Employee Motivation in the Non-government Financing Companies of Bangladesh

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Abstract
Bangladesh is a small country of South—East Asia. It is a low-lying coastal area surrounded by India on three sides and Bay of Bengal in one side. It is one of the densely populated countries in the world. Natural disaster is a common phenomenon in this country. Most of the people live in villages and depend on agriculture for the livelihood. Agriculture is responsible for 32% of the total GDP (An overview or the current economic growth in Bangladesh at www.GlobalPolicyNetwork.org). But there is no specific management level in agricultural sector as it is still running with old style fashion. Motivation as an incentive of inspiring employees in all sectors appears strongly in private sector enterprises and slightly in govt. sector organizations and Non Govt. Organizations (NGOs).

Government sector organizations are counting loss year after year due to inappropriate training, shortage of skilled workers, poor salary, weak administration, poor ethical standard, corruption and overall lacking of motivation. Skilled and honest workers are being motivated in private sector organizations. Government organizations were never been designed according to any predetermined criteria. They were established and their goals were set by executive orders considering other factors like social, economic and technological environment. Here motivation of employees is not so important. The highest level of cabinet can play a significant role in removing misunderstanding, resolving conflict and helping reach consensus on vital issues.

On the other hand, private sector organizations are creating the stairs to up raising the position for individuals. Senior, junior designation, ethnicity and religion are not a barrier to explore potentiality and reward. Most of the private HRM structures are divisional. Some of the giant organizations have experimented with matrix structure to overcome the difficulties of the big projects. Unlike public/ govt. sector organizations, there are no trade unions in private sector firms. So the employees here have no right to bargain collectively with the employer for their demands. Another characteristic of such organizations is that they have different motivational schemes and training programmes for their staffs. Motivation is a measure to raise the employee morale and make him enthusiastic to his work. It could be done in many ways. Every measure is not appropriate everywhere. Particularly in LDCs, it is proved that people are motivated mainly by higher salary and other economic benefits.

Key Words: Motivation, Bangladesh, Non-Government, Financing Company, Maslow, Herzberg, Alderfer

1. INTRODUCTION
With the increasing complexity and globalization of the contemporary business firms, there is a growing awareness among both the scholars and business executives of the need for more substantive cross-cultural theories of work behavior and incentive systems (Adler et al.. 1989: Child and Tayeb. 1982; Steers. 1989). The need has emerged both as a result of the deficiency of convincing theoretical framework of employee motivation in western organizations and from a growing need to improve employee performance in firms operating in the
South-Asian region through different motivational practices being followed there. Though considerable progress has been made, in this area in the western industrially developed countries, there is still little development being seen in the countries like Bangladesh, Nigeria, Nepal, Pakistan and many other African and Latin American countries. Therefore, there is scope for the research and investigation about how to motivate the general employees in these countries considering the existing cultural environment and socio-economic context to enhance performance that leads to higher productivity.

The study aims at finding out the present scenario of the motivational practice in Bangladesh and trying to find out whether the westernized approaches of motivational theories work in a country like Bangladesh what different in kinds of culture and the present level of economical and social progress. The study would also focus on the issues responsible for higher/poorer employee performance and present some solutions of how to motivate the general workers under the prevailing situation in a country like that.

2. OBJECTIVE OF THE RESEARCH

Research objectives are the rationale behind the carrying out of the research. The objectives are the narrowest part of research pyramid which starts from selecting a topic and ends in selecting the objectives. The objectives of my research project would be-

1. To test the practicality how and to what extent can Maslow’s and Alderfer's theories be applied in Bangladesh
2. To find out the kind of needs that are to be satisfied in present socio-economic context of Bangladesh
3. To comment on the present motivational process and highlight the impact of it on the general employees

3. RESEARCH METHODOLOGY

Data have been collected through structured questionnaire. This is a primary method of data collection. Secondary sources like company annual reports have also been used for, the sake of research. All the interviews been taken in Dhaka (the capital) and Chittagong (the second largest and the biggest port city). Employees in these areas can well represent the overall country.

