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## Identifying the Factors of Work Environment and Compensation- From the Perspective of Employee Motivation

Rifat Perveen Bokhari<sup>1</sup> ; Tamanna Parvin Eva<sup>2</sup>

**Abstract :** *Now-a-days all over the world business is very challenging. To stay profitable in the highly challenging and competitive global market economy, all the factors of production should be wisely managed. Among the factors of production, the human resource constitutes the hard challenge because unlike other inputs, employee management calls for skillful handling of thoughts, feelings and emotions of employees to secure highest productivity. Employee motivation delivers long-term benefits in the form of high productivity. A motivated employee is a valuable asset which delivers immense value to the organization in maintaining and strengthening its business and revenue growth. Previous studies have shown positive influence of work environment and compensation on employee motivation. This study attempts to find out the factors of work environment and compensation that motivate the employees of banks selected from two sub-sectors using varimax normalization method based on primary questionnaire survey and to rank the factors according to their level of severity. It is identified six major factors comprised of 17 variables working as impediments to motivation of employees in private banks, amongst which are employee empowerment; effective performance management system; knowledge sharing ; standard benefits and allowances as per organization own HR policy, Bangladesh Bank rules, local market and industry average policy; understandable and clear structure of compensation and participative and cooperative environment are on the top which create direct impact on the motivation of employees of banks.*

**Keywords:** *Work Environment, Compensation, Motivation, Employee, Varimax Normalization Method.*

### Introduction

Employee motivation is one of the most important concepts in the fields of organizational behavior and human resource management. Employee motivation is the key to organizational effectiveness and is a predictor of performance and job satisfaction (Ghafoor, 2011). Lather and Jain,( 2005). Managers have always tried to motivate their staff to perform tasks and duties in a high standard (Al-Alawi, 2005). All employers want their people to perform to the best of their abilities and so, take great pain in ensuring that they provide all the necessary resources and a good working environment to keep their employees motivated. Yet, motivation remains a difficult factor to manage because employees' aspirations and targets do not always match with their employers can provide (Lather and Jain, 2005).

Bank refers to a corporation empowered to deal with cash and receive deposits of money and give loan that money to third parties. The banks play important role in the economy of any country and also worldwide economy. Banks employees are

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the best sources of delivering good services to their customers. Excellent services quality by employees can create a positive perception and ever lasting image in the eyes of banks' customers. Business all over the world today, is very challenging. Internal and external operating environment factors continue to challenge corporate performance and revenue growth.

To stay profitable in the highly challenging and competitive global market economy, all the factors of production should be wisely managed. Among all the factors of production, managing the human resource constitutes the biggest challenge. Because unlike other inputs, manages of employees calls for skillful handling of thoughts, feelings and emotions to secure highest productivity. Employee motivation delivers long-term benefits in the form of high productivity. A motivated employee is a valuable asset which delivers immense value to the organization in maintaining and strengthening its business and revenue growth.

### **Literature Review**

Employee motivation is one of the most intensively studied topics in the field of social sciences (Manolopoulos, 2008). Although employee motivation is an intricate and sophisticated issue, contemporary managers must face and address the phenomenon in order to achieve organizational success (Kim 2003) as the strategies of managers in any organizations should aim to enhance effective job performance of workers (Shadare & Hammed, 2009). (Wiley, 1997) suggested that in order to ensure the success of a company, employers must understand what motivates their employees, because such understanding is essential to improve productivity. These suggestions imply that organizational success depends heavily on employee motivation, and managers will be empowered when they understand what motivates their employees (Kim, 2003).

