rewards for performance in private sector banks. It appears that this relationship is the strength area of
the private sector bank over the nationalised bank. The study further revealed that the private sector bank has a slight task oriented climate.\(^1\)

The six motivational climates are studied by Udai Pareek (1988). According to him, achievement, expect power and extension motives promote effective performance. On the other hand, control, dependency and affiliation reduce chances of effectiveness.\(^2\)

Kline and Boyd (1991) in their study on three managerial levels found that respondents at the highest management level like presidents, satisfaction was related to the organisations, structure and context as well as to its climate; whereas for middle managers and vice presidents, job satisfaction was related more frequently to the organisational climate and less frequently to its structure and context.\(^3\)

Motivational factors differ from officers to clerks. Akhilesh and Mathew (1991) in their study on non-nationalised bank employees found that the officers work motivation could be improved through increasing job


authority and accountability; at the clerical level, rewards and sanctions are significantly associated with job involvement.¹

Rationality and objectivity are the most important determinants of motivational environment. In the study of Baldev Sharma and Sarita Bhasker, (1991), on motivation of public sector managers shows that the managers find many opportunities for interpersonal relationship, and enjoys little authority in the performance of his work role. Moreover the lake of objectivity and rationality, dimension of organisational climate are the most important determinant of employee motivation.²

Sharma and Bhaskar (1991) in their study on public sector managers highlighted that between the two sets of factors, organisational factors play a more decisive role in influencing job satisfaction than personal factors.³

Mishra (1992) found significant differences between respondents from Public and Private sectors with regard to climate – satisfaction relationship on such dimensions as scope for advancement, monetary benefits, objectivity and

relationality, recognition and appreciation, training and education and welfare facilities.¹

Joshi, (1993) in her study on Gender differences of Electronics Industry employing men and women at worker and supervisory levels. In that it was found that female workers had an edge over male workers in terms of lower absence, the reverse was true in case of commitment to the organisation. In terms of the overall performance evaluation, no significant difference was found between them.²

Jacob Mankidy (1994) in his study on “Towards a Positive Work Culture”, suggests certain strategies such as developing a philosophy, transparent policies, management by values, redefining the concept of employment relations and discipline management and empowering people for developing positive work culture.³

Singh (1995) found that nature of work and human relations contributed directly to satisfying the nature of job in the case of managers.⁴

Singh and Umed Singh (1996) in their study on “Management of Training Programmes” found that the organisational climate which was the most dominant in Karnal District was Affiliation-Cum-Achievement climate which was better than the Control oriented climate prevalent in most of the other districts selected for this study. The organisational climate is an important aspect in management of any training programme.¹

Sinha (1997) in his study on “Human Resources in Work Cultures” found that in most of the smaller organisations, there exists an exploitative work culture where a short-term interest in profitability and an unawareness of the importance of human resources cause a gross neglect of the employees’ potentials.²

In the report of Nagadevara (1997) on “Total Branch Automation”, stated that recent surveys have consistently brought out the training deficiency of banks when they go in for automation.³

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Deepti Bhatnagar (1997) in her research on factors influencing attitudes of bank employees towards computers (ATC), examines exposure, gender, use and organisational level as correlates of ATC.¹

Anirudh Pandey, (1997) categorized the six climates into three needs. They are dominant needs, second needs and dormant needs. In his research on rail engine drivers, he found that, affiliation and dependence to be the dominant needs; influence and extension are second needs; and control and achievement are dormant needs.²

Rajesh Singh (1997) in his study on central government officers on the usage of motivational strategies found that personally rewarding, goal setting, placing personnel, job designing strategies were positively correlated and personally punishing was negatively correlated effectiveness ratings. Results also show that 'effective' officers utilised them motivational strategies significantly more than the 'less effective' officers except the personally punishing strategy.³

Nazir, A. Nazir (1998) in his research highlighted that hygiene factors seem to be of greater importance than the motivators. He also recommended that comparatively more challenging and difficult jobs may be assigned to the male employees rather than easy and routine ones.¹

According to Dr. N. Panchanathan (1999), in his study, “Love, an HR Tool?” quoted from the ancient works of Tamil Poet Thiruvalluvar feels that human traits of Love and Compassion ought to be the essential ingredient of workable HR Strategy.²


a) That the public sector bank employees were in a better position in terms of their job satisfaction than the private sector bank employees; and the executives were more satisfied than the non-executives.

b) Private sector bank employees were dissatisfied with job security as compared to public sector bank employees. On the other hand,

public sector bank employees were suffering from poor working conditions and absence of incentive bonus.¹

In a study by A. Gani and Farroq (2001) A. Shah, it was revealed that there was a significant difference in the overall organisational climate perception of employees belonging to private and public sector. It also inferred that, private sector employees perceive the climate in the organisations as poor when compared to the perception of their counterparts in the public sector.