4. LIMITATIONS OF THE STUDY

Conducting a research in many LDCs including Bangladesh is a difficult task. Absence of established research culture, failure to understand the importance of research, a general apathy of managers, and above all, limitation of time has resulted in too small a sample size and reduced the scope of explanatory study. Further research on motivational practice in developing nations should have done with larger samples so that meaningful generalization could be attempted. Furthermore, it would be more meaningful to conduct comparative study on motivation involving two or more countries rather than country specific studies- like India and Pakistan with Bangladesh.

5. CRITICAL LITERATURE REVIEW

Motivation

Motivation represents "those psychological processes that cause the arousal, direction, and presence of voluntary actions that are goal oriented (Mitchel. 1982:81). Robbins (1993) defined motivation as —willingness to exert high levels of effort toward organizational goals conditioned by the effort's ability to satisfy some individual need." A need in this context is an internal state that makes certain outcomes appears attractive. An unsatisfied need creates tension that stimulates drives within the individual. These drives then generate a search behavior to find particular goals that, if attained, will satisfy the need and lead to the reduction of tension (Robbins. 1993). The influence is that motivated employees are in a state of tension and to relieve this tension, they exert effort. The greater the tension, the higher the effort level as illustrated in figure 1.

Unsatisfied need ------------ Tension --------- Drives --------- Search behavior ----------- Satisfied need ------------------
Reduction of tension

Figure-1: The motivational process: (Adapted from Robbins, 1993:206 Organizational Behavior: Concepts, Controversies and Applications)

Although, motivational theorists differ on where the energy is derived and on the particular needs that a person is attempting to fulfill, most would agree that motivation requires a desire to act, an ability to act, and having an objective(Ramlall, 2004).

Human needs

Needs are psychological or physiological deficiencies that arouse/energize human behavior (Ramlall, 2004).
These needs can be strong or weak and are influenced by environmental factors. Therefore, human needs differ over time and place. Behavioral scientists and researchers identified different types of needs of human as the most intelligent of all creatures. Maslow, Herzberg, Alderfer, Adams and Vroom are some of them who had contributed a lot on finding the nature on human needs. Among them, Maslow's defining work was the development of the hierarchy of needs. According to Stephens (2000), Maslow believed that human beings aspire to become self-actualizing and viewed human potential as a vastly underestimated and unexplained territory, lie was the first who have identified and categorized human needs into five broad sets that must be satisfied to get a desired outcome.

Need like food, shelter, rest, clothing or warmth is connected to a person's body and thus called Physiological needs. They are also called primary needs as they are very basic in nature. Once the basic needs are satisfied, people need to be safe and secured. Need like lose, friendship and supportive relationship with others are a kind of social type in nature.

Esteem or egoistic needs are concerned with a person’s view or conception of self. Satisfaction of these needs tends to enhance a person's ego or personality (Beach. 1980).

It is important to note that the importance of the needs is not the same everywhere. They are different in different socio-economic contexts. The higher order needs are usually important for the employees working in the top-level positions and for the advanced - developed countries, while deficiency needs are the key motivators for the underdeveloped countries and also for the employees working at the lower positions. Employees in four manufacturing companies in Nigeria rated satisfying lower needs as most important, followed by the higher order needs (ajila, 1997). Among bank employees in India, officers attached greater importance to growth needs than did clerks (Rao and Kulkarni, 1998).

**Motivation as a driver at workplace**

Motivational factors can be of different forms like comparatively higher pay, an equitable payment system, real opportunities for promotion, considerable and participative management, recognition of performance and proper feedback, a reasonable degree of social interaction at work, interesting and varied tasks and a high degree of control over work pace and environment.

