

# Exploring the Correlation among Employee Performance, Motivation, and Social Life Satisfaction: A Study on Private Commercial Banks in Bangladesh

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## Abstract

As a key component of economic growth, commercial banks play a pivotal role in the development of trade and industry in a country. At present, 61 scheduled banks are operating in Bangladesh of which 43 are private commercial banks. The performance of these banks' employees plays a vital role in the economic sustainability and growth of the country. This study focuses on these employees' performance in the light of their motivation and social life satisfaction. The data were collected from 204 respondents from the three renowned private commercial banks (Islami Bank Bangladesh Limited, Dutch-Bangla Bank Limited, and Jamuna Bank Limited) through a structured questionnaire. A 5-Point Likert Scale was used to collect primary data and Statistical Package for the Social Science (SPSS) software was used to analyze it. The study revealed that there is a significant positive correlation between employee performance and motivation as well as social life satisfaction. Furthermore, social life satisfaction has the highest positive contribution to performance. Finally, some actionable recommendations were outlined based on the findings of the study.

Keywords: Employee Performance, Motivation, Social Life Satisfaction, Commercial Bank

## I. Introduction

Every organization, irrespective of size and market strives to retain the best employees, acknowledging their important role and influence on organizational effectiveness. To overcome different challenges, companies try to create a strong and positive relationship with their employees and direct them toward task fulfillment. In addition, to achieve the organizational goals and objectives, it develops strategies to compete in highly competitive markets by enhancing employees' performance. The organization can not attain success if the employees are not satisfied with their jobs or in their social life or are not motivated to fulfill their tasks or achieve their goals. So, managers should be able to understand, predict and control employees' behavior. Therefore, a manager needs to understand what motivates employees, without making just an assumption. Every organization encompasses different practices focusing on the optimum performance of their human resources i.e., employees to achieve maximum output and exclusive competitive advantage (Price, 2007). An organization's performance directly depends on the individuals it employs as they are the major stakeholder. Hence, it is increasingly required to focus on improving the performance of employees to enhance the organization's performance (Arulrajah & Opatha, 2012). Furthermore, the bank plays a pivotal role in financial services to the general public and businesses. It ensures economic and social stability and sustainable growth of the economy (Kalpana & Rao, 2017). A bank plays a decisive role in the development of industry and trade. It acts not only as the custodian of the wealth of the country but also as a resource of the country, which is undoubtedly important for the economic development of an emerging nation like Bangladesh.

## II. Objectives of the Study

The specific objectives of this study are as follows:

1. To explore the relationship among performance, motivation, and social life satisfaction of private commercial bank employees in Bangladesh.
2. To identify the important causes of high motivation of the employees of private commercial banks in Bangladesh.
3. To recommend some actionable framework to enhance the private commercial bank employees' performance.

### III. Review of Literature

After the independence, the twelve banking companies who were doing business in Bangladesh were nationalized under the President's Order No.26 of 1972 entitled "The Bangladesh Bank (Nationalizations) Order, 1972" on March 26, 1972. Later on, the banking industry in Bangladesh started its journey with 6 Nationalized Commercialized Banks, 3 State-owned Specialized Banks, and 9 Foreign Banks. In the 1980s banking industry achieved significant expansion with the entrance of private banks. At present, out of 61 scheduled banks, there are 43 private commercial banks are operating in Bangladesh (Bangladesh Bank, 2022). A lion's share of the total workforce of 122912 in the banking sector is working in private commercial banks in Bangladesh (The Daily Star, 2022). So, the stability and growth of these banks tremendously depend on the performance of these employees. Similarly stated by Abusharbeh and Nazzal (2018), moral motives (thankful letter, honor list, extra vacation, confidence, administrative ranking, sharing in decision making, etc.) significantly and positively correlated with employees' performance. This implies that the moral incentives in banks enhance the employee's productivity at work. Omollo and Oloko (2015) conducted a study on commercial banks in Kenya regarding motivation and employee performance. The study found the employees are motivated by monetary rewards and de-motivated by a delay of promotion, no clear career progression, unreasonable load, long working hours, and lack of appreciation from the managers. Again, a study revealed that extrinsic motivation is a dominating factor in employees' motivation and performance. The results of the study imply that if employees are positively motivated, it improves both their effectiveness and efficiency in achieving organizational goals. The study also focused on how de-motivation factors affect employee performance negatively (Nabi et al, 2017). Furthermore, according to Hossain et al. (2019), there is a positive correlation between life satisfaction and employees' mental health. They argued that life satisfaction can be helpful to improve employees' motivation and performance in terms of psychological well-being.