Motivation constitutes a central element in going through the process of human learning. If an organization does not possess the ability to motivate its employees, the knowledge within the organization would not be practically optimized. Therefore, it should be the objective of every learning organization to look for the factors that would motivate its employees to acquire continuous learning and to take advantage of the inherent knowledge, to secure their existence in an organization (Islam & Ismail, 2008). Moreover, motivation is also a process of arousing and sustaining a goal directed behavior (Shadare & Hammed, 2009). As mentioned by Perry and Porter (1982), motivation usually refers to that aspect which energizes, directs, and sustains behaviors. Since the term motivation is derived from the Latin word 'movere' which means to move. The word motivation implies to move, push or persuade towards satisfying a need which is a basic psychological process (Khan, et al, 2010). Kim (2006) also cited that motivation is a force that acts on or within a person causing behaviour in a specific, goal directed

manner. According to Rainey (2001: 20), work motivation refers to how much a person tries to work hard and well—to the arousal, direction, and persistence of effort in work settings.” In organizational behavior and human resource management disciplines, motivation is often described as ‘intrinsic’ or ‘extrinsic’ in nature (Sansone & Harackiewicz, 2000). Of the several motivation theories, the extrinsic and intrinsic motivational factors play important roles in influencing the employees’ work performance (Chowdhury, 2007).

Extrinsic motivation is concerned with the behavior influenced by the desire of obtaining external rewards (Shadare & Hammed, 2009). Praise or positive feedback, money, and the absence of punishment are examples of extrinsic or intrinsic motivation. To be a successful in a global market, a firm needs a highly motivated, skilled and satisfied workforce that can produce quality goods at low cost,(Wager, 1998).

## **Work Environment**

By work environment mean everything that forms part of employees’ involvement with the work itself, such as the relationship with co-workers and supervisors, organizational culture, room for personal development, etc. Good working environment such as work relationships, adequate equipment, space, heating, lighting and ventilation motivate employees. Green (2001) says managers can motivate employees by setting in motion the conditions required for motivation such as working environment that enforce employees to improve their performances. Organization officials have a legal responsibility, if not a moral one, to ensure that the work place is free from unnecessary hazards and that conditions surrounding the work place are not hazardous to employees’ physical or mental health. (Decenzo, 2004).

Sekar (2011) argues that the relationship between work, the workplace and the tools of work, workplace becomes an integral part of work itself. The management that dictate how, exactly, to maximize employee productivity center around two major areas of focus: personal motivation and the infrastructure of the work environment. (Sekar, C., 2011).

Wellness programs for healthy working environment, may help organization to cut employer health costs and to lower absenteeism and turnover of employees (Carolyn Petersen).Family health benefits often have spillover effects in the form of loyalty because employees see the benefits as evidence that the organization care about its employees. (Grover and Crooker, 1995).

## Compensation

Compensation is what employees receive in exchange for their work including pay and benefits. The elements of total compensation are two types -indirect and direct compensation. Indirect compensation are security, safety, health, fringe benefits which are legally mandated benefits and direct compensation are base wages ,salaries and pay-for-performance, profit sharing, gain-sharing and equity pay.( Werther and Davis,2004) .

Herzberg and Miller (1968) states that compensation including pay,rewards, communication and working conditions are four common incentives, which motivate employees . Basically compensation refers to all forms of financial returns and tangible services and benefits employees receive as a part of an employment relationship (Milkovich and Newman). Many researchers describe the importance of compensation in motivating employees. Compensation benefits (Pay, rewards, medical and transportation, bonus, provident fund, gratuity and allowance) are a major consideration in human resources management because it provides with a tangible reward for their services (Bohland, Snell and Sherman, 2001).

Sansone and Hareckiewicz (2000) identify that compensation benefits energize and guide behaviors toward reaching a particular goal (Milkovich and Newman, 2002). Stone (1982) indicated that people are motivated by money for many different reasons. The need to provide the basic necessities of life motivates most people (Kovach, 1987). Benefits, both financial and otherwise, send a powerful message to employees of an organization as to what kind of organization management seeks to create and maintain, and what kind of behavior and attitudes management seeks from its employees (Beer, et al, 2012).