But research has not established any strongly positive relationship between satisfaction and performance. A satisfied worker may necessarily a high performer, and a high producer is not also necessarily a satisfied one. Some people claim that good performance procures satisfaction rather than the other way round, but their argument has not yet been proved (Armstrong, 1999:123).

**Motivation in developing countries**

Studies on how to motivate people in developing countries is going on for at least half a century that almost followed the usage of models in developed countries. Motivation is not only rewards such as incentives, needs, or goals, but also what people do in relation to these, particularly the direction and intensity of actions (Munro, 1992). Therefore, if we want to fully understand what motivates any kind of action, we have to take into account a hierarchy of levels of analysis including physical, psychological, social, cultural one.

One could start with low-level biological maintenance process, such as eating, drinking and staying at the right temperature, which pervade our lives without our conscious awareness- unless something interferes with them (Maslow, 1954). Moving up a level, we find all those basic psychological process such as perceiving, learning, feeling and remembering, which support at a still higher level those more complex mental process involved in thinking, problem-solving, decision-making, dealing with other people and the physical world, and maintaining a self or identity (Munro, 1992). These are the things with which we occupy our mental lives most of the time, that seem to be the foundations for our actions, and which we are sometimes able to describe to others, including researchers who want to know why we behave as we face the real life situations (Carr et al., 1995). They have got some new ways in which such principles apply in some Sub-Saharan and Asian countries. For example, by considering how equity of payments affects motivation, they point to the ways in which reward structures in a neocolonial pattern of relationships may be having negative results on motivation to strive for success to make productive use of resources provided by aid agencies. Interviews conducted with some senior public service and private sector managers in Zimbabwe revealed considerable ambivalence about getting to the top, partly because success left one vulnerable to jealousy and attacks of various kinds, and partly because an overarching desire to serve one's people seems to be ambiguously defined (Munro, 1982).

**Theories and approaches of motivation**

Motivational theories can be divided into two categories, termed content and process. Content theories assume that
all individuals possess the same set of needs. That's why such theories also called need theories. Process theories, on the other hand, stress the differences in needs and focus on the cognitive process that creates these differences (Fineham and Rhodes, 1999:132).

**Content/Need theories**

Needs theories have been developed by:-

Maslow (1954), who developed the concept of a hierarchy of needs which he believed were fundamental to the personality; Alderfer (1972), who produced a simpler and more flexible model of three basic needs (ERG theory); McClelland (1975), who identified three needs that motivate the managers, and who, while agreeing with Maslow that needs motives are part of the personality, believed they are triggered off by the environmental factors. In addition, Herzberg (1957) formed a two factor model of needs in order to identify those aspects of the work environment that motivate people.

**Maslow's Need Hierarchy:**

The most famous classification of needs is formulated by Abraham Maslow in 1954.

![Maslow's hierarchy of needs](Reproduced from Abrahahf Maslow, Motivational and Personality, 1954)

One of the implications of Maslow's need theory is that the higher order needs like esteem and self-fulfillment provides the greatest impetus to motivation- they grow in strength when they are satisfied, while the lower needs decline in strength on satisfaction (Armstrong, 1999:112, 113). But it is evident that the jobs people do will not often necessarily satisfy their needs, especially when they are routine, structured or deskilled since they do not find anything interesting or challenging out of the work.

Maslow's needs hierarchy had an initiative appeal among the behavioral scientists and still very influential as it gives us a basic idea about human needs. But his theory is not much by empirical research and has been criticized for its rigidity. Different people may have different needs and it is not likely that needs follow a steady line up the hierarchy. In fact, Maslow himself did not intend his ideas to be used as a motivational theory. Consequently, he provided no operational definitions of the variables he described, which has made measurement of their relative strength very difficult (Fincham and Rhodes. 1999:133).

However, the theory explains why people must act. The theory still has practical significance in the developing and undeveloped counties where the primary needs are considered as the key motivators rather than the higher order needs. The vast majority of the lower and middle class wage earners in these countries are generally motivated by the money, job security and social recognition.

