

FACTORS AFFECTING EMPLOYEE MOTIVATION IN COMMERCIAL BANKS OF KATHMANDU

A Dissertation submitted to the Office of the Dean, Faculty of Management in
partial fulfillment of the requirements for the Master's Degree

Submitted By:

Rashmi Pokhrel

Campus Roll No.: 599/076

Exan Roll No: 23848/20

Registration No: 7-2-3-45-2014

Shanker Dev Campus

Kathmandu

July, 2024

CERTIFICATE OF AUTHORSHIP

I hereby collaborate that I have researched and submitted the final draft of dissertation entitled “**Factors affecting employee motivation in Commercial Banks of Kathmandu**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as a part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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Rashmi Pokhrel

July, 2024

REPORT OF RESEARCH COMMITTEE

Ms Rashmi Pokhrel has defended research proposal entitled “**Factors affecting employee motivation in Commercial Banks of Kathmandu**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Dr. Kapil Khanal and submit the thesis for evaluation and viva voce examination.

Asso. Prof. Dr. Kapil Khanal
Dissertation Supervisor

Dissertation Proposal Defended Date:

.....

Signature.....

Dissertation Submitted Date:

.....

Asst. Prof. Dr. Sajeeb Kumar Shrestha
Head, Research Department

Dissertation Viva-voce Date:

.....

Signature

APPROVAL SHEET

We, the undersigned, have examined the dissertation entitled “**Factors affecting employee motivation in Commercial Banks of Kathmandu**”. presented by Rashmi Pokhrel candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva-voce examination of the candidate. We hereby certify that the dissertation is worthy of acceptance.

.....
Asso. Prof. Dr. Kapil Khanal
Dissertation Supervisor

.....
Internal Examiner

.....
Internal Expert

.....
External Expert

.....
Asso. Prof. Dr. Sajeeb Kumar Shrestha
Chairperson, Research Committee

.....
Asso. Prof. Dr. Krishna Prasad Acharya
Campus Chief

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ABBREVIATIONS

COVID-19	: Corona Virus Disease 19
HR	: Human Resource
NRB	: Nepal Rastra Bank
SPSS	: Statistical Package for Social Science

ABSTRACTS

The banking industry has consistently brought up a number of concerns about employee motivation. A number of factors that describe the causal link between the various antecedents and performance have been used to predict employee motivation. Numerous studies have shown the connection between job security, employee relations, proper and equitable remuneration, a secure and healthy work environment, the chance to grow as a person, and, finally, autonomy and employee motivation. The purpose of this paper is to assess the effect of employee motivation at the Kathmandu Valley Commercial Bank. The research model explains how certain independent variables, such as career development, benefit recognition, and time flexibility, relate to employee motivation, which is the dependent variable. The survey was conducted using a questionnaire administered to 450 banking professionals working in different commercial banks of Kathmandu valley. The questionnaire comprised of five classifications and Likert scale questions were used. The questionnaires were distributed to the respondents in order to collect the information. The questionnaire measures variables career development, recognition/benefit and time flexibility and employee's motivation. Thus, the research was solely based on primary data. The research is quantitative in nature. The sample of 450 respondents was selected on the basis of convenience and the location of sample selected was Kathmandu. The collected data were organized, analyzed and managed by simple descriptive analysis using Statistical Package for Social Scientists (SPSS) and Microsoft Excel. The data from the respondents when analyzed via SPSS software confirmed the connection between these variables and employee motivation. The results of those respondents were analyzed to ascertain the differences in their views regarding the motivation level of employees in banking sector. For the purpose of variety of statistical tools from SPSS were used such as frequencies, percentages and correlation, regression, one-way ANOVA test, mean and standard deviation. The result obtained showed that there is significant positive impact of career development and time flexibility on employee motivation. Thus, this study concluded that employee motivation in commercial banks in Kathmandu is affected by career development and time flexibility.

Keywords: Career development, Recognition/ benefits, Time flexibility, Employee motivation

CHAPTER I

INTRODUCTION

1.1 Background of the study

A bank is a kind of economic organization that trades in money and credit to promote national and individual economic development. The banking sector is made up of several bank kinds and tiers. It is required for the creation of capital, the monetization of the economy, remittances, agency functions, foreign exchange, money transfers, and other things. The NRB, Nepal's central bank, regulates all financial institutions. In Nepal, the banking sector is seen as one that is well regulated and trustworthy. Employee motivation is one of the trickiest parts of human resource management. Employee satisfaction, productivity, effort, absenteeism, labor turnover, loyalty, and success are some of the ways it shows up. Although it is quite complicated, motivation is often described as an internal state that prompts an employee to participate in certain activities or as a collection of elements that influence workers to behave in certain ways. This is due to the fact that employee motivation is the result of several interrelated elements, including the organization's culture, management's style of leadership, organizational structure, job design, and HR policies and procedures. Aside from personality, a worker's knowledge, skills, talents, and attitudes also matter.

The Latin word "movere," which meaning to move, is where the word "motivation" originates (Baron, Henley, McGibbon and McCarthy, 2012). According to Certo (2016), motivation is the process of providing individuals with incentives to do desired actions. According to Nelson (2013), motivation may also be defined as the act of igniting and maintaining goal-directed behavior. The most important component in improving an organization's performance is employee motivation. During the globalization era, every business must survive in a highly competitive market. The key players in making the company's objectives a reality are the employees. As a result, every company in the modern world strives to manage its human resources division to maintain employee motivation. Regardless of whether an organization is in the public or private sector, motivation is regarded as one of the most important factors (Baldoni, 2005b). Keeping up with employee motivation, which either directly or indirectly affects their performance, has become

increasingly difficult. "Motive" refers to a person's needs, desires, and wants. Consequently, the process by which companies encourage staff members to meet company objectives via bonuses, awards, raises, etc. is referred to as employee motivation. This study (Creswell, J. 2012) on the relationship between motivation and employee performance sheds light on the motivational factors that influence employee performance within the company as well as the strategies that the company uses to encourage top performance (Aung, 2008).

What is it that really spurs workers on? For decades, human resource managers have grappled with this inquiry. Human resource managers, however, would be amiss to see motivation as only a matter of "getting workers to put in more effort." The indicators of motivation—or lack thereof—include labor turnover, quality, safety, timeliness, and absenteeism. The majority of employees believe that receiving more praise for their efforts, learning more about current events, having more opportunity to hone their talents and be creative, having more money, and having more interesting job will all inspire them to perform better at work.

Human resource managers should also not believe that motivation is the only factor that leads to improved performance. An organization's individual performance is influenced by a wide range of other elements. Employee effort alone cannot make up for things like skill or aptitude deficiencies, out-of-date machinery, inadequate organizational design, or budgetary limitations. While some workers are driven by recognition, the majority of employees are motivated by monetary incentives (McCoy, 2000). Employee motivation is crucial for businesses since all endeavors need human, financial, and material resources in order to achieve their objectives. Full use of human resources can only be achieved via incentive. This may be achieved via increasing workers' willingness to work. This will assist the business in ensuring optimal resource usage. It leads to a rise in output, a decrease in operating expenses, and an improvement in overall efficiency. The variables influencing employee motivation and performance are the main subject of this research. Maintaining employee motivation is much more difficult than motivating them (Levy, 2013). Organizations are under tremendous pressure these days to find and put into place initiatives that would increase worker productivity (Deci, 2013).