Cotton and Tuttle say that employee satisfaction with pay level is important because it has been found to have an effect on levels of absenteeism and turnover (Jerald, 1997). Pay can be a factor in decision to stay or leave, it is clear that dissatisfaction with pay can be a key factor in turnover's (R. Heneman and T Judge, 1999). Linkage between pay and behaviors of employees results in better individual and organizational performance (W. N. Cooke, 1987). Level of pay and systems of pay characteristics influence a job candidate's decision to join a firm (E. E. Lawler, 1971). Because in the bank, there are different levels of work positions and jobs. Like entry, mid and top level. So an organization should manage a standard pay structure for their employees.

In motivation, rewards and incentives directly affect on the behaviors of employees. Human resource professionals are continuously searching for fresh and innovative ideas to drive positive results through employee's incentive, recognition and reward programs. According to Daniel and Metcalf, "High

performance companies understand the importance of offering awards and incentives that recognize, validate and value outstanding work. They keep employees motivated and effective methods of reinforcing company expectations and goals, especially in times when promotion is rare, health premiums are on rise and overall job satisfaction is low” (Evans, 1986).

According to a report by the American Compensation Associations, (August 1996) –“When it comes to reinforcing team behavior, the reward system is one of the most effective and influential tools available to the organization” (IRS1996). Rewards may enhance the employees’ financial well-being through wages, bonuses, or profit sharing, or indirectly, through employer-subsidized benefits such as retirement plans, paid vacations, paid sick leaves, and purchase discounts (Sue Shellenbarger, 1999).

Martin and Touch identifies that employee job satisfaction is a function of extrinsic (pay, promotion and good relationship in the work place) and intrinsic (achievement of tasks) rewards offered by the performance. Rewards that are proportional to the value of salary will facilitate intrinsic motivations (Amabile, 1996). Rewards promote efforts, performance and there is lot of evidence that they often do better for the organization (Gibbons, 1997; Lazear, 2000). Cable & Judge (1994) suggest that job candidates look for organizations with reward systems that fit their personalities. Therefore, the reward issue cannot be ignored, as it will create a situation in which the expectation or the actual goal-directed behavior of one person or group are blocked or are about to be blocked (Steers and Black, 1994).

### **Objective of the Study**

It is an attempt to determine the factors of Work Environment and Compensation to motivate bank employees. The main objectives are:

- To identify the variables of work environment and compensation to motivate different levels of employees of private banks in Dhaka city.
- To find out which factors of work environment and compensation motivate employees of banks most.

### **Research Methodology**

This research design incorporates both qualitative and quantitative approaches. We are using here two major phases of data collection like exploratory phase and main phase. In exploratory phase, data are generated basically a clear picture of the problem. In collecting primary data, random sample survey method was conducted. In this study, 5-Point Likert Scale for each statement was used in the research for obtaining the data from the respondents.

Likert scale is a measurement scale with five response categories ranging from “strongly disagree” to “strongly agree”, which requires the respondents to indicate a degree of agreement with each of a series of statements related to the stimulus object” ( Malhotra and Naresh, 2006 : p-258). Here strongly agree is pointed out in 5 point rating scale-5; 4=agree; 3=neutral; 2= disagree and last of 1= strongly disagree. It provides us to come up with a set of 20 variables to develop a detailed questionnaire. The respondents were asked 20 works related motivational factors by assigning 5-Point Likert Scale for each statement. Five questions were asked for the demographics purpose. Respondents were asked to tick all those criteria (out of 20), which they consider motivational factor for them. We have outlined below the 20 variables in Table-1.

