



# VIT<sup>®</sup>

**Vellore Institute of Technology**

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**School of Information Technology and Engineering**  
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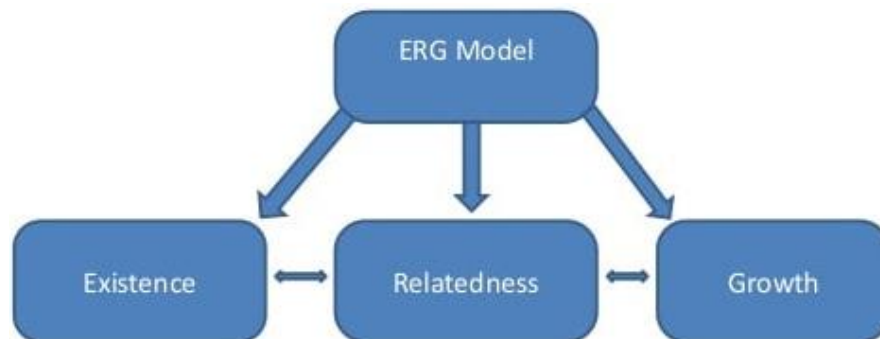
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Q. Based on your knowledge of the different motivation theories, write an essay on how the employees in a particular organization chosen by you can be motivated. What are your suggestions to the management for improvement?

Motivation is derived from a Latin word 'movere' which means to move or to energise or to activate. Motivation refers to the way on which urges, drives, desires, aspirations or needs direct, control, or explain the behaviour of human beings. This essay will analyse how the employees of **Citi Bank** can be motivated based on the theories of motivation.

### Theories of Motivation:

1. ERG Theory: ERG theory, developed by Clayton Alderfer, is a modification of Maslow's hierarchy of needs. Alderfer proposed that basic human needs may be grouped under three categories – Existence, Relatedness, and Growth. The number of years employees stays in an organization the more its needs keep on changing and this theory recognizes the multiple needs that may be driving employees at a given point to understand their behaviour and management can properly motivate them.



2. Herzberg's Two Factor Theory: Two-factor theory is heavily based on need fulfilment because of their interest in how best to satisfy workers. They carried out several studies to explore those things that cause workers in white-collar jobs to be satisfied and dissatisfied. They classified Hygiene Factors as dissatisfied and motivating factors as satisfied. The hygiene factors are company policy and administration, technical supervision, salary, interpersonal relationship with supervisors and work conditions; they are associated with job content. The motivating factors are those factors that make workers work harder and classified them as follows: achievements, recognition, work itself, responsibility and advancement.



3. Acquired-Needs Theory of David McClelland's: Also known as the Three-Need Theory or Learned Need Theory. According to acquired-needs theory individuals acquire three types of needs as a result of their life experiences. These are need for achievement, need for affiliation and need for power. These reflect that, managers in the bank should be recognized and not motivated by money and as such motivated with the necessary power to carry out the bank duty. There is the need to encourage good relationship among staff. All individuals possess a combination of these needs and the dominant needs are thought to drive employee behaviour.



4. Maslow's Hierarchy of Needs: According to Maslow, Hierarchy of need identifies five levels of human needs: physiological, safety, social, ego, and self-actualizing. Lower-level needs must be satisfied first before the next higher-level need since this will motivate employees.



Esteem needs are broken down further into lower and higher esteem needs. The lower esteem needs are the need for others' respect, including status, glory, attention and dignity; the higher esteem needs are the need for self-respect, including confidence, achievement, independence and freedom. These D-needs can easily be linked to *workplace motivation*. People at work who feel hungry, hot, or in pain will be concentrating more on fulfilling the physiological need than being motivated at work. The same goes for safety and security needs, love and belonging needs and self-esteem needs. Individuals who believe that their job is threatened or their work environment is chaotic will be more concerned about their safety and security needs than they will be motivated to meet or exceed their daily work expectations. If a lack of community in the work environment exists, individuals will seek to fulfil their love and belonging needs rather than being motivated to complete projects. And finally, if employees believe that they are not getting recognition in the workplace, they will be focused on esteem needs and find being motivated on the job more difficult.

At the top of Maslow's pyramid is the need for self-actualization. This self-actualization, unlike the D-needs, continues to be felt once it is engaged. This need is the continuous desire to strive for greatness, to be all that you can be, to continuously excel and to fulfil one's potential. This B-need further supports why supervisors should be aware of motivation and its components. If D-needs are satisfied in one's employees, those employees will do what they can to fulfil the self-actualization needs.