Having worked in the banking business for a few years, the researcher has seen the industry go through many stages. What attracted the researcher's attention the most was the shift in hiring practices and the whole human resource management system. The study came to the conclusion that a number of elements influence employee motivation, which in turn influences the overall performance and objective of the firm. Therefore, the purpose of this study was to determine the motivating elements and how they affect the output of workers at Kathmandu Valley's commercial banks.

The study set out to determine the present state of employee motivation at Kathmandu's commercial banks. Therefore, it was discovered from surface analysis and cursory investigation that most commercial banks in Kathmandu had very stressful work environments that were unsatisfactory from the employee's point of view. The workforce was not particularly content or driven to work to the best of their abilities or desire. This was a significant problem pertaining to the banking industry, which is regarded as one of the most sought-after industries in Nepal. Thus, the researcher intended to investigate the elements that influence the motivation of workers at Kathmandu's commercial banks.

Numerous studies have demonstrated the connection between job security, employee relations, adequate and equitable compensation, a safe and healthy work environment, the chance to grow as a person, and autonomy; however, elements such as career advancement, recognition, and time flexibility were not discovered to be taken into consideration.

Informally conversing and getting together with friends and coworkers, we often discussed occupations and their benefits and cons. We ultimately talk about the things that most inspire and demotivate us. Following a series of conversations, the researcher concluded that three to four key aspects are really what actually motivate workers. They are: Time flexibility, turnover rate, promotion, pressure/stress, and recognition. The majority of my colleagues who work in banking have said that they are not entirely happy with their jobs. They acknowledged that they lack motivation to put in a lot of effort. The goal of the study was to determine whether or not these elements really contribute to motivation. In order to examine these factors and determine the outcome, the researcher carried out this investigation.

Lastly, it's critical for HR managers to understand the difference between work contentment and motivation. The "why" behind an activity is its motivation. Work satisfaction is a reflection of how a person feels about several elements of their job. To achieve the goals of the company, managers must persuade their staff to perform in a precise, goal-directed manner. Job satisfaction is attained if this is carried out in a way that allows workers to acquire what they want from their work. Thus, satisfaction is the final state that arises from achieving a certain objective.

1.2 Problem Statement

The fundamental purpose of motivation is to get people to perform quickly and in the manner that the management wants them to by giving them the proper combination of direction, advice, tactics, assets, and reward. The most valuable asset for any company is its workforce, hands down. Moreover, there is a notable decrease in the expenses associated with hiring and retaining staff, and the system's ability to retain engaged workers for extended periods of time may facilitate career growth (Nyameh et al., 2013).

Motivated workers are able to quickly adjust to new developments in technology. Because they are typically more creative and effective at work, these people contribute significantly to improving individual and organizational performance and productivity via their skill and devotion. Employees without motivation prevent management and the company from achieving its goals. Motivated employees are thus a project's most important asset. Employee motivation and performance, whether at the individual or organizational level, are highly correlated (Poudel & Pradhan 2019).

Organizations are under continual pressure to maintain their workers in a highly competitive, global economy (Deci, 2013). According to Stanley (2012), motivation is a critical component for talent retention and performance in the modern workplace, where businesses are looking for a competitive advantage. The objective is to establish an engaging and stimulating work environment where individuals desire to remain, develop, and contribute their knowledge, experience, and expertise—regardless of the state of the economy. Workers with a high degree of expertise, dependability, and experience are a great addition to any company. It is

clear that workers with high levels of motivation are more likely to be highly productive.

Furthermore, various motivations drive different individuals. Supervisors and managers should not adopt a one-size-fits-all strategy; instead, they should learn what drives each unique employee (George and Jones, 2013). A company is only as good as its employees. Since human resources are unique and need particular management attention and effort, they must be handled with extreme caution. Storey (2013). As a result, research like this one is a priceless tool for businesses looking to increase employee motivation while reducing attrition and subpar performance. In light of this, the researcher made the decision to investigate the causes of employee motivation and its consequences on productivity in Kathmandu's Nepalese commercial banks. The following issues, which are prevalent in Kathmandu's commercial banks, will be taken into consideration for this study:

i) Pressure / Stress:

Staff members are under a great deal of stress as a result of the bank management's drive to become the best bank in the sector. The management requires a certain outcome no matter what. Thus, all of the pressure is directed at medium and lower level staff members. Thus, this may be a key element in boosting employee motivation. As a result, this research has addressed this issue.

ii) Rate of turnover:

Another problem facing the banking sector these days is staff turnover. Workers often move companies for a variety of reasons, including more flexible scheduling, higher income, etc. Employees experience employment instability as a result of frequent transfer orders. Thus, this may be yet another important component influencing employee motivation. Thus, our work has attempted to solve this issue.

iii) Promotional delay:

Banks often delay the promotions of qualified personnel without good cause, which discourages them from putting in more effort and commitment. Thus, this may also play a significant role in employee motivation or demotivation. Workers expect their employer to reward them for their efforts with promotions, raises in salary, and other benefits; when this expectation isn't met, workers get disillusioned. As a result, our research also addresses this issue.

The problem toward which the study is directed is to explore the following research questions:

- i) What elements influence workers' perceptions of their motivation and present circumstances?
- ii) Is there a relationship between employee motivation and professional development?
- iii) What is the effect of recognition on employee motivation?

1.3 Objectives of the study

The research goals reveal the aim of the investigation. In terms of research goals, they serve as a kind of road map that guides one down the correct route and supports the study's rationale. This research explores the relationship between employee motivation and performance, as well as the variables that influence employee motivation in Kathmandu's commercial banks both during and after the COVID-19 pandemic. The following is a list of the study's objectives:

- i) To assess elements influence workers' perceptions of their motivation and present circumstances.
- ii) To examine the relationship between employee motivation and professional development.
- iii) To investigate the effect of recognition on employee motivation.

1.4 Research Hypothesis

Two factors—the dependent variable, which measures employee motivation—and the independent variables, which measure career advancement, recognition, and time flexibility—are removed from the study. The conclusions about these all-independent factors' effects on the dependent variable—employee motivation in the commercial banking industries—will be revealed.

H1: There is significant association between career development and motivation.

H2: There is significant association between recognition and motivation.

H3: There is significant association between time flexibility and motivation.

1.5 Rationale of the Study

In order for the researcher to complete the coursework required for the Master's degree, this study is crucial. Furthermore, this research is useful in gathering factual data on the genuine drivers of employee motivation, whether they be non-financial, financial, or something else entirely. Additionally, this research will aid in understanding the level of performance provided by workers at various motivational levels. This research also shows how important it is for the banking industry to hire competent workers for various departments. Competent human resources are becoming more and more essential to corporate operations and valuable assets for the growth of the organization as a result of the expanding global economy. It became difficult to keep up with the new methods of doing things, the development of new technology, and the launch of new financial services and products, particularly in the banking industry. A great deal of banks are realizing that maintaining staff happiness is essential to their continued existence in the cutthroat industry. Employee motivation for their job is necessary for this, since it enables them to perform well and efficiently. Taking into account the talent and performance of the workers, the suitable person will be in the proper department. The banking industry may be able to improve in some areas where they are falling short by using the study's results as a guide. Additionally, this study will support the actions that must be taken to improve employee motivation in order to get the most performance out of them. This study may be used as a resource for those wishing to carry out more research on the same subject and benefit educators and researchers of education.