**Table 1: Factors considered for Motivating employees of private bank**

<b>Work Environment</b>	<b>Variables</b>
WE1	I am treated with dignity and respect by management.
WE2	I can utilize my skills and abilities fully.
WE3	My assign duties and responsibilities are interesting, rewarding and challenging.
WE4	I can work with others effectively and happily in my work environment.
WE5	My bank is responsive to change with the external environment and encourage us to change with the organization.
WE6	My bank gives emphasis on honesty, integrity and ethical behavior.
WE7	The amount of work expected to do in my job is reasonable.
WE8	I have support and authority to make the decision.
WE9	I have necessary resources (personnel, finance and tools) to do quality work.
WE10	I am treated fairly regardless of age, race, gender, family status, personality, thinking style.
WE11	I can exchange my views freely in the work place.
WE12	My work environment is overall very comfortable, friendly and cooperative
<b>Compensation</b>	<b>Variables</b>
CP1	The benefits I receive meet my needs.
CP2	I understand the value of the compensation packages that bank deliver to me.
CP3	My bank pays for our performance.
CP4	I receive good medical allowance.



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CP5	My bank is providing me with transport allowance/ facility.
CP6	I am satisfied with overall benefits like leave with pay, maternity leave, pay for performance and security, health insurance, others allowances, profit sharing, bonuses, car facilities were given by my bank.
CP7	My bank has an excellent compensation and benefits package.
CP8	How would you rate the quality of the service you receive when you have a benefits issue, question or claim?

For the preparation of the paper, factor analysis approach has been applied by using SPSS (Statistical Package for the Social Science). Factor analysis is a procedure primarily used for data reduction and summarization (Malhotra and Naresh, 2006:p-560). In this factor analysis process-Total Variance Explained, Rotated component Matrix, Scree Plot, Eigenvalue were applied for analyzing the study.

### **Sample Design and Sample Size for study**

The study was conducted with the employees of different private banks situated in different areas of Dhaka City, Bangladesh. Currently, there are 53 banks operating in Bangladesh including 01 central bank, 49 local banks, and 03 multinational banks. Among these banks 10 private banks in Dhaka city were randomly chosen. 150 questionnaires were filled-up by the different banks employees of Bangladesh (e.g AB Bank Ltd, Brac Bank Ltd, Bank Asia Ltd, South East Bank Ltd, Prime Bank Ltd, Premier Bank Ltd, Dhaka Bank Ltd, Social Islami Bank Ltd, Islami Bank Bangladesh Ltd, Eastern Bank Ltd) give an overall response rate of 82.50 per cent. And the reliability of factor analysis is also dependent on sample size (Field, 2005). So, we have made 150 questionnaires because the number of correlations increases on the basis of the sample size. Because, it is advisable to have a sample size at least five times of the number of variables. Our study population is private bank employees. But there are 49 private banks operating their business in Bangladesh. We cannot take all of them in our study because of time and cost. In factor analysis, minimum sample size has to be more than 100, (Zikmund et al., 2012). So we have decided to collect 150 questionnaire from respondent in different areas of Dhaka city.

These respondents were - branch manager, senior executive vice president, vice president, senior financial officer, senior executive officer. Executive officer, management trainee officer, officer, junior officer who working in various departments with different job responsibilities and organization position in the

banks. Table 2 shows the respondents of different banks with percentage of respondent from each bank.

**Table 2: Respondents from different private banks**

No. of Banks	Name of the Banks	No. of respondents	%
1	AB Bank Limited, Motijheel Br	15	10
2	Bank Asia Limited, Motijheel Br	20	13.33
3	BRAC Bank Limited, Gulshan Br	20	13.33
4	Dhaka Bank Limited, Motijheel Br	20	13.33
5	Eastern Bank Limited, Motijheel Br	15	10
6	Islami Bank Bangladesh Limited, Gulshan Br	10	6.67
7	Premier Bank Limited, Gulshan Br	10	6.67
8	Prime Bank Limited, Tejgaon Link Road Br	20	13.33
9	Social Islami Bank Limited, Gulshan Br	15	10
10	Southeast Bank Limited, Gulshan Br	20	13.33
		n=150	100%

Source: Primary data

Below Table 3 shows the demographic variables and its percentages which we have collected from random sample survey method.