#### Terminology

**Employee Performance:** Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed (Hafeez, 2015). According to the business dictionary, 'employee performance is the job-related activities expected of a worker and how well those activities were executed.' Some selected definitions of performance are given below:

Moorhead and Griffin (2012) defined performance as the total set of job-related behavior employees engage in.

Nayyar (1994, pp.50-54) stated more precisely that 'performance is the degree to which an individual executes his or her roles regarding certain standards set by the organization.'

Therefore, according to Rahman (2000, p.7), the definition of performance contains three important features:

- a. It is the action or behavior of the individual employee assigned to a job;
- b. The action must be related to the achievement of the organization's goals; and
- c. It is measured against a certain standard set by the organization.

**Motivation:** The word 'motivation' is derived from 'Motive' and the meaning of 'motive' is the needs, wants, and desires of the person. So, employee motivation means the process in which organizations inspire employees with the shape of some factors like rewards, job security, etc. for achieving the desired goals" (Chaudhary and Sharma, 2012). Griffin (2015, p.477) defines motivation as 'the set of forces that cause people to behave in certain ways.'

Hence, there are three major components to motivation: activation, persistence, and intensity. *Activation* involves the decision to initiate a behavior. *Persistence* is the continued effort toward a goal even though obstacles may exist. Finally, *intensity* can be seen in the concentration and vigor that goes into pursuing a goal (Cherry, 2018).

**Social Life Satisfaction:** Social life includes two major aspects: family life and personal life. Family life is the routine interactions and activities that a family has together. *Personal life* is the course of an individual's *life*, especially when viewed as the sum of *personal* choices contributing to one's identity (Maureen, 2010).

Kaucic et al., (2016) stated that social life satisfaction is influenced by various domains of satisfaction i.e., by the satisfaction with one's partner, marriage (family life), friends, love, recreational (personal) activities, etc.

**Commercial Bank:** A **commercial bank** is a financial institution that accepts deposits from the public and gives loans for consumption and investment to make a profit. According to Bangladesh Bank (2022), at present, there are 43 private commercial banks are operating in Bangladesh.

#### IV. Hypotheses of the Study

Based on the related literature review and the objectives of the study, the following hypotheses were taken that are depicted in the table below:

**Table 1: Hypotheses of the study**

Hypothesis - 1	Ho	There is no significant correlation among private commercial bank employees' performance, motivation, and social life satisfaction.
	H1	There is a significant correlation among private commercial bank employees' performance, motivation, and social life satisfaction.
Hypothesis - 2	Ho	An attractive and timely salary is not the most important cause of high motivation.
	H1	An attractive and timely salary is the most important cause of high motivation.

#### V. Research Methodology

To explore the correlation among the employees' performance, motivation, and social life satisfaction in the banking sector of Bangladesh, a survey was conducted in private commercial banks. According to Bangladesh Bank (2022), at present there are 61 scheduled banks are operating in Bangladesh of which 43 are private commercial banks. From these 43 private commercial banks, 3 renowned commercial private banks were selected for this study. They were selected based on the generation of banks: Islami Bank Bangladesh Limited (IBBL) - 1<sup>st</sup> generation, Dutch-Banqla Bank Limited (DBBL) - 2<sup>nd</sup> generation, and Jamuna Bank Limited (JBL) - 3<sup>rd</sup> generation. The branches of these banks were chosen from the Dhaka and Khulna division of the country. The total respondents were 204 employees who were selected through convenience sampling. The distribution of the respondents is shown below

**Table 2: Distribution of respondents according to the bank**

Type of Bank	Bank Name	Division		Total
		Dhaka	Khulna	
Private Commercial Banks	IBBL	34	34	68
	DBBL	34	34	68
	JBL	34	34	68
<b>Total Number of Respondents</b>				<b>204</b>

Source: Field Survey

To collect the primary data a structured questionnaire with a 5-Point Likert Scale was used and the Statistical Package for the Social Sciences (SPSS) software was used for analyzing the collected data. For the secondary data, the researcher used books, journals, newspapers, magazines, different websites, etc. Pearson product-moment coefficients were computed to find out the relationship between variables. Stepwise multiple regressions were computed to find out the relative contributions of different variables on the dependent variable. The tests were conducted with a 5% level of significance.