**Alderfer's ERG Theory**

Another content theory that provides reasonably arguable measures for the needs is known as ERG (the needs for existence, relatedness and growth) theory formulated by Alderfer (1972).
The theory suggests that individual needs can be divided into three groups:

- **Existence needs**: includes nutritional and material requirements, working conditions and pay.
- **Relatedness needs**: includes acceptance, understanding, confirmation and influence. These needs are satisfied through relationships with family and friends and at work, with colleagues and supervisors as a social being.
- **Growth needs**: are the needs to be differentiating and develop oneself as most fully and what becomes he can.

While Maslow proposed a progression up a hierarchy, Alderfer argued it was better to think in terms of a continuum, from concrete (existence) to least concrete (growth needs): and he believed that it is possible to move along it in any direction. Unsatisfied needs therefore become less rather than more important, opposite Maslow's assumption (Fincham and Rhodes. 1999:134).

Maslow argued that when satisfied, a need becomes less important to an individual, research based on Alderfer's ideas has found that relatedness or growth needs actually become more important when satisfied (Wanous and Zwany, 1977). For example, team working arrangements which satisfy relatedness needs can continue to motivate employees and are not necessarily superseded by growth needs. Employers, according to Alderfer, are in this sense more easily able to satisfy the needs of their employees (Fincham and Rhodes. 1999:134).

However, they have also got many similarities as well in identifying the needs, For example, the existence needs of Alderfer are the same as physiological and security/safety needs of Maslow. Again, the social needs of Alderfer are the most likely the social needs of Maslow's hierarchy. In fact, Alderfer did not reject Maslow's idea of his need hierarchy. Rather, he (Alderfer) summarized the Maslow's needs into three broad categories and gave a more specific idea of human needs.

**Applicability of Maslow's and Alderfer's theories in the developing countries (and in Bangladesh)**

Physiological needs are at the bottom of the Maslow's hierarchy. These are basic needs to be satisfied like food, water, air, comfort. The next need is safety - a feeling of well being. Social needs are those related to developing love and relationships. Once these lower needs are fulfilled "higher" needs emerge like esteem - self respect - and the need for status improving goods. The highest order is self actualization where one can now afford to express oneself as all other needs have been met.

Whilst the hypothesis of the two theories is simplistic it does give an insight into universal truisms. In Africa, for example, in organizations, emphasis may be laid on the three lower level needs, whereas in the developed countries, whilst still applicable, food may be bought to meet higher needs. For example, the purchase of champagne or caviar may relate to esteem needs. Again, a motor car which is a necessity in the developed countries is considered to be a luxury in the South Asian countries that is placed in ego or esteem needs in Maslow's hierarchy.

Bangladesh, a small country of South—East Asia got independence in 1971, from Pakistan. It is a low-lying coastal area surrounded by India on three sides and Bay of Bengal in one side. It is one of the densely populated countries in the world. Natural disaster is a common phenomenon in this country. Most of the people live in villages and depend on agriculture for the livelihood. Agriculture is responsible for 32% of the total GDP (An overview or the current economic growth in Bangladesh at www.GlobalPolicyNetwork.org). But there is no specific management level in agricultural sector as it is still running with old style fashion. Motivation as an incentive of inspiring employees in all sectors appears strongly in private sector enterprises and slightly in govt. sector organizations and Non Govt. Organizations (NGOs).

Government sector organizations are counting loss year after year due to inappropriate training, shortage of skilled workers, poor salary, weak administration, poor ethical standard, corruption and overall lacking of motivation. Skilled and honest workers are being motivated in private sector organizations. Government organizations were
never been designed according to any predetermined criteria. They were established and their goals were set by executive orders considering other factors like social, economic and technological environment. Here motivation of employees is not so important. The highest level of cabinet can play a significant role in removing misunderstanding, resolving conflict and helping reach consensus on vital issues.