**Table 3: Demographic structure of the Respondents**

Variables	Respondents from different private Banks(n)=150	%
<b>Gender</b>		
Male	111	74%
Female	39	26%
<b>Age</b>		
Below 30	52	34.7%
Between 31 and 35	70	46.7%
Between 36 and 40	21	14%
Between 41 and 45	3	2%
Above 46	4	2.7%
<b>Education</b>		
Master	144	96%
Bachelor	06	4%
<b>Work Experience(years) in the bank</b>		
Below or 5	92	61.3%
Between 6 and 10	44	29.3%
Between 11 and 15	8	5.3%

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Between 16 and 20	1	.70%
Above 21	3	3.3%
<b>Pay Level</b>		
Below Tk. 30000	51	34%
Between Tk.31000 and Tk.40000	47	31.3%
Between Tk.41000 and Tk.50000	28	18.7%
Between Tk.51000 and Tk.60000	6	4%
Above Tk.60000	18	12%

Source: Primary data

Table-3 presents the demographics of the respondents. In this table, we are stated that the types of organization in which they are working with, gender, education, experience or year of working in bank, and age, pay level. As shown in Table 3, out of the 150 respondents, there were 111 (74%) males and 39 (26%) females. It is noteworthy that 144 respondents (96%) of the total respondents graduated with Master's degree, while only 6 (4%) respondents had Bachelor's degree.

Respondents of 90.6% are indicated that they had experience in banking system for below five years, and between six and ten years. There were only a few respondents with experience of more than 10 years. Most of the respondents were between 31 and 35 years of age, comprising 46.7 per cent (70) of the total respondents.

Most of the respondent was from AB Bank Ltd, BRAC Bank Ltd, Bank Asia Ltd, Prime Bank Ltd and Southeast Bank Ltd comprising 66.67%(100) of the total respondents. A major portion of the respondent those who get salaries below tk. 30000, comprises 51(34%) and receiving salaries between 31000 and 40000 comprises 47 (31.3%) of the total.

### Reliability of Data

In this phase of analysis, we have tested the validity of data with the help of reliability Scale (the Cronbach Alpha) and KMO and Bartlett's Test. In all cases, we see that the survey data are allowed greater precision and clarity in result. Reliability refers to the lack of measurement error in the items on a scale (Kerlinger, 1973). Basically, reliability refers to the consistency or dependability of a measuring instrument. This questionnaire is valid for measuring the employee motivation and working environment and compensation. The reliability of the valid questionnaires was assessed by the Cronbach Alpha reliability coefficient. Seventy or higher is considered acceptable in most social science research situation (Nunnally, 1978).

**Table 4: Reliability analysis –scale (Alpha)**

Reliability Coefficients	
N of Cases = 150.0	N of Items = 20
Alpha = .7680	

Source: Questionnaires

Table 4 shows that the reliability value in the present study is found as 0.7680. Also we have found the reliability of all values are more and near about .70 and not less than .70(Appendix A-1: Item total statistics). The result demonstrated that survey result have high reliability and ensure a proper ground for further analysis. Table 5 below presents the KMO and Bartlett's test. "The Kaiser–Meyer–Oklin (KMO) measure of sampling adequacy is an index used to examine the appropriateness of factor analysis. Bartlett's test of sphericity is a test statistic used to examine the hypothesis that the variables are uncorrelated in the population."KMO and Bartlett's test of sphericity are used test hypothesis" (Malhotra and Naresh, 2006: p-561).

**Table 5: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.784
Bartlett's Test of Sphericity	Approx. Chi-Square	967.234
	df	190
	Sig.	.000

Source: Questionnaires

From the table-5, we see that the result of KMO test 0.784. When it is over 0.5, it will be acceptable. Hence it can be said that factor analysis is appropriate for these data. On the other hand, Bartlett's Test of Sphericity has the approximate Chi-Square score 967.234, degrees of freedom is 190 and this test is significant at 0.000(have a significance value less than 0.05). This all point that Bartlett's test is highly significant ( $p < 0.001$ ) and therefore, factor analysis is appropriate for the analysis.