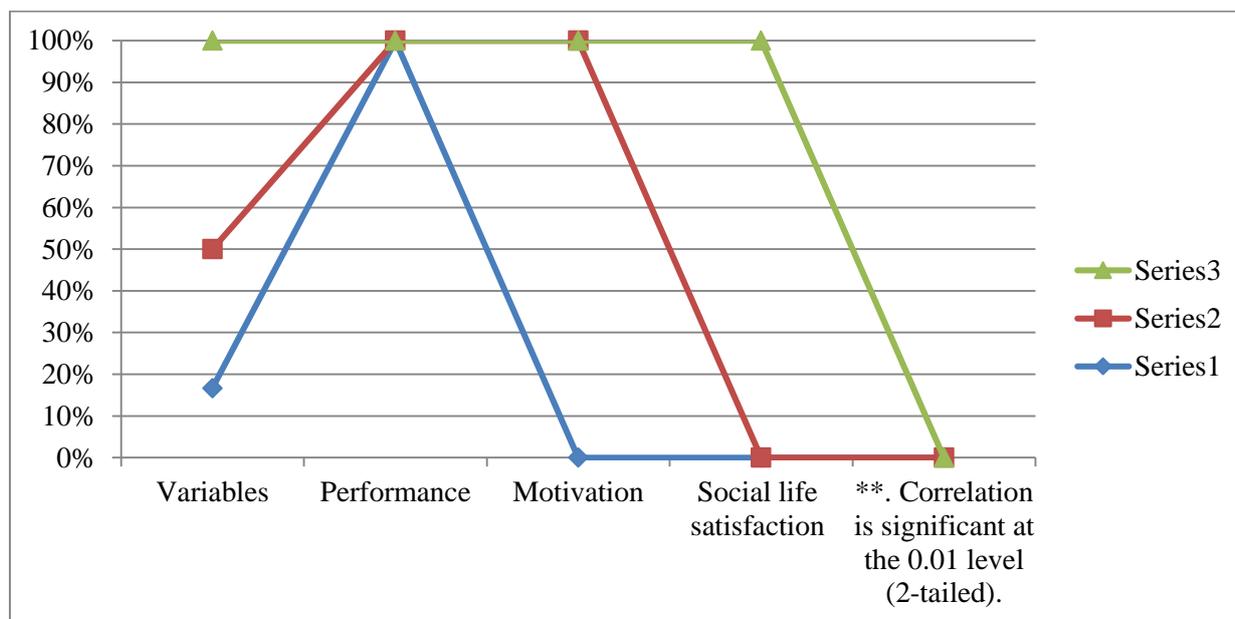
### VI. Data Analysis and Findings

The collected data were analyzed to fulfill the objectives of the study and the results of different tests are presented below:

**Table 3: Correlation among employee performance, motivation, and Social life satisfaction (Private Banks, N=204)**

Variables	1	2	3
Performance	1		
Motivation	.558**	1	
Social life satisfaction	.294**	.249**	1

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



Source: Table 3,

Figure 1: Correlation among employee performance, motivation, and social life satisfaction.

The results revealed the following relationships:

- a. There is a significant positive correlation between performance and motivation ( $r = .558$ ) and performance and social life satisfaction ( $r = .294$ ).
- b. There is a significant positive correlation between motivation and social life satisfaction ( $r = .249$ ).