In conclusion, the study's findings are beneficial to individual workers, researchers, and Nepal's commercial bank management. Therefore, ability and motivation combine to produce job performance. Therefore, in the Nepalese environment, motivation is crucial for reaching objectives (Chaulagai, 2017). Employee motivation and their eager and vivacious approach to work completion are crucial for an organization's success (Cheng, 1995). The degree of motivation that workers experience in their work is contingent upon their level of productivity. It is anticipated that motivation would improve high-caliber performance.

1.6 Limitations of the Study

The limitations of this study are as below:

- This study covers only three variables affecting employee's motivation i.e. career development, recognition/ benefits and time flexibility.
- This study covers only the employees of commercial banks, not all the employees in banking sector.
- This study is based on questionnaires and hence the analysis may be correct to the extent of the quality of responses.

CHAPTER II

LITERATURE REVIEW

A review of the literature involves analyzing concepts and hypotheses in addition to reviewing earlier studies and their conclusions. Examining the literature may help one become more knowledgeable in their field, identify areas where new research can be done, and provide suggestions for new study designs. In order to better understand employee motivation in private commercial banks and its critical determinants—career growth, incentives, recognition, time flexibility, etc.—this chapter reviews previous research and presents a variety of hypotheses. Numerous research investigations have been carried out to ascertain the variables that impact employee motivation across diverse workers in various workplaces worldwide. The material we consulted to comprehend and explore the research topic and evaluate is referred to as the literature. It is a critical synopsis of the available literature in the area of investigation. Summarizing research papers or studies' main points and pointing out connections to related studies in the same topic are helpful. Reviewing the literature is essential because it serves as both a basis for the current investigation and a source of direction for the specific study (Pant, 2016).

Among the management topics that has been studied the most is definitely motivation. A manager will be more effective if they understand what inspires their staff (Mullien, 1997). Managers must identify the requirements of staff members, reasons that inspire them, and sources of income where suitable incentives are offered to meet the needs of workers in order to inspire them to work toward the objectives of the firm. The success of the management will have a favorable effect on the performance of the bank.

2.1 Theoretical Review

2.1.1 Maslow's Hierarchy of Needs

Maslow's Hierarchy of Needs is a seminal psychological theory proposed by Abraham Maslow in his 1943 paper, "A Theory of Human Motivation," published in *Psychological Review*. Maslow's theory suggests that human beings are motivated by a series of hierarchical needs, which must be fulfilled in a specific order. This

hierarchy is often depicted as a pyramid, with the most fundamental needs at the base and the higher-level needs at the apex.

At the base of Maslow's pyramid are Physiological Needs, which include the basic requirements for human survival such as air, water, food, shelter, and sleep. According to Maslow, these needs are the most pressing and must be satisfied before individuals can focus on higher-level needs. If these needs are not met, the human body cannot function optimally, and other needs become secondary.

Once physiological needs are satisfied, individuals move on to Safety Needs. These encompass the desire for security and protection from physical and emotional harm. Safety needs include personal security, financial security, health and well-being, and safety against accidents and illness. In a workplace context, this translates to job security, safe working conditions, and a stable environment free from threats.

Following the fulfillment of safety needs, Social Needs become prominent. These involve the need for belongingness, love, and affection. Humans are inherently social beings who seek relationships, social connections, and a sense of community. In the workplace, this can be fostered through teamwork, collaboration, and positive interpersonal relationships. A supportive and friendly work environment can significantly enhance employee motivation and satisfaction.

Once social needs are met, individuals seek to fulfill their Esteem Needs. This level of the hierarchy includes both self-esteem and the esteem received from others. Esteem needs encompass the desire for respect, recognition, status, and a sense of accomplishment. In an organizational setting, this could be achieved through acknowledgment of achievements, promotions, awards, and responsibilities that affirm an employee's value and contribution.

At the top of Maslow's hierarchy is Self-Actualization, which refers to the realization of one's full potential and self-fulfillment. This is the stage where individuals strive to become the best version of themselves, pursuing personal growth, creativity, and peak experiences. In the workplace, opportunities for self-actualization can be provided through challenging projects, professional development, autonomy, and the encouragement of innovation and personal initiative.

Maslow's Hierarchy of Needs has had a profound impact on the fields of psychology, education, and management. By understanding this hierarchy, employers can better recognize the different needs that motivate employees and create strategies to address these needs, thereby enhancing motivation, job satisfaction, and productivity.

2.1.2 Herzberg's Two Factor Theory

Herzberg's Two-Factor Theory, developed by Frederick Herzberg and published in his 1959 book "The Motivation to Work," posits that job satisfaction and dissatisfaction are influenced by two distinct sets of factors. Herzberg conducted extensive research, including interviews with employees to understand what they found satisfying and dissatisfying in their work. His findings led to the conclusion that these factors operate independently of each other and can either enhance or diminish an employee's motivation and job satisfaction.

The first set of factors is known as Hygiene Factors. These are extrinsic elements related to the job environment and conditions. According to Herzberg, hygiene factors do not lead to higher levels of motivation but, if inadequate or absent, can cause significant dissatisfaction. Key hygiene factors include company policies, supervisory practices, salary, interpersonal relationships, working conditions, and job security. For instance, an unpleasant work environment, poor management, or inadequate pay can result in employee dissatisfaction. However, improving these factors does not necessarily increase job satisfaction or motivation but merely prevents dissatisfaction.

The second set of factors is called Motivators or Satisfiers. These are intrinsic factors related to the nature of the work itself and the opportunities it provides for personal growth, recognition, and achievement. Motivators can significantly enhance job satisfaction and drive motivation. Key motivators include recognition for achievements, opportunities for advancement, the intrinsic interest of the work, responsibility, and personal growth. For example, employees are more likely to be motivated and satisfied when they receive acknowledgment for their efforts, have

opportunities for career advancement, and find their work meaningful and challenging.

Herzberg's Two-Factor Theory suggests that to effectively motivate employees, organizations must address both sets of factors. While ensuring that hygiene factors are adequately met to prevent dissatisfaction, they must also focus on enhancing motivators to drive true job satisfaction and motivation. This theory underscores the importance of a balanced approach to employee motivation, recognizing that merely addressing extrinsic needs is insufficient for long-term satisfaction and productivity.

In practical terms, this means that organizations should strive to create a positive work environment with fair policies, competitive salaries, and safe working conditions while simultaneously providing employees with opportunities for growth, recognition, and meaningful work. By doing so, companies can foster a more motivated, engaged, and satisfied workforce, leading to improved performance and reduced turnover. Herzberg's insights continue to influence contemporary management practices, emphasizing the need for a holistic approach to employee motivation.

2.1.3 McClelland's Theory of Needs

McClelland's Theory of Needs, developed by David McClelland and popularized in his 1961 book "The Achieving Society," posits that human motivation is driven by three dominant needs: the need for achievement, the need for affiliation, and the need for power. McClelland's research, which included various studies and experiments, revealed that these needs are learned and shaped by experiences and culture. Each individual has a unique combination of these needs, and understanding these can help in effectively motivating employees and aligning their goals with organizational objectives.

The first need, Need for Achievement (nAch), refers to the drive to excel and achieve in relation to a set of standards. Individuals with a high need for achievement seek tasks that are moderately challenging, as these provide opportunities for success and personal accomplishment. They prefer situations where they can take personal responsibility for finding solutions, seek feedback on their performance, and strive

for continuous improvement. In the workplace, these individuals are often driven by goals, thrive in competitive environments, and are motivated by tasks that allow them to demonstrate their competence and skills. They are likely to be high performers who take initiative and are willing to take calculated risks to achieve their objectives.