### Analysis and Findings

Now, we have analyzed the factor analysis by extracting the principal components using Varimax with Kaiser Normalization method. The different method of factor analysis requires extracting a set of factors from a data set. In general, only a small subset of factors is kept for further consideration and the remaining factors are considered as either irrelevant or non-existent. It is important stress that the choice of subspace strongly influences the result of the rotation. We need to try several

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sizes for the subspace of the retained factor in order to assess the robustness of the interpretation of the rotation. For, Varimax , a simple solution means that each other has a small number of large loadings and a number of zero loadings. After a varimax rotation each original variables tends to be associated with one of the factors.

**Table 6: Total Variance Explained**  
(Extraction Method: Principal Component Analysis)

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	<b>5.558</b>	27.792	27.792	2.470	12.352	12.352
2	<b>1.794</b>	8.968	36.760	2.291	11.457	23.809
3	<b>1.497</b>	7.487	44.247	2.278	11.390	35.199
4	<b>1.284</b>	6.418	50.665	2.031	10.154	45.352
5	<b>1.137</b>	5.683	56.348	1.942	9.710	55.063
6	<b>1.054</b>	5.270	61.618	1.311	6.555	61.618
7	.985	4.927	66.545			
8	.891	4.454	70.999			
9	.820	4.101	75.100			
10	.803	4.015	79.115			
11	.662	3.311	82.427			
12	.571	2.855	85.281			
13	.525	2.625	87.906			
14	.473	2.365	90.271			
15	.468	2.338	92.609			
16	.389	1.945	94.554			
17	.338	1.691	96.245			
18	.304	1.519	97.764			
19	.286	1.428	99.192			
20	.162	.808	100.000			

In the table 6, we have identified the principal components based on their eigenvalue, which is the variance of the factors. In the initial factor solution, the first factor will account for most variance, the second will account for next highest amount of variance. Although we have 20 factors, the factor space is very less. There are most important six factors possible in the space. It also validates that we got six factors in total with eigenvalue( greater than 1) in our analysis.

In the above table, we have shown that the Eigenvalue is over 1 when there are 6 components or factors. Eigenvalue represents the total variance explained by each

factor, (ZiKmund, at.al, 2012). The number of factor determined when the cumulative percentage of variance extracted by the factors reaches a satisfactory level. It is recommended to extract those factors that account for at least 60 percent of the variance, (ZiKmund, at.al, 2012). So, in our study, we have found that the cumulative percentage of variance is- 61.618% for six factors that are the original 20 .Thus, the six factors explain 61.618% of the variance in the 20 variables. So it is reasonable to take six factors (components), the scree –plot states also the same result.

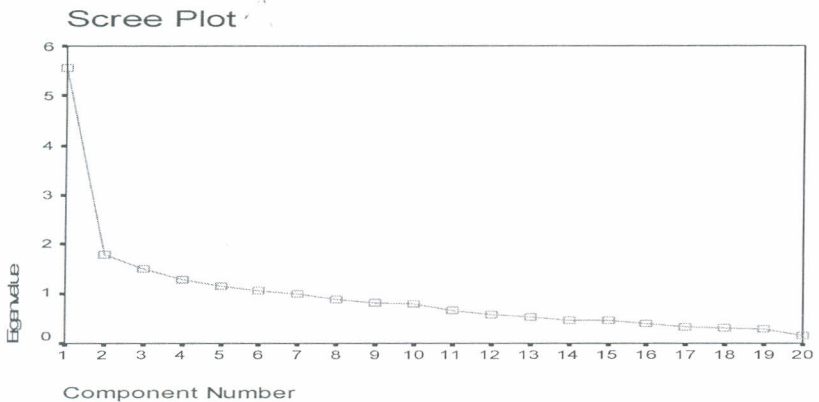


Figure 1: Scree Plot of Component Analysis

In previous page, we have shown the Scree plot that is the graphical presentation based on principal component analysis, where the total variance is explained by 20 components, where the first six components indicate that the Eigenvalue is over 1. A Scree plot is a plot of eigenvalues against the number of factors in the order of extraction. The plot consists of a distinct break between the steep slop of factors. So, the number of factors is determined at the point the scree begins, (Zikmund, at.al, 2012). In the above figure we see, the scree begins at factor 6.

