

Motivation in Commercial Banks: Myth vs Reality

A manager is both a receiver and giver of motivation. Receiver because he needs plenty of it to perform, and giver, for he has to motivate his staff adequately to see work done.

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When I was a branch manager with a local bank, it crossed my mind that someday my phone would ring and I would hear this voice saying:

"Sudin, this is your chairman speaking. Don't be surprised, I just thought I would call and tell you that I think you are one of the best managers the bank has ever had. You have succeeded in transforming your branch into one with a marvellous profit figure. Your staff are highly motivated and your customers have high regard for you. You are an asset to our bank and I wish we could have many more managers like you. That's all I wanted to say and keep up your good work. I hope we could have lunch together someday".

Try to imagine what would happen if you received such a call from your chairman or your "big boss". Frankly speaking, I would have become the happiest worker and would be willing to die for the organisation if I had received such appreciation from the bank's chairman. Unfortunately, that never materialised during my tenure as a banker, and finally I left the organisation for greener pasture.

To most top executives, a short phone call or a piece of appreciation letter from their bosses means a lot to them. They will remember that occasion for the rest of their lives, and they

will never get tired telling their colleagues how nice and kind their bosses are. Such employees will certainly put in all their efforts in achieving the goals of any organisation.

Unfortunately, despite having been said or written in books and magazines time and again, many bosses are still unable to recognise that employees also play an important role in an organisation. They tend to believe that their organisations are filled with the kind of people which McGregor (1960) described in his Theory X which states that:

- The average person has an inherent dislike of work and will try to avoid it when possible.
- The average person lacks ambition, dislikes job responsibilities, and prefers to be closely directed.
- The average person is by nature self-centred and indifferent to overall organisational goal achievement.
- The average person is resistant to change.
- The average person desires job security and economic rewards above all else.

I am not denying the applicability of McGregor's Theory X in the banking industry, but only after due consideration is given to various factors

such as types of job and the education level of the employees.

Many corporate leaders believe that McGregor's Theory Y is more appropriate in running an organisation. Theory Y states that:

- The average person is not by nature passive or resistant to the organisation's needs.
- Economic benefits and job security are only two of the possible rewards desired by the average person. In fact the average person is committed to goals that will enable him or her to self-actualise.
- The average person learns, under rewarding conditions, to seek and accept job responsibilities.
- The average person wants to exercise autonomy and creativity to aid in his or her own growth and the accomplishment of organisational goals.

A strong belief that staff are an asset to an organisation has made Tan Sri Dato' Abdul Aziz Abdul Rahman of Malaysia Airlines (MAS) one of the highly respected corporate figures. Tan Sri Dato' Eric Chia is another top executive who recognises the importance of human relations. He has managed to turn Perwaja around after recognising the hidden capabilities of the company's employees and inculcating in them a sense of belonging. Realising the importance of employees, Dato' Hanafiah Hussain has clearly mentioned that he would look into staff welfare when he assumed chairmanship of Bank Bumiputra Malaysia Berhad earlier this year.

Peters and Waterman, in their book 'In Search of Excellence', highlights the attributes of excellent companies, one of which is productivity through people. Lee Iacocca makes a dramatic turnaround of Chrysler by focusing on three words - people, products and profits. 'The long-term commit-

ment to employees' and formation of 'quality control circle' are the secrets of success of Japanese management.

MOTIVATION AND PERFORMANCE

Based on my own experience in managing people, I tend to believe that formulating goals and planning are much easier than handling people at work. In other words, preaching is easy than practising. On many occasions, managers will face problems created by employees such as absenteeism, indiscipline, procrastination and staff who are too emotional and sarcastic. And, a lack of proper knowledge in handling these matters could lead to disharmony, ineffective employees and low productivity.

Thus managers must polish their skills in handling employees. It is an undisputable fact that performance or productivity is linked to morale; the higher the morale of employees, the higher is their productivity. This is illustrated by Reitz and Jewell (1985) in their 'performance equation'

$$P = f [(A \times M) \times E]$$

whereby, performance is a function of the interaction between ability (A) and motivation (M), and environment (E) in which the performance takes place.

According to them, abilities are the basic physical and mental equipment such as eyesight, strength, intelligence, adaptability, dexterity and specific skills that an individual brings to a job. Motivation puts abilities to work, while environment can help or hinder.

Donnelly (1984) and others say motivation is concerned with the "why" of human behaviour, such as, why do people do things? why does an employee quarrel with his boss? or, why do some work harder than others? These questions can be answered with an understanding of

human motivation.