The second need, Need for Affiliation (nAff), involves the desire for friendly and close interpersonal relationships. People with a high need for affiliation seek to be liked and accepted by others, preferring cooperative rather than competitive work situations. They thrive in environments where they can build strong social bonds and feel a sense of belonging. In the workplace, these individuals are motivated by teamwork, collaboration, and roles that involve interaction and relationship-building. They are often good team players who prioritize group harmony and are sensitive to the needs and emotions of their colleagues. Managers can motivate these employees by fostering a supportive work culture and providing opportunities for social interaction.

The third need, Need for Power (nPow), is the desire to influence, control, and have an impact on others. Individuals with a high need for power are motivated by opportunities to lead and make a difference. McClelland distinguished between two types of power: personal power and institutional power. Those driven by personal power seek to direct others for their own sake, whereas those motivated by institutional power aim to organize efforts to achieve organizational goals. In a work context, employees with a high need for power often seek leadership positions and are motivated by roles that allow them to exert influence, make decisions, and drive change. Effective managers recognize this need and provide such employees with leadership opportunities and the authority to make impactful decisions.

McClelland's Theory of Needs highlights the importance of understanding individual differences in motivation. By identifying the dominant needs of their employees, managers can tailor their motivational strategies to align with these needs. For instance, providing challenging projects and clear performance feedback can motivate individuals with a high need for achievement. Promoting team-based activities and a supportive work environment can satisfy those with a high need for

affiliation. Offering leadership roles and decision-making authority can fulfill the need for power.

Overall, McClelland's Theory emphasizes that a one-size-fits-all approach to motivation is ineffective. Instead, recognizing and addressing the diverse motivational drivers of employees can lead to enhanced performance, job satisfaction, and organizational success. This theory continues to influence modern management practices, particularly in the areas of leadership development, team building, and performance management.

2.2 Empirical Review

In 2016, Shianet.al Ching performed a study at Prudential Assurance Malaysia Berhad in Seberang Jaya, Penang, on the effect of employee motivation on work performance. Researchers attempt to determine how several independent variables—such as compensation, advancement, flexible scheduling, training, and workplace environment—relate to the dependent variable of employee performance in this study. The research design utilized was descriptive. The gathered data was analyzed using multiple regression analysis, Pearson correlation, and hypothesis testing. The study's conclusion was that there is a substantial correlation between the dependent variable (job performance) and the independent factors (flexible scheduling, awards, promotions, and training).

The research "Factors affecting employee motivation towards employee performance: a study on Pakistan's banking industry" was carried out by Khan (2017). The research offers cognitive assistance for raising employee motivation levels to optimal levels via awareness of implemented strategies and exaggerated notions. The thoroughness of the study aims to highlight the elements that encourage workers to do their jobs successfully. The close-ended questionnaire is designed to calculate the statistical data, even if the research limits empirical and descriptive analysis of factors that clearly demonstrate the substantial association between the independent and dependent variables. The research finds a significant correlation between the specified parameters that raise employee motivation in the banking industry. Despite this, the study also informs bank managers and management on the

most desired elements that raise employee motivation in banks. The integration of information, experience, and action to develop competent bank personnel was appreciated in this research. Additionally, the primary contribution of the study assesses the function of motivating elements in the banking sector.

Employee motivation seems to be affected differently by promotional chances. This is due to the fact that promotions come in a variety of shapes and sizes, along with a wide range of perks (Luthans, 1998). Opportunities for social status advancement, greater responsibility, and personal development are presented by promotions. People who believe that choices about promotions are conducted in an equitable and just way are more likely to feel satisfied (Witt & Nye, 1992). According to Lambert et al. (2001), promotions are important and a major predictor of work satisfaction and motivation among employees.

The findings of a poll on librarians' opinions on their work were published by Lifer (1994). These consist of pay and perks, prospects for growth, and technical difficulties. The findings indicated a relationship between pay and perks and work satisfaction. Likewise, additional research has shown significant relationships between employee motivation and advancement, earning esteem, and talent size (Adeyema, 2000; Adeyemo, 1997). Senior level managers may be more motivated and have higher work satisfaction than junior level managers, according to Spencer and Byrne (2016).

A research on the influence of employee motivation on organizational efficiency was conducted by Manzoor (2011). This research aims to investigate the link between organizational success and employee motivation as well as the variables that affect employee motivation. Based on the research, a model was created that connected organizational performance with employee motivation elements. Based on the model and the literature, three and fourteen hypotheses were developed and examined in light of earlier research and writings. Numerous studies and a body of literature have shown that employee motivation is positively impacted by recognition and empowerment. Employee desire to work will rise in proportion to an organization's level of employee empowerment and recognition.

Muhamad and Idrus (2013) studied how employee performance in local revenue management in Kendari City was impacted by pay, organizational commitment, and motivation. This study's primary goal was to examine and show the empirical relationship between organizational commitment and employee performance as well as remuneration and incentive. 1394 personnel made up the study's population, of whom 126 respondents were chosen at random using a proportionate basis to serve as the study's sample. According to the study's findings, remuneration significantly affects employee motivation and organizational commitment but not performance. Employee performance is significantly impacted by organizational commitment and motivation, and employee performance is significantly impacted by organizational commitment.

Cynthia (2011) studied the use of rewards as a performance-related motivator for workers. This study set out to investigate three key questions in human resource management: first, whether rewards actually spur employees to work harder; second, what kinds of rewards workers find most useful; and third, what challenges managers have when implementing motivation theory in the workplace. All of the responders were staff members who managed or oversaw teams of five to ten workers in addition to having supervision duties. The examination of the twenty interviews revealed that, while using incentives is important to encourage workers, managers and employers also need to have a thorough grasp of human nature and what drives workers. The study goes on to say that effective incentive schemes are based on a combination of internal and extrinsic incentives rather than just one. Finally, when managers make every effort to create work environments that inspire people to become motivators in and of themselves while simultaneously removing things that demotivate workers, increased motivation among staff members may be achieved.

Lama (2013) carried a research on the quality of work life for Nepali commercial bank workers. Examining the quality of work life for workers of Nepal's commercial banks was the aim of the research. Five parts of a modified questionnaire were used to conduct the survey for the research. 14 commercial banks made up the sample, of which 3 were held by the government, 5 were joint ventures, and 6 were owned by

banks in Nepal. There were eleven responders in all. In the research, descriptive analysis was used. According to this survey, joint ventures and privately held banks perform comparably to public banks in terms of how their workers see the elements affecting their quality of work life. According to the survey, the most important factors determining the quality of one's work life are job stability, employee relations, appropriate and fair remuneration, a secure and healthy work environment, the chance to grow as a person, and, finally, autonomy.