Below, we have given the factor loading for the Varimax Rotated Component Matrix. Factor loading indicates how strongly correlated a measured variable is with that factor or to what extent does a variable load on a factor, (Zikmund, at.al, 2012). In Here , we have taken those factor loading which are correlate with the variable more or equal 0.5.

**Table 7: Rotated Component Matrix**

Variables	Component					
	Factor1	Factor2	Factor 3	Factor 4	Factor 5	Factor6
WE1	<b>.610</b>	.332	.260		-.316	.242
WE2	<b>.832</b>		.305			
WE3	<b>.825</b>			.279		
WE4				<b>.688</b>	.239	
WE5	.252	.375		<b>.639</b>		
WE6		.278		<b>.783</b>		
WE7	.400		.432			
WE8		<b>.534</b>	.279	.235		
WE9		<b>.670</b>				
WE10		.338	.473			.464
WE11						<b>.782</b>
WE12		<b>.562</b>		.330		.412
CP1	.456	.446	.308		.267	
CP2		.228	<b>.763</b>			.204
CP3			<b>.602</b>	.233	.208	
CP4					<b>.786</b>	
CP5					<b>.615</b>	.289
CP6		<b>.570</b>				
CP7	.409		.446		.467	
CP8		.299		.426	<b>.527</b>	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

The above Table 7 gives us the factor loadings using the varimax rotated method that six factors or components are considered on which motivation of the employees can be measured. Factor rotation is a mathematical way of simplifying factor result so as to better identify which variables load on which factors. The most common type of factor rotation is a process called varimax, (Zikmund, at.al, 2012). Here Factor 1 has highly positive correlation with WE1, WE2 and WE3. Factor 1 explains the variables, dignity and respect, utilization of skills and abilities and interesting, rewarding and challenging work. So, we can summarize that all the variables are related with effective performance management systems.

Factor 2 includes variables of WE8, WE9, WE12 and CP 6 which explains variables support and authority of decision making; available resources to do quality work; comfortable, friendly and cooperative environment; overall benefit

given by bank provide good security which are related with knowledge sharing environment.

Factor 3 includes, CP2 and CP 3- understands the value of compensation and medical allowance which are related with understandable and clear compensation structure. That is also important to notice that we have got this value in our binding motivational factors.

Factor 4 also includes- WE4, WE5, and WE6 (working together effectively and happily; honesty, integrity and ethical behavior) which also related with participative and cooperative work environment. Factor 5 includes CP4, CP5, and CP8 (medical allowance, transport allowance and rate the quality of the service of benefit which are related with standard benefits and allowances as per organization own HR policy, Bangladesh Bank rules, local market and industry average policy and last , factor 6 includes WE11 (free exchange of view) which we can say the employee empowerment.

Below tables shows the factors and its variables:

**Table 9: The Factors loading mean and ranking their loads**

Factors	Factor Loading mean	Ranking
Employee Empowerment	.782	1
Effective Performance Management System	.756	2
Knowledge Sharing Environment	.703	3
Standard benefits and allowances as per organization own HR policy, Bangladesh Bank rules, local market and industry average policy	.701	4
Understandable and clear structure of compensation	.68	5
Participative and cooperative environment	.584	6

From the above calculation(Appendix -2:Calculation of factor loading mean), we can say- free exchange of view which is basically the empowerment of the employee; dignity and respect, utilization of skills and abilities and interesting, rewarding and challenging work which we can rename with effective performance management system ; work together effectively and happily, honesty, integrity and ethical behavior which are related with knowledge sharing environment ; medical allowance, transport allowance and rate the quality of the of benefits related to standard benefits and allowances as per organization own HR policy, Bangladesh Bank rules, local market and industry average policy. So, work environment and compensation which create direct impact on the motivation of employees. And second dominant factors are understood the value of compensation and medical



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allowance which we can say the understandable and clear structure of compensation; support and authority of decision making; available resources to do quality work; comfortable, friendly and cooperative environment which are related with participative and cooperative environment. All these factors can create impact on the motivation of employees. Motivation is linked with good work environment and high level of compensation.