On the other hand, private sector organizations are creating the stairs to up raising the position for individuals. Senior, junior designation, ethnicity and religion are not a barrier to explore potentiality and reward. Most of the private HRM structures are divisional. Some of the giant organizations have experimented with matrix structure to overcome the difficulties of the big projects. Unlike public/govt. sector organizations, there are no trade unions in private sector firms. So the employees here have no right to bargain collectively with the employer for their demands. Another characteristic of such organizations is that they have different motivational schemes and training programmes for their staffs. Therefore, I have put my special interest in finding if the private sector firms (the private finance companies) practice the western motivational theories and if they are effective in Bangladesh.

Population (in millions) 150
Unemployed 25%
Yearly per head income $400
Contribution of service in national economy (GDP) 20%
Contribution of manufacturing in national economy 35%
Rate of inflation 12%
Yearly income of workers (average and categorized into three) High- $12,000 Middle- $5,000 Low- $1,000

Table- Bangladesh at a glance (Statistical Year Book of Bangladesh, 2006-2007 and Department of Labor)

Analysis of Data and Findings
A systematic sample of 25 executives from different organizations heading bank, insurance companies, leasing companies and cooperative societies has been drawn. Each of the respondents was personally contacted by me to till the questionnaire up. Out of 25, only 21 agreed to participate in the survey. It has been assumed that the 21 employees that filled the questionnaires up represent the finance industry of Bangladesh.

A profile of the respondents and their job affiliations have been summarized in Appendix-2, Table-1. The majority of them are male (99%). Again, most of them are aged, between 30 to 50. About half (49%) of them have the experience of more than 10 years. All of them are higher educated and most of them have good understanding of motivation and employment practice. Hence, it may be correct to assume that the respondents are quite knowledgeable to represent the general status of motivation in Bangladesh.

The results on Table-2 indicate that most of the respondents are generally aware (strong 34%, good 24% and medium 24%) of what motivation is. All of them admit the necessity of motivation in Bangladesh. 95% of the respondents think that physiological and security needs to be satisfied first of all, followed by 4% social and only 1% in favor of self-actualization needs. A bit larger, than half of them (4% strong and 48% just agree) says that the present motivational culture is enough and 48% disagree. More than two-third of them consider money as a key motivator.

Results from the third section (Table-3) shows that all of the respondents said their organizations have motivational measures in practice. 75% of them use pay rise and promotion to motivate the employees. 15% use participation in decision making and 5% organizations has both goal setting and other (job design) measures. Majority agree that the measures in follow are adequate to raise employee morals and strength. Then I have averaged the employee retention rate of different organizations and that came to nearly 54%. It is interesting to see that most of the employees left their previous job mainly to get the higher salary in the new company.

Conclusion
Motivation is a measure to raise the employee morale and make him enthusiastic to his work. It could be done in many ways. Every measure is not appropriate everywhere. Particularly in LDCs, it is proved that people are motivated mainly by higher salary and other economic benefits. It supports Maslow and Alderfer that lower order needs to be satisfied first in Bangladesh. The lower order needs are sometimes got importance in the developing world as well like higher salary. But Maslow and Alderfer are particularly true in their argument for the poorer
countries with high unemployment and poverty.

Appendix-1

Questionnaire
(Please make a tick mark where appropriate)

Part- 1
(General information about the respondent)

(1) Name:-
(2) Type of the organization:- (E.g. bank, insurance company, leasing company, cooperative society etc.)
(3) Post of the respondent:-
(4) Length of service/experience:-
(5) Age of the respondent:-
(6) Sex: - a. Male b. Female

Part- 2
(General understanding of the respondents about motivation)

(7) What kind of knowledge, you think, you have got about employee motivation?
   (a) Strong (b) Good (c) Medium (d) Poor

(8) How do you think motivation at the workplaces in Bangladesh is important?
   (a) Strong (b) Medium (c) Poor (d) Not at all