This need for self-actualization is critical in workplace motivation as it is the person's need to fulfil her or his potential. This need seems to feed from itself. Once the need is met, an

individual is more likely to strive to continue to meet the need. Within the workplace, Baron defines motivation as the variable that drives employees to "want to act" and "choose to act" to succeed in the workplace. Further, motivation is explained as the energy that encourages work-related behaviour and influences one's work style, direction, intensity and duration. The phrase 'work motivation' allows researchers to further investigate motivation in the workforce, more specifically the energy that encourages work-related behaviour and influences one's work style, direction, intensity and duration.

There are two types of motivation at work, which stem from internal (intrinsic) and external (extrinsic) forces, are essential to production because they encourage employees to perform tasks. Internal motivation is a very personal form of motivation and revolves around completing a task for the sake of the task. In this case, an employee completes a task early because it is rewarding to her or him, not because of a reward that might be earned. External motivation comes from other sources, including feedback from one's supervisor; team or company goal setting, and monetary rewards. Supervisors can impact this motivation and should recognize, the important role they have in the motivation of their subordinates. Supervisors need to know how to motivate their subordinates to create extrinsic motivation because they have very little influence over internal motivation.

The motivational packages that are offered to the employees of Citi Bank are –

- Periodic Enhancement of Salaries
- Promotion
- Employee car and house Loan Schemes
- Fringe Benefits

When employees were asked to choose from a range of motivational packages, the most important one to each of them, majority of the respondents recognized enhancement of salaries to employees as the most important to them. The next was fringe benefits and then the third most preferred was promotions. Thus, all the categories of staff in the bank are clerical, supervisors and managers chose enhance salaries as their first priority. Well paid employees are normally committed to their jobs and hardly indulge in fraud as against leanly paid employees.

When studying motivation in organizations, it is important to consider money, hierarchy and task performance as overarching workplace components. Money in an organization can be a relatively simple concept; an organization must be making money to survive in the economy, and must provide money to employees to retain skilled professionals so that they in turn can support themselves, and often others, in society. The organizational hierarchy is in place to give order and direction to organizations. As mentioned above; the communication in this hierarchy, such as between supervisor and subordinate, is imperative to organizational production.

Finally, the task performance element of motivation is based upon whether the individual can actually perform job expectations. This includes mental and physical capacities and although an individual may be motivated, if that individual cannot perform the job to begin with, the motivation will not take him or her as far as he or she needs to go. Organizations seek to fill this performance gap not only by making good organizational hires, but also by initiating workplace training.

Apart from providing monetary benefits and promotions (which are usually given after long intervals despite good performance) managers can take following steps based on the above theories to further motivate the employees of Citi Bank.

- Personally thank employees for doing a good job — one on one, in writing, or both. Do it promptly, often, and sincerely.
- Be willing to take time to meet with and listen to employees. Give them as much time as they need or want.
- Provide specific feedback about the performance of the employee, the department, and the organization.
- Strive to create a work environment that is open, trusting, and fun. Encourage new ideas and initiative.
- Provide information about upcoming products and strategies, how the company makes and loses money, and how each employee fits into the overall plan.
- Involve employees in decisions, especially those decisions that directly affect them.
- Encourage employees to have a sense of ownership in their work and their work environment.

- Create a partnership with each employee, giving them a chance to grow and learn new skills. Show them how you can help them meet their goals within the context of meeting the organization's goals.
- Celebrate successes of the company, the department, and the individuals in it. Take time for team- and morale-building meetings and activities.
- Use performance as the basis for recognizing, rewarding, and promoting people. Deal with low and marginal performers so that they improve their performance or leave the organization.
- The clerical employees should be motivated with meritorious promotions, job rotation and job enrichment to reduce boredom and challenged to be innovative.
- Supervisors and managerial staff should be trained to develop sharper skills so that employees can be up to the task when given the opportunity. Training and development of employees must not be down play.
- The period for extrinsic motivational packages to long serving staff could be reviewed down or reduced so that meritorious staff with lesser period of service may also benefit from it. This can help to maintain some staff from leaving Citi Bank to other banks.
- Board of Directors and management should approve of new motivational packages which influence performance at the bank. The new employee on clerical schedule can be given car loan and enhanced salaries to motivate him/her to stay longer.
- The supervisors and managers can be given housing loan and recognition, such as best loan recovery/deposit mobilizing officer for the year, etc to continuously seek and work for higher achievements.
- Management can do well by increasing the value of the motivational packages which is already in existence to enhance performance.
- Furthermore, the innovations of employees must be accepted and articulated in order to enhance motivation and for that matter performance.

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