Three important and famous theories of motivation are Maslow's need hierarchy, Herzberg's dual-factor theory and McClelland's achievement theory. They are frequently used by scholars as a foundation in exploring new frontiers in understanding human behaviours.

The fundamental aspect of Maslow's theory is the hierarchy of needs. The lowest needs are physiological, followed by safety, social and esteem while the highest ones are self-actualisation needs. According to Maslow, normal people attempt to fulfil their physiological needs before changing behaviour towards satisfying other needs. And, a satisfied need ceases to motivate. This could be one reason why high salary and other monetary rewards fail to boost employees' productivity.

Herzberg, in his dual-factor theory, points out that true motivation comes from within and is intrinsic in nature. If certain factors exist, they can build a strong level of motivation which can result in good performance and higher productivity. These factors, also known as 'satisfiers', include:

- (a) achievement;
- (b) recognition;
- (c) responsibility;
- (d) advancement;
- (e) the work itself; and
- (f) the possibility of growth.

Another set of factors are called 'dissatisfiers' which are extrinsic in nature. According to Herzberg, the presence of these factors does not necessarily motivate employees. In fact, they are more potent as dissatisfiers when they are absent. These factors are:

- (a) salary;
- (b) job security;

- (c) working conditions;
- (d) status;
- (e) company policies and procedures;
- (f) quality of technical supervision; and
- (g) interpersonal relations with others.

According to McClelland, three common needs are the need for achievement, the need for affiliation, and the need for power. He says a person will strive and work hard to achieve his need. For example, an ambitious person will set high and challenging goals, and will thereafter work hard and use his skills and abilities to accomplish these goals.

MOTIVATION IN COMMERCIAL BANKS

The evolution or development of commercial banking in Malaysia, as in many other countries, can be divided into stages. Bank Negara Malaysia has divided the development into two main periods—early banking and post-independence. The post-independence period is further divided into four phases, namely, the pioneering years, the years of adaptation and growth, the years of consolidation and the drive towards maturity.

Many new developments have taken place during the years of maturity, which were either "imported" from developed countries or ideas from innovative and aggressive bankers. According to Haslem (1984), the elements of new banking visualised by most bankers are:

1. Banking necessarily involves the sale of business and consumer financial services at a profit, often on a global basis.
2. Banks must diversify along "product" (service) and geographic lines

to maintain steady earnings growth.

3. Banks' decision-making must be based on sound strategic and financial planning utilising computer-based information and analytical systems.
4. Success of banks will increasingly depend upon the utilisation of technology to provide personal solutions to the financial services needs of businesses and households.
5. The challenges and opportunities in new banking require the recruitment, development and effective utilisation of the best management talent available.

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Another interesting development, as suggested by Andrew Tan (1990) after several surveys among his banking clients, is that banks should place more emphasis on marketing and customer relationship management.

As a former banker, I agree with the opinions and suggestions of Haslem and Tan. However, my experiences tell me even the latest and most sophisticated machine will not function properly if the person handling it adamantly presses the wrong button. Automated teller machines (ATMs) will remain shut down if the person in-charge takes his own time to replenish the cash. A front teller or cashier, instead of counting the money twice, can purposely do it three or four times before giving the money to a customer the list of examples is endless.

In my opinion, the objectives of an

organisation are easily attainable if the staff are highly motivated. Employees do not mind doing extra work if their bosses appreciate their contributions. They will be ever willing to work hard if they are promoted or get a share of the profit in the form of bonuses. The point here is that an employer should know the needs of his employees and types of "satisfiers" for those needs. In other words, he should be well versed with MOTIVATION.

SURVEY ON MOTIVATION

To further explore the subject of motivation, I conducted a survey recently to gauge the level of motivation among branch managers of commercial banks in Malaysia.

Branch managers of commercial banks were chosen for the study because they are among the key personnel in a bank set-up. The success of a branch depends very much on the capabilities and performance of its manager. Therefore, motivation is vital to a manager for two major reasons. Firstly, a manager must be motivated in order to do a good job and secondly, he must be motivated before he can motivate his staff.

Both local and foreign commercial banks were included in the survey. Five banks from each group were chosen, from which the even numbers in the list of branches of the selected banks were used as samples. Urban and rural branches were evenly represented. Of the 200 questionnaires sent out, 41 or 20.5% were returned.

No pre-test was conducted for the questionnaire used. There was no segmentation of motivational factors, unlike most of the previous studies done by other scholars. The presentation of survey results is based on the mean value of the responses. Furthermore, there was no testing on the various motivational theories as the findings will be used as guidelines for future studies in this field.