(9) According to you, what kind of need in Bangladesh should be satisfied first?
   (a) Physiological and security (b) Social (c) Esteem (d) Self-actualization

(10) Do you agree present motivational measures in Bangladesh can increase productivity?
    (a) Strongly agree (b) Agree (c) Strongly disagree (d) Disagree

(11) Do you agree/ disagree that money should be the only motivator in Bangladesh?
    (a) Strongly agree (b) agree (c) strongly disagree (d) disagree

Part- 3
(Information about followed motivational practices in respondent's organization)

(12.) Does your firm have any motivational measures for the employees?
   (a) Yes (b) No

(13) If yes, what kinds of measures are in practice?
    (a) Pay rise with promotion (c) participation in decision making (c) setting goals (d) others (job design, performance appraisal etc.)

(14) Do you agree/disagree that the motivational measures taken are enough to increase employee morale and strength?
    (a) Strongly agree (b) agree (c) strongly disagree (d) disagree

(15) Does your organization conduct any research or survey into employee attitudes perceptions?
    (a) Yes (b) no comment (c) no

(16) What is your company's employee retention rate last year?
    (a) Above 90% (b) 60% to 90% (c) 40% to 60% (d) below 40%
<table>
<thead>
<tr>
<th>Appendix-2</th>
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</thead>
<tbody>
<tr>
<td>Table: - 1 (Information about the respondents)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sex of the respondents (in percentage of N=21)</th>
<th>Male 99%</th>
<th>Female 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of sex in middle or higher level (N=21)</td>
<td>Male 100%</td>
<td>Female 0%</td>
</tr>
<tr>
<td>Age of the respondents (in percentage of N=21)</td>
<td>30 to 50 73%</td>
<td>Above 50 27%</td>
</tr>
<tr>
<td>Experience in the same Job (in percentage of N=21)</td>
<td>Less than 5 years 30%</td>
<td>5 to 10 years 21%</td>
</tr>
</tbody>
</table>

| Table: - 2 (Information about the personal and general understanding of motivation) |

<table>
<thead>
<tr>
<th>Respondent's knowledge about motivation (in %)</th>
<th>Strong 34%</th>
<th>Good 24%</th>
<th>Medium 24%</th>
<th>Poor 18%</th>
</tr>
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<tbody>
<tr>
<td>Needs to be satisfied first (in %)</td>
<td>Physiological and security 95%</td>
<td>Social 4%</td>
<td>Esteem 0%</td>
<td>Self-actualization 1%</td>
</tr>
<tr>
<td>Necessity of motivation in Bangladesh (in %)</td>
<td>Strong 100%</td>
<td>Medium</td>
<td>Poor</td>
<td>Not at all</td>
</tr>
<tr>
<td>Adequacy of the present motivational practice (in %)</td>
<td>Strongly agree 4%</td>
<td>Agree 48%</td>
<td>Strongly Disagree 0%</td>
<td>Disagree 48%</td>
</tr>
<tr>
<td>Money as a motivation (in %)</td>
<td>Strongly agree 70%</td>
<td>Agree 20%</td>
<td>Strongly disagree 0%</td>
<td>Disagree 10%</td>
</tr>
</tbody>
</table>

| Table-3 (Information about the followed motivational practices in respondent's organization) |

<table>
<thead>
<tr>
<th>If there is any Yes motivational No measures other than salary (In %)</th>
<th>Yes 100%</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kind of motivational measures (In %)</td>
<td>Pay and promotion 75%</td>
<td>Participation in decision making 15%</td>
</tr>
<tr>
<td>Adequacy of the measures to increase morale and strength (In %)</td>
<td>Strongly agree 40%</td>
<td>Agree 20%</td>
</tr>
<tr>
<td>Conduction of research into employee attitudes and perceptions (In %)</td>
<td>Yes 15%</td>
<td>No comment 10%</td>
</tr>
</tbody>
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