Isiaka (2011) carried a research on the evaluation of workers' motivation in the banking sector in Nigeria. The research's primary goal was to evaluate employee motivation using a case study of the Nigerian banking sector. Primary and secondary data were the two main sources of information used in this investigation. By distributing a questionnaire to the chosen respondents from Nigerian banks, primary data was collected. Publicly available sources of secondary data included relevant periodicals and the annual reports and accounts of the banks. There are 94 copies of the questionnaire in all, 80 of which were deemed appropriate for G-test analysis. The research demonstrated the beneficial effects of motivation on worker performance in the banking sector. Management has to be aware of the three sets of goals—accomplishment, camaraderie, and equity—in order to keep staff motivated in their work. In particular, Nigerian banks must revisit and reevaluate their incentive programs. Employees of the bank did not see the majority of the things that banks consider to be motivational. A related development is that the banks must stop copying one other's motivational things. Every bank should create its own incentive products that are consistent with its goals and objectives.

Thomas (2012) conducted research on how employee performance at Ghana Commercial Bank, Kumasi Zone, was impacted by motivation. The study's main goal is to find out how employee performance at Ghana Commercial Bank Limited is affected by incentive packages. Using questionnaires and interview schedules, the main data was gathered from the field survey, and the statistical software for social science (SPSS) was used to analyze the data. For research purposes, 153 workers in total were handed questionnaires. According to the report, managers in the banking industry may utilize a variety of tactics and guidelines to inspire staff members.

Improved salary, fringe benefits, promotions, and auto loans are attractive to workers and will encourage them to perform to the best of the bank's standards. The majority of staff members have expressed concern about their promotion. Management should take steps to guarantee that staff members are continuously promoted in order to prevent productivity issues with deposit mobilization. The research found that the performance of employees would suffer significantly if management removed incentive packages. Employee achievement of the bank's performance measures in terms of deposits, loan recovery, profitability, and guaranteeing the banks' liquidity demonstrated a favorable relationship between employee success and company performance.

A research on the impact of motivation on worker performance was conducted by Kiruja (2013) at public middle-level technical training facilities in Kenya. The purpose of the research was to determine how employee performance at middle-level public technical training institutes in Kenya was impacted by motivation. The descriptive research design was used for this investigation. 315 people made up the sample, which was intended for department heads, administrators, teaching personnel, and non-teaching staff. Data was gathered from the respondents using a standardized questionnaire that included Likert scale questions. Additionally, administrators and department heads were interviewed. Nowadays, the majority of workers at Kenya's public middle-level technical training institutions are graduates or have diplomas from a variety of academic fields. According to the report, workers are dissatisfied with their salary and workplace. This report should be used by technical institution practitioners and policy makers when creating strategies and policies for managing their human resources. According to the findings and conclusions, human resource management has to develop a method for measuring performance that is both effective and fair, rewarding diligent workers and penalizing unproductive ones.

2.3 Research Gap

Despite the extensive research on employee motivation, there remains a significant research gap in understanding the specific factors affecting employee motivation in commercial banks of Kathmandu. Most studies on employee motivation have been

conducted in Western contexts or generalized across various industries, often neglecting the unique cultural, economic, and organizational dynamics present in Kathmandu's commercial banking sector. Additionally, the rapid economic growth and evolving financial landscape in Nepal create distinctive motivational challenges and opportunities for employees that have not been sufficiently explored. There is a need for comprehensive, localized research that examines how factors such as organizational culture, leadership styles, job security, compensation, career advancement opportunities, and work-life balance specifically impact the motivation of employees in Kathmandu's commercial banks. Addressing this gap can provide valuable insights for bank managers and policymakers to develop targeted strategies that enhance employee motivation, productivity, and overall organizational performance in this crucial sector of Nepal's economy.

CHAPTER III

RESEARCH METHODOLOGY

This chapter aims to accomplish both the mentioned goals and provide a clearer visualization of the research effort. The methodology comprises a set of fundamental presumptions, beliefs, principles, and philosophies about the way the material under investigation was conceptualized and the categories that were used to characterize, explain, evaluate, and discuss it. It is the process wherein information is gathered, examined, and ultimately an inference is made. As a result, it is a particular method of carrying out a task that denotes the completion of each step and exact deliverables. Therefore, research methodology is basically the methodical approach that a researcher would use when using various instruments and procedures.

3.1 Research Design

The identification and explanation of the overall research method or strategy used for the specific project is known as the research design. The aim of this research is to evaluate and investigate the connection between incentive programs and worker motivation. The research is a survey in which information is gathered from the intended audience. The research employed quantitative methodologies in order to fulfill its aims. Research design is simply a description of the purpose of the inquiry and the strategies for gathering the data, interpreting the evidence, and reporting the conclusions.

There are two types of research designs used in this study: descriptive and casual comparative research design. The data and sample characteristics are described using a descriptive study approach in order to comprehend and methodically characterize the organization's incentive programs and to pinpoint the key factors that have the greatest influence on employee motivation. Conversely, casual comparative research design is a methodology used to identify cause-effect relationships between dependent and independent variables. Researcher can study cause and effect in retrospect. This can help determine the consequences or causes of differences already existing among or between different groups of people. A quantitative approach is used in research that is mainly concerned with how the quantitative data are created. One of the features of a quantitative approach is that

the researcher will not create theories in spite of testing research hypotheses that need the researcher to employ numerical data.

3.2 Population and Sampling Procedure

The population of the study was 900 employees working in the commercial banks of Nepal whereas the sample size of the study was 450. Since commercial banks account for a large portion of the banking industry in Nepal, "A" class commercial banks were the study's primary focus. In Nepal, there are now twenty commercial banks operating in the banking sector. The commercial bank was selected by the researcher for his study because of the rivalry among banks, which forced them to use relationship marketing strategies more often than other banks.

The whole number of people who have worked for that particular bank in the Kathmandu Valley's commercial banks makes up the study's population. It is almost hard to include everyone in the study's population. A sample of 450 workers was gathered in total. The many employee kinds are represented in the example. The study's respondents included employees holding assistant, officer, and management positions. The questionnaire was given to the staff members by calling the various Kathmandu commercial bank branches.

3.3 Nature and Sources of Data Collection

Data from both primary and secondary sources were included in the research. The researcher created a structured questionnaire that was given to the respondents in order to gather data. When the researcher visited the respondents' location, they gave them the questionnaire, which was then gathered in the appropriate manner. The demographic data, including age, family structure, level of education, and employment status, is covered in the first section of the questionnaire. The respondents' descriptive analysis was conducted using this section of the questionnaire. Similar to the first section, the second section has five sentences that describe each element influencing employee performance. A Likert scale was used to rate each statement. The poll was conducted using a 5-point Likert scale, where 1 represented severely disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree. The degree to which each statement was agreed upon or disagreed with was used to gauge how the respondents felt about the assertions.

Likewise, secondary data was gathered from publications such as books, journals, magazines, and websites. Owing to temporal limitations, a convenience sample method a non-probabilistic sampling technique was used to contact the respondents.