Table 1
Events Which Affect Manager's Performance (mean ^a)

	Domestic Bank	Foreign Bank	Urban Bank	Rural Bank
1. Branch having to submit too many reports and returns.	4.57	3.00	4.31	4.54
2. Punished or blamed for mistakes made by subordinates.	4.56	3.67	4.37	4.58
3. Head office asking for too much information (duplication).	4.30	2.67	4.25	4.13
4. Uncertain about own future.	4.19	3.00	3.88	4.25
5. Salary does not commensurate with tasks given.	4.11	3.67	3.94	4.17
6. Slow in getting decisions from head office, e.g. on loans.	4.05	2.33	4.00	3.87
7. Internal auditor maintaining fault-finding attitude.	4.03	2.67	4.00	3.87
8. Need to comply with too many unnecessary procedures.	3.95	3.33	4.13	3.75
9. Head office not very accommodative.	3.76	2.33	3.81	3.54
10. Computer breakdown.	3.73	2.33	3.44	3.75
11. Too many bosses at head office.	3.73	2.67	3.75	3.58
12. Too many changes and services introduced by head office.	3.73	2.33	3.44	3.75
13. Top management practising favouritism.	3.70	3.67	3.56	3.71
14. No compliment for job well done.	3.68	3.33	3.69	3.63
15. Insufficient guidance from head office.	3.62	4.00	3.63	3.67
16. Top management not responsive to branch problems.	3.59	2.33	3.75	3.33
17. Difficulty in communicating with top management.	3.16	3.00	3.00	3.25
18. Few opportunities to attend seminars or courses.	3.12	3.33	3.06	3.17

a (Likert's scale):

1 : *Very disagree*, 2 : *Disagree*, 3 : *Moderately Agree*, 4 : *Agree*, 5 : *Very Agree*

FINDINGS

The events which the respondents considered as having an effect on their performance are listed in Table 1. If we use Herzberg's theory to analyse the situation, we can conclude that dissatisfaction among the managers surveyed was not caused by motivational factors such as achievement, recognition, advancement and other factors, but by maintenance factors or "dissatisfiers".

Two events which most managers strongly believed to be the most demotivating were the need to submit too many reports and returns, and the managers being blamed for mistakes made by their subordinates.

The managers of the foreign commercial banks, unlike their counterparts in the local commercial banks, had different opinions on the events that would affect their performance. Except for two instances, the mean for

each event is much lower than the corresponding mean for local commercial bank managers. The foreign commercial bank managers perceived the lack of guidance by their head offices as the most demotivating.

There is not much difference in opinions between managers in urban and rural areas. This could be due to the fact that managers in both the urban and rural areas have good communication systems; enjoy the same

Table 2

Frequency of Events Which Affect Manager's Performance (mean ^a)
(For events in Table 1 with means more than 4.00)

	Domestic Bank	Foreign Bank	Urban Bank	Rural Bank
1. Branch having to submit too many reports and returns.	4.62	2.67	4.37	4.54
2. Punished or blamed for mistakes made by subordinates.	4.27	3.00	4.93	4.04
3. Head office asking for too much information (duplication).	4.16	2.67	4.25	3.92
4. Salary does not commensurate with tasks given.	4.08	3.00	4.19	4.17
5. Uncertain about own future.	3.92	3.33	3.75	3.96
6. Slow in getting decisions from head office, e.g on loans.	3.81	2.33	3.81	3.63
7. Internal auditor maintaining fault-finding attitude.	3.81	3.67	3.94	3.71

a (Likert's scale):

1 : Never Happen, 2 : Not Often, 3 : Sometimes, 4 : Often, 5 : All The Times

benefits and perks; and follow the same rules and guidelines.

Table 2 shows the frequency of occurrence of the events which affected the managers' performance. There is a strong relationship between the means of events in Table 1 and those in Table 2. This indicates that the managers always faced or experienced the same situations in their work. Again, the managers of the foreign commercial banks had differ-

ent experiences from the counterparts in the local banks. The results inevitably lead us to conclude that managers of foreign commercial banks are happier than managers of local banks.

CONCLUSION

Generally, how effective employees perform or produce the desired results depend very much on their level of motivation. Employees who are

motivated will usually produce more and work better than those who are not.

The lists of events in Tables 1 and 2 can be used by top executives as guidelines as to what goes on around them, particularly in gauging the level of satisfaction and motivation among their staff. Top executives must give more attention to these two vital areas to attain the objectives of their organisations. □

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