Employees grouped into different levels of satisfaction with organisational climate signify that the percentage of dissatisfied employees is more than those satisfied with it and a huge majority (66 percent) has an indifferent attitude towards it.²

Gaps and improvement of the present study

In banking institutions, there exist two groups of individuals – managers and subordinates. While there are some common problems in terms of their need fulfillment and satisfaction associated with them as human beings, subordinates or clerks tend to identify themselves distinctly. This is so because officials in banks, enjoys certain authority in the organization to make and implement the decisions, while clerks are devoid of such authority. The activities of officials to a certain extent, affect the interest and need satisfaction of the subordinates. Further the family and social background, level of education and competence, aspiration and growth avenues in the organization create distinction between the expectations of officials and subordinates. Some of the studies have focused their attention on motivation of managers or officials, while others have analysed motivation of subordinates. Here the researcher makes an attempt, to study the motivational environment existing in case of both the categories, they are the officials and the clerical staff.

The banking system in India is facing new challenges in the form of competition within the industry due to less entry barriers for new players, and the presence of alternative forms of financial intermediaries. With these, there is an ever-increasing demand for skilled people to satisfy the customers who is demanding better service and customised products, more than ever before. The commercial banks are facing increased competition from new players like the
private sector banks, which are using information technology to reach out to customers and deliver customary services for each customer segment. The earlier studies bring out the motivational environment either in nationalised banks or in private sector banks. Here the research is undertaken to analyse the motivational environment prevailing in both the sector banks.

In production sector, the four factors material, men, money and machinery are given adequate attention. Where as in service industry like banking 'men' or 'human resource' should be given equal importance. Banking business like any other service industry, seeks to create and distribute want-satisfying services to customers in an effective manner. Providing satisfying services to customers is rendered difficult on account of complex distribution problems which arise due to its functioning in a dual capacity - as a seller and as well as a buyer. As a seller, the bank is expected to supply satisfaction services to customers by creating different utilities – form, place, time and ownership; and as a buyer it has to seek the patronage of customers for mobilising deposits. Where as in case of production sector it acts in a single role as 'seller of products'. Previously more studies have been done only on production sector whereas here an attempt is made by the researcher to study a service sector–commercial banks.
Many studies in India and abroad have been conducted to identify and analyse the motivational environment. The researches are concerned mostly to find out the applicability or non-applicability of the various motivational theories. As such, it is not necessary that many of the theories developed in advanced countries may apply to Indian situations, because India is basically a developing country and situational variables may be quite different when compared to advanced countries. Moreover in various studies motivational factors are being identified. But here an attempt is made on the applicability of motivational concepts, by adopting a twelve dimension – analysis in the official cadre.

The earlier researches narrate the ideas/opinions from the respondents and results/conclusions are drawn as it is. Here an attempt is made to put these responses into mathematical and statistical analysis and to transfer them to scientific analysis.

The motivational factors are numerous such as achievement, recognition, advancement, work itself, possibility of growth, responsibility, supervision, job security, salary, fringe benefits, relationship with others, communication etc. In all previous studies the motivational factors are taken as a whole and studied, but here the researcher has grouped the factors into three variables such as independent, dependent and intervening.
Much of motivational research has centered on the correlative studies examining the association of personality or job factors with motivation. In this study, the clerical respondents have been evaluated on the various aspects of motivational factors. These things are analysed by the samples with age, sex and educational qualification. Based on the agreement score they have been divided into groups of high, low and moderate and analysis is done to see how they differ in the same sector bank and between different sector banks.

Although public sector banks and the private sector banks are working more or less on the same lines, there is a difference in their control and emphasis. Where as the public sector banks are wholly controlled by the Government of India, the private sector banks are partly controlled by the Reserve Bank of India. Also, whereas public sector banks have more than 50 percent of their branches in rural and semi-urban centres, private sector banks are urban-oriented. Public sector banks cannot be oblivious of their social obligations and have to play a major role in priority sector lending. Private sector banks, on the contrary, lay lesser emphasis on social obligations. Here an attempt is made by the researcher to study the motivational environment existing in both the sectors, which are having different motives and different degrees of control systems.
The researches previously undertaken by various researchers concentrated only one motivational factor such as job satisfaction, communication, supervision, leadership style, interpersonal relationship, trust, and managing rewards. They are undertaken as “Single dimension approach”. Here an attempt is made by the researcher to study all these motivational factors into three groups by means of “Multi dimensional approach”.

The earlier studies are undertaken by differentiating top, middle and junior level management. Banking services are rendered by means of group behaviour. The nature of bank job requires group dynamism. The interdependent, group and teamwork necessitates no cadre differentiation among the officials in banking industry. Here an attempt is made to study the motivational climate existing in the official cadre without any differentiation as top, middle and junior level management.