Table 1

Sample Size for the Study

Name of Bank	Branch	Proportion of employees	Total employees	Percentage	Sample size
Nabil	7	7	100	11.11	50
NIC Asia	10	7	150	16.67	75
Everest	7	7	100	11.11	50
NIMB	10	7	100	11.11	50
Nepal SBI	8	7	195	21.67	97
Prime Bank	8	7	120	13.33	60
Citizens Bank	6	7	135	15	68
Total			900		450

Source: *Field Survey, 2024*

3.4 Research Framework and Definition of Variables

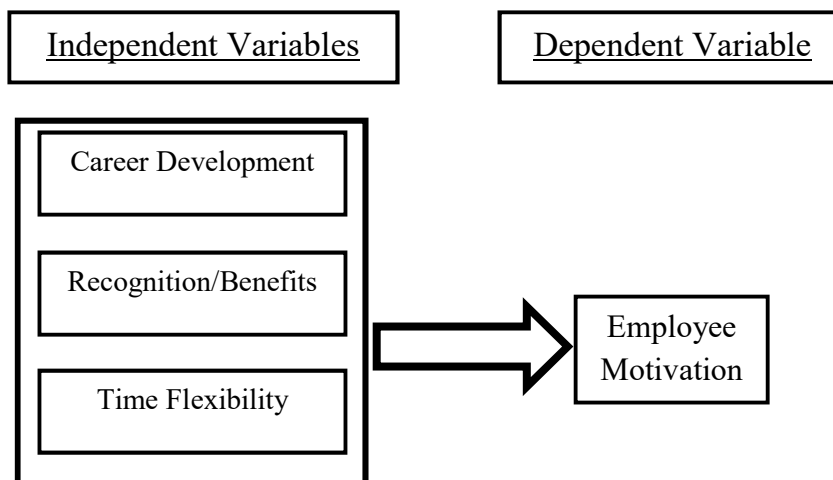


Figure 1: Research Framework

Source: *Ana and Le Hoang Anhb (2020)*

Figure 1 shows the research framework for the study, which primarily focuses on dependent and independent variables. Time flexibility, promotion, and recognition are independent variables. An independent variable is one that does not rely on the other variables that we are attempting to quantify. The dependent variable is similarly reliant on the independent variable. The dependent variable is observed and recorded as changes in the independent variable occur.

In this case, the employee's income and other benefits improve as a result of the promotion, which is an external element and an independent variable that tends to raise his motivation and devotion levels.

In a similar vein, acknowledgment is an additional autonomous component that honors an employee's daily work, conduct, and production. The individual seems to be motivated to do even better after receiving such appreciation. And in the present day, temporal flexibility is becoming more popular. Individuals are becoming more conscious of their mental, creative, and social lives. When given the option to work at their preferred time, workers therefore tend to become more motivated & productive.

It was also discovered that the majority of respondents acknowledged and agreed that there is a clear correlation between worker productivity and motivation. They said that a worker's degree of productivity increases with their level of motivation for their task. When given deadlines and objectives to accomplish within a certain time limit, highly driven people often perform better than average. Thus, it can be said that there is a strong and positive correlation between employee motivation and productivity.

Definition of Variable:

1. Independent Variable:

Independent variable is a variable that stands alone and is not changed by the other variables. We can manipulate, control, or vary in an experimental study to explore its effects.

i) Career Development

Career development involves training on new skills, moving to higher job responsibilities, making a career change within the same

organization, moving to a different organization or starting one's own business.

ii) Recognition/ Benefits

Recognition and rewards are the important tools that can be used to motivate employees and improve their performance. Rewards can include things such as bonuses, raises, or special privileges, while recognition can come in the form of words of appreciation or awards.

iii) Time Flexibility

Time flexibility is a work arrangement that allows employees to choose the start and end time for their workday. An employee seek a better work-life balance, flextime or time flexibility offers an opportunity to better manage their time.

2. Dependent Variable:

i) Employee Motivation

Employee motivation is the level of commitment, energy and innovation that a company's staff hold during the working day. It's as important as it is difficult to track; maintaining and improving motivation in the workplace can be a problem for many companies, as not every task will be interesting.

3.5 Methods of Analysis

We'll apply a straightforward descriptive analysis of the frequency distribution of pertinent data, augmented by percentages and means comparisons. Its connection to the data and its simplicity account for this. Note that a straightforward frequency distribution table of the number and kinds of replies converted to percentages will be created and examined.

Data management and analysis were conducted using Excel tools and SPSS 20.0. The SPSS worksheet was updated using the coded answer that was obtained from the respondent. To make conclusions from the replies gathered, a number of methods were used, including ANOVA, correlation analysis, multiple linear regression, and descriptive statistics.

Regression model

In a Nepalese commercial bank, multiple linear regression analysis was used to examine the factors that influence employee motivation. While professional growth, recognition/benefits, and time flexibility are considered independent factors, employee motivation is the dependent variable.

Let's have a look at the calculated multiple linear regression model for Nepalese commercial bank workers' motivation.

The research model used in the study is represented as follows:

$$EM = \beta_0 + \beta_1 CD + \beta_2 R/B + \beta_3 TF + e$$

Where,

EM = Employees Motivation

β_0 = Coefficient

CD = Career Development

R/B = Recognition/ Benefits

TF = Time Flexibility

E = error term

CHAPTER IV

RESULTS AND DISCUSSION

The presentation and discussion of the field survey data are covered in this chapter. This chapter's tables, charts, diagrams, and graphs display the data that was gathered using a field survey questionnaire. The presentation includes a review of the field survey's findings and outcomes as well as descriptive and inferential analyses. Based on a straightforward random sample technique, 450 respondents were selected for the field survey. The outcomes and conclusions are detailed in the section below.

4.1 Socio-demographic Information of the Respondents

This includes the gender, age, education level, work experience and level of job.

Table 2

Socio Demographic Information of the Respondents

Socio Demographic variables	Frequency	Percentage
Gender		
Male	289	64.22
Female	161	35.78
Age		
Below 25	139	30.89
25-35	188	41.78
36-45	123	27.33
Education Level		
10+2	29	6.4
Bachelors	224	49.78
Master and above	197	43.78

Work Experience (in years)

Below 5	281	62.44
5-10	155	34.44
11-15	14	3.11

Level of Job

Assistant	265	58.89
Officer	144	32
Managerial	41	9.11

Source: Field Survey, 2024

Gender

Table 4.1 depicts the number of male and female employees who working in the commercial bank of Kathmandu. Out of 450 respondents, 64.22 percent were male and 35.78 percent are female. The female employee accounts less of the total sample of male employees. This also shows that majority of the employees working in banking sector are male which depicts that most of the factors of employee motivation could be driven by the male respondents.

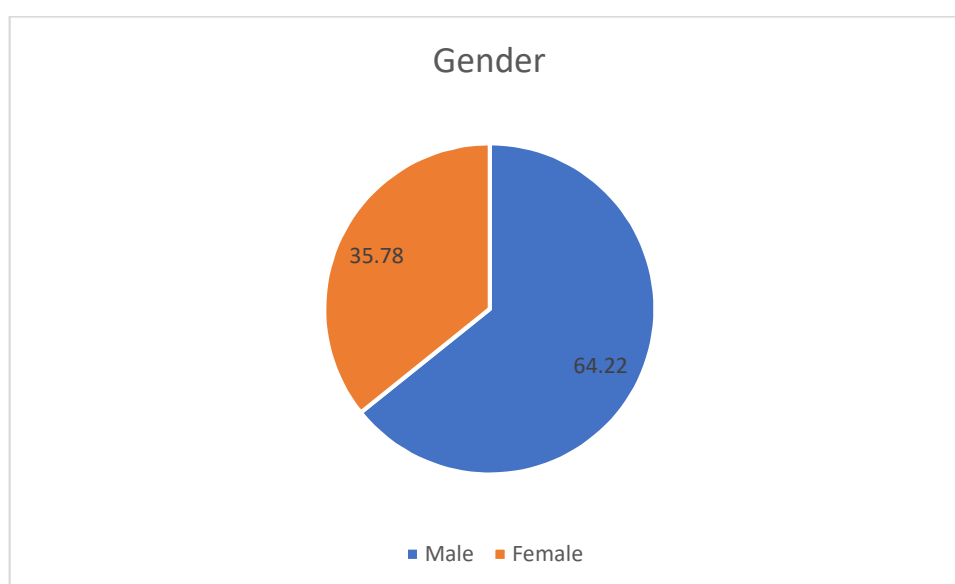


Figure 2: Gender of the Respondents

Age Group

It shows that out of the 450 respondents, the number of respondents is mainly at the ages from 25 to 35 years which account for 41.78 percent of total population. The second large number of response was in age group of below 25 years that includes 30.89 percent of total sample population and 27.33 percent of respondents belong to age group of 36-45 years. We can notice that majority of the youths are involved in banking sector in current scenario. It is revealed that banking sector is evolving and rising as most of the youngsters are really attracted towards the banking industry in recent times.