**Table 4: Summary of stepwise regression: Dependent variable - Performance (Private Banks, N=204)**

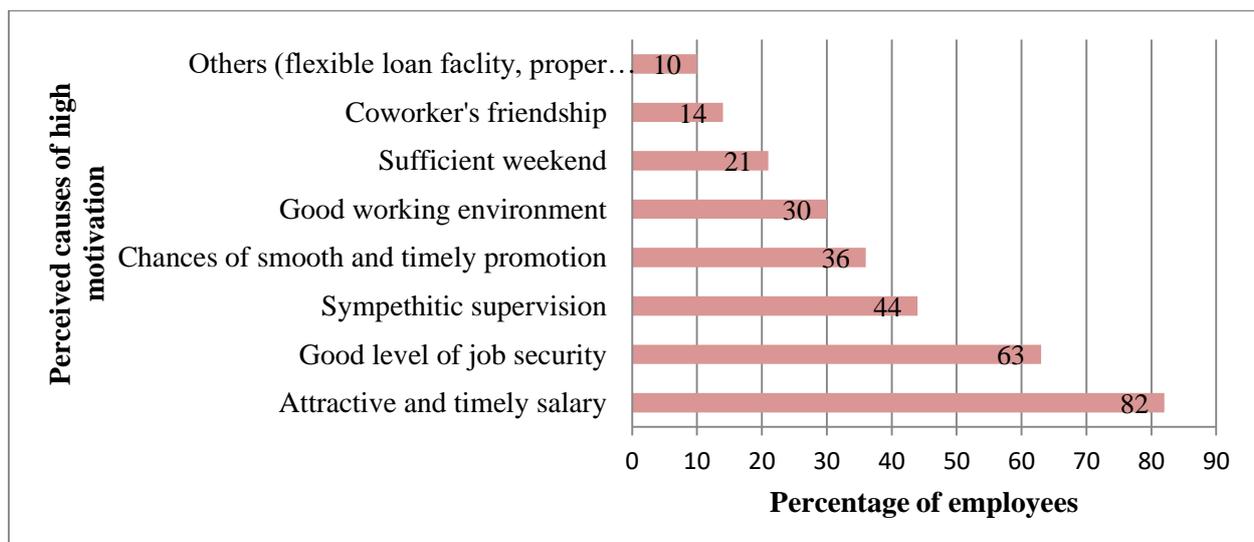
Model Summary					
Model	R	R Square	F	p-value	Betas in model 2
1	.558 <sup>a</sup>	0.311	91.365	0.000	0.141
2	.581 <sup>b</sup>	0.337	51.100	0.000	2.080
a. Predictors: (Constant), Motivation					
b. Predictors: (Constant), Motivation, Social life satisfaction					

The results revealed that two independent variables were entered into the equation and the order of inclusion as follows: motivation, and social life satisfaction. It also shows that motivation and social life satisfaction were the most important predictors of performance as each of the additional variables was entered the multiple R, and R squared increased. The combination of these variables' scores was about 34 percent. Allowing one of the independent variables to operate while controlling for the other variables in the question, it was found that social life satisfaction had the highest positive contribution to performance (beta= 2.080). The contribution of motivation (beta= .141) was positive and the individual contribution of these variables was statistically significant.

**Table 5: The most important causes of high motivation of the employees of private commercial banks (N=204)**

Perceived causes of high motivation	Percentage of Employees Who Hold the View
Attractive and timely salary	82
Good level of job security	63
Sympathetic supervision	44
Chances of smooth and timely promotion	36
Good working environment	30
Sufficient weekend	21
Coworker's friendship	14
Others (flexible loan facility, proper technological/logistic support)	10

*NB: Percentages converted to 300% as each respondent made three choices*



*Source: Table 5*

*Figure 2: Causes of high motivation of the employees of private banks.*

The results reveal eight important causes of private commercial bank employees' high motivation. These include attractive and timely salary, good level of job security, sympathetic supervision, chances of smooth and timely promotion, good working environment, sufficient weekends, coworker's friendship, and others (flexible loan facility, proper technological/logistic support) respectively. The study also reveals that the highest percentage of employees (82%) indicated attractive and timely salary as the most important cause of their high motivation.

## **Test of Hypotheses and Results**

### **Hypothesis - 1**

**Ho: There is no significant correlation among private commercial bank employees' performance, motivation, and social life satisfaction.**

**H<sub>1</sub>: There is a significant correlation among private commercial bank employees' performance, motivation, and social life satisfaction.**

The results of the present study reveal that motivation and social life satisfaction has a significant positive correlation with the performance (Table 3 & Figure 1) of the employees working in private commercial banks in Bangladesh. This means that employees with higher motivation and with social life satisfaction tend to have higher performance than those who are less motivated or less satisfied with their social life. It is also observed that employee motivation (beta=0.141) and social satisfaction (beta=2.080) has a positive impact on performance (Table 4). Furthermore, it is found that social life satisfaction (beta=2.080) has the highest contribution to performance for the employees in private commercial banks. Therefore, the null hypothesis (Ho-1) has been rejected and the alternative hypothesis (H<sub>1</sub>-1) has been accepted.

Hossain et al. (2019) found that there is a positive correlation between life satisfaction and employees' mental health which can be helpful to improve employee motivation and performance in terms of psychological well-being. Furthermore, Habibullah (1974) found that satisfaction with family life and personal life influences the performance effectiveness of employees. Similarly, several studies conducted in this regard by some researchers (Siddiqi & Tangem, 2018; Octaviannand et al., 2017; Mensah & Tawiah, 2016) found more or less similar results which support the findings of the present study.