The organization must understand that what type of work environment variables can motivate their employees and employees can become loyal for the organizations which benefit the organization in the long run such. Moreover, the organizations should develop a work environment and compensation structure that the needs of the employees can meet in a best possible way and that they don't look around to meet their needs.

### **Conclusion**

The main findings of the study have generated some important implications for motivating these employees of bank. This study extends our understanding of employee motivation by examining the differences between the importance and availability of various motivational factors to the employees in the private banks of Bangladesh. In this study, we have analyzed some important and basic factors of work environment and compensation. Furthermore, it provides the managers with deeper insights about the motivational factors of employees in the context of Bangladesh, which may help them in formulating appropriate motivational policies for the development of their employees also their organization growth. Overall, the findings suggest that employee empowerment; effective performance management system; knowledge sharing environment; standard benefits and allowances as per organization own HR policy, Bangladesh Bank rules, local market and industry average policy understandable and clear structure of compensation and last of all we find that employees of different bank also give importance of participative and cooperative work environment according to their ranked importance. Now in Bangladesh, there are more than 55 banks are operating their business with high competition. Though the supply of labor is high in the labor market, most of the experienced and skilled worker demands better compensation and work environment from their employer. If employer want to recruit those people they have to provide better work environment and compensation to the employees to retain and attract them. So, last of all, we can say, the limitations of the study exist due to limited data from employees of different banks. Inclusion of more number of employees with different grades of different banks could enrich the analysis and implications of the study. However, decision makers at organizational level may utilize the above findings for betterment of employees which ultimately will buildup human capital for the organization. Motivated employees can pay back

much higher to the organization rather than de-motivated employees. Further study can be done by using more data and analysis with different other factors.

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## Appendixes

### A 1: Item-total Statistics

Scale	Scale Mean if Item Deleted	Variance if Item Deleted	Item Total Correlation	Corrected Alpha if Item Deleted
WE	42.1733	82.9228	.4281	.7566
WE2	41.9000	78.708	.5051	.7477
WE3	42.0067	81.0268	.4853	.7520
WE4	42.0333	81.9922	.2793	.7620
WE5	41.9933	81.8322	.5621	.7520
WE6	42.1600	83.6521	.4014	.7585
WE7	41.7733	80.4047	.4132	.7537
WE8	41.7667	80.7707	.4550	.7525
WE9	41.8867	82.8663	.4159	.7568
WE10	41.8333	80.8512	.4822	.7518
WE11	41.6867	77.9884	.0768	.8247
WE12	42.0867	82.2005	.4301	.7554
C1	41.5400	77.0017	.5592	.7430
C2	41.9200	82.0204	.4427	.7548
C3	41.6267	80.4369	.3224	.7592
C4	41.9667	82.4083	.3733	.7574
C5	41.7267	82.2134	.2878	.7614
C6	41.1467	77.4817	.2018	.7829
C7	41.3267	77.8993	.5615	.7443
C8	41.7000	79.9832	.5141	.7494

### A-2: Calculation of Factor loading Mean

In the table-7: Rotated Component matrix, we have seen that WE1, WE2 and WE3 are highly correlating with factor 1 compare to other factors. So, we have calculated factor loading mean of this factor in the following way to rank the factor.

$$\begin{aligned} \text{Factor loading mean} &= \frac{.610 + .882 + .825}{3} \\ &= .756 (\text{Ranking 2}) \end{aligned}$$

In the above way, we have done all the calculation to rank all other five factors.