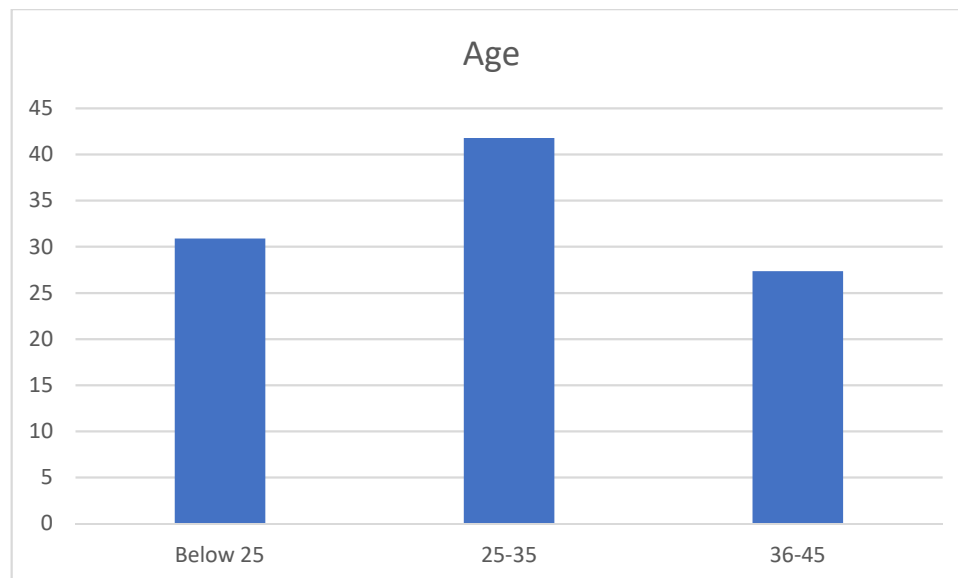


Figure 3: Age group of the Respondents

Education Level

It shows that most of the respondents who participated in survey have qualification of Bachelor's Degree which accounts nearly 49.78 percent and 43.78 percent were qualified master and above degree. Moreover, only 6.4 percent the respondents have qualification of +2 levels respectively. This indicates the minimum criteria for joining banking industry as well, as most of the respondents have completed their Bachelor degree and Master degree. This data represents that employees need to have certain level of academic qualification for banking industry and for the growth such as promotion, pay raise, senior management, etc.

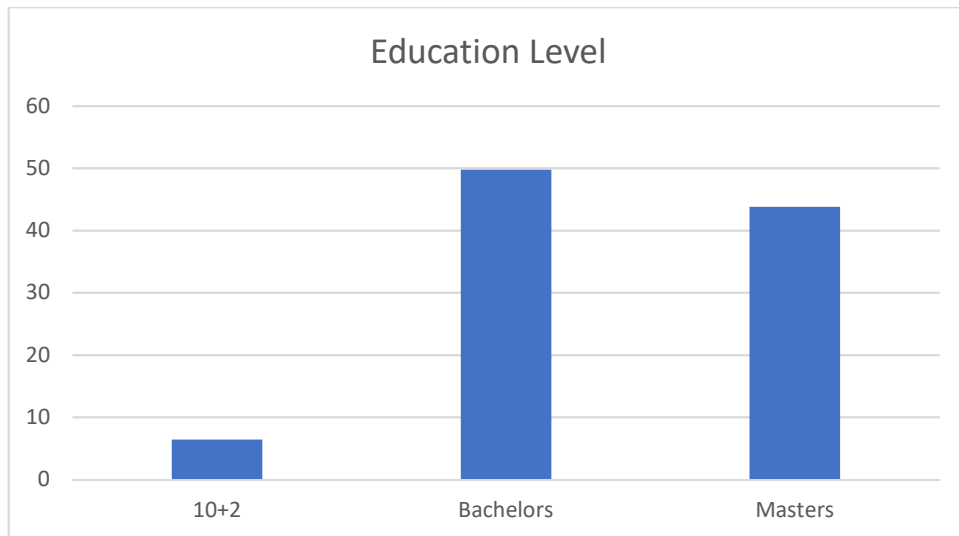


Figure 4: Education Status of the Respondents

Working Experience

Most (62.44%) of the respondents have below 5 years working experience in banking sectors followed by 5-10 years which accounts 34.44 percent and 11-15 years which account 3.11 percent. This indicates that most of the employees have recently started their banking career for whom motivation and its factors play a vital role in their performance and productivity in their service period.

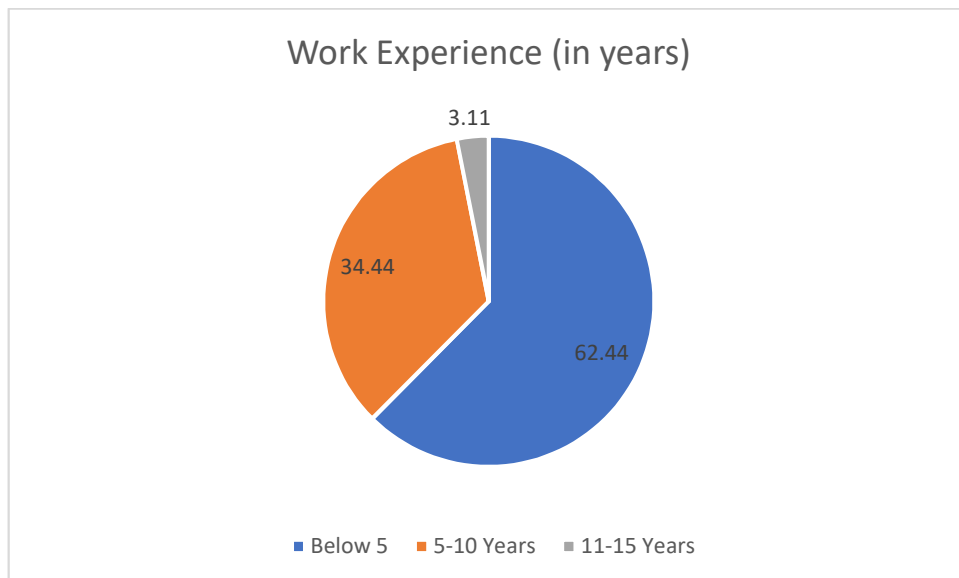


Figure 5: Work Experience of the Respondents

Level of job

Almost three fifth (58.89%) respondents were working in assistant level in banking sectors, 32 percent in officer level and only 9.11 percent in managerial level post. As most of the respondents have started their banking career recently like said above, it is obvious that most of them are currently working at assistant level in their jobs.