### **Hypothesis – 2**

**Ho: Attractive and timely salary is not the most important cause of high motivation.**

**H<sub>1</sub>: Attractive and timely salary is the most important cause of high motivation.**

Regarding the causes of high motivation as perceived by the employees, the results (Table 5 & Figure 2) indicate that attractive and high salary was the important cause of high motivation. The results also show that for the employees of private commercial banks (Table 5 & Figure2), a good level of job security is the second most important cause of high motivation. Therefore, the null hypothesis (Ho-2) has been rejected and the alternative hypothesis (H<sub>1</sub>-2) has been accepted.

The respondents of private banks were asked to mention the three most important causes that encourage or motivate them to work more. It has been revealed from the results (Table-5 & Figure-2) attractive and timely salary (82%), good level of job security (63%), and sympathetic supervision (44%) were the first, second, and third most important causes of high motivation for the private commercial bank employees. Furthermore, the results revealed that smooth and timely promotion (36%), a good working environment (30%), sufficient weekends (21), and co-worker friendship (14%) respectively are very important to high motivation (Table5).

Mensah and Tawiah (2016) found that employees are motivated by both intrinsic and extrinsic factors with particular emphasis on pay or remuneration. Good pay was identified to be the best motivating factor for employees in the mining industry which support the findings of the present study. Similarly, Bhola and Raskar (2013) found that salary increments, individual financial incentives, a company's welfare facilities, and regular training programs are the most effective motivational practices which help to increase employee productivity, employee work efficiency, and employee loyalty. Rajon (2013) found that salary was the top determinant for job satisfaction while other determinants like fringe benefits, participation in decision-making, and training facilities are also important. Khan, Farooq, and Ullah (2010) also found that there is a positive significant relationship between the salary and motivation of commercial bank employees. Siddiqi and Tangem (2018) also stated the same. Hence, the findings of these studies confirm the result of the present study.

### **Major Findings of the Study**

1. There is a significant positive correlation between performance and motivation ( $r = .558$ ) and performance and social life satisfaction ( $r = .294$ ). There is also a significant positive correlation between motivation and social life satisfaction ( $r = .249$ ). Furthermore, social life satisfaction has the highest positive contribution to performance ( $\beta = 2.080$ ).
2. There are eight important causes of private bank employees' high motivation. These include attractive and timely salary, good level of job security, sympathetic supervision, chances of smooth and timely promotion, good working environment, sufficient weekends, coworker's friendship, and others (flexible loan facility, proper technological/logistic support) respectively. The study also revealed that the highest percentage of employees (82%) indicated attractive and timely salary as the most important cause of their high motivation.

### **Conclusion and Recommendations**

As a key component of economic growth, commercial banks play a pivotal role in the development of trade and industry in a country. They act not only as the custodian of the country's wealth and resources but also work for resource mobilization and sustainable growth of the economy. In Bangladesh, 61 scheduled banks are operating of which 43 are the private commercial bank. So, the economic growth of the country remarkably depends on the performance of these banks. Similarly, the performance of these banks depends on their employees' performance. This study revealed a significant positive correlation among employee performance, motivation, and social life satisfaction. More so, an attractive and timely salary is the most important cause of the high performance of employees. Based on the findings of the study, the researcher outlined some recommendations to enhance the performance of the employee as well as the bank.

- Motivation and performance are significantly and positively correlated with private commercial bank employees. This indicates that the higher the motivation the better the performance. So, to improve the employees' performance, the management of private commercial banks should emphasize the enhancement of the motivation of the employees. 'Attractive and timely salary' and 'Job Security' are the first and second most important cause of high motivation. So, Bangladesh Bank can initiate a uniform salary scale for all the private commercial banks' employees according to their designation. Job security is very crucial for private bank employees. Bangladesh Bank and Banking Associations of Bangladesh should monitor the termination policy of different banks for their employee. The management of different banks should follow the proper and timely promotion of their employees for enhancing their motivation. Here, the undue influence of any party should be avoided by the bank authorities.
- Social life satisfaction is significantly and positively correlated with performance for the employees of private commercial banks. That means the higher the social life satisfaction the better the performance of the employee. Employees at the banks mentioned that they don't have sufficient leave and their working hour is too high. They can't fraternize with their friends and families satisfactorily. So, the management of the banks should arrange some sorts of social activities like arranging annual sports, picnics, music, etc. among the employees and their families and make logical leave and working hour policy so that they can spend leisure or festival time with their friends and families that may

enhance their social life satisfaction and to improve their performance. Bangladesh bank, the Bankers Association of Bangladesh, and the authority of the concerned bank should play an important role in this regard.

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