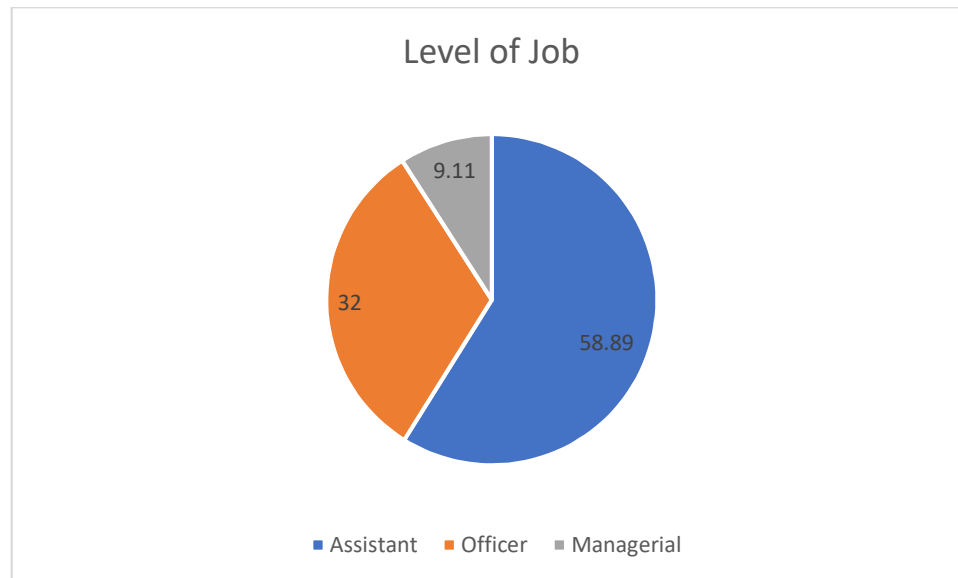


Figure 6: Level of Job

4.2 Descriptive Analysis

The participant answers to the numerous statements across the research variables were presented using means and standard deviation in this study. The results are given in accordance with the goals of this investigation.

4.2.1 Career Development

The first study variable examined how workers of commercial banks developed their careers. Five statements covering different areas of professional growth were given to the participants; the averages and standard deviation of their replies are shown below for the study of their responses.

Table 3

Career Development Results

Career Development	Mean	Std. Deviation
I am satisfied with my current job	4.25	.821
I am satisfied with my current salary & benefits	4.20	.912
My organization provides fair opportunity for promotion	4.10	1.079
I shall work harder & beyond normal working hours in order to get chance for promotion	3.41	1.241
My organization promotes deserving employee within reasonable time frame	4.06	1.120
Overall score	4.00	0.801

Source: Field Survey, 2024

On the basis of data from above table of career development results, it is revealed that majority of the respondents are satisfied with their current job and salary packages offered by their organization and they also believe that their organization is fair on the performance appraisal aspect regarding career growth. Overall evaluation state that the respondent had agreed opinion towards the statement of career development.

From above data, it is found that the overall mean came out to be 4. This means that most of the respondents agree on the research questions regarding their career development. Also, most of them are satisfied with their current job as this research question particularly has highest mean of 4.25 with least standard deviation of .821 which is positively impacting on the motivation level of the employees.

On the other hand, the respondents do not seem to be willing to put on extra effort for the sake of promotion as it has lowest mean of 3.41 with highest standard deviation of 1.241 which indicates that employees are not that motivated to work harder for growth by any means.

Hence, it is revealed that most of the employees are satisfied with their current job roles and are reluctant to work extra hard for further growth. This is the reason employees tend to get motivated if they are awarded with timely promotion when deserved. Thus, it is concluded that the independent variable career development directly affects employee motivation.

4.2.2 Recognition / Benefits

The second research independent variable focused on the Recognition/Benefits of commercial bank employees. The participants were presented with five varying statements on various Recognition/ Benefits aspects, and the analysis of the responses is shown below using means and standard deviation.

Table 4

Recognition/Benefits Results

Recognition / Benefits	Mean	Std. Deviation
I feel happy to get new challenging tasks & duties	4.45	.667
Getting appreciation from my seniors & co-workers for my work really encourages me to work harder	4.53	.755
I get excited to receive certificates of appreciation, trophies, medal of honor etc. for my work	4.50	.769
I love to receive special treatments such as personal parking space, personal working desk, special discounts at hotel, malls, movie tickets, etc.	4.44	.793
I am satisfied with the benefits and other facilities provided by my bank, other than salary	4.24	.913
Overall score	4.43	0.609

Source: Field Survey, 2024

The data presented in above table proves that employees love to get involved into different jobs and roles which help them get appreciation and special treatments from their office. Employees were found to be excited and motivated on receiving positive feedbacks for their job performed. The overall score of Recognition / Benefits is 4.43 which indicated that employees were agreed on above Recognition / Benefits statement.

Hence, it is concluded that employees are really positive towards the benefits and recognition which depicts that employees are motivated through different packages of benefits, perks, recognition and appreciation.

4.2.3 Time Flexibility

The time flexibility of personnel at commercial banks was the subject of the third independent variable under investigation. The following is a means and standard deviation analysis of the five statements that were given to the participants about different elements of time flexibility.

Table 5

Time Flexibility Results

Time Flexibility	Mean	Std. Deviation
Facility of choosing working hour as per need would be very helpful & encouraging.	3.90	.919
Flexible working hours improves my efficiency & productivity.	3.99	.891
Leave facilities such as casual leave, substitute leave, annual leave, etc. are essential part of job.	4.53	.782
I can easily adapt to different schedule of working hours.	3.94	1.160
Work from home is very comfortable & useful for me.	3.68	1.140
Overall score	3.90	0.639

Source: Field Survey, 2024

The data presented in above table reveals that majority of the respondents are motivated by different types of leave facilities available as it has highest mean value with least standard deviation. Respondents are near to neutral on other time flexibility statements. Employees in commercial banking sector are not comfortable or not compatible in work from home module as it restricts them from providing daily routine services to their customers. Also, it is revealed that flexible working schedule helps in improving employee's efficiency and productivity.

The data indicates that most of the employees are positively influenced by the leave facilities such as casual leave, substitute leave, annual leave, etc. Leaves are essential part of job life. People need to address their personal issues such as family, friends, relatives, social functions, health, entertainment, etc. These all are the integral parts of human life which needs to be addressed and fulfilled for a normal and balanced life. Hence, the study also proves that time flexibility has highly and positively impacted on the motivation level of employees of commercial banks of Kathmandu. This also reveals that employees tend to work more productively when they are given leaves when genuinely needed. Hence, banks need to understand this and manage accordingly to extract the most out from their employees.

4.2.4 Employees Motivation

The research's dependent variable was the degree of employee motivation in commercial banks. The survey asked participants to respond to a number of statements; the results are shown below. The participant answers to the numerous statements across the research variables were presented using means and standard deviation in this study.

Table 6

Employees Motivation Results

Employees Motivation	Mean	Std. Deviation
Career Growth affects my motivation towards work.	3.72	.982
Recognition & other benefits motivate me to work harder.	4.34	.843
Flexible working time & leave facilities are important for motivating employees.	4.53	.713
Motivation affects my work productivity & efficiency.	4.58	.694
I am motivated to further continue my job with current bank.	3.85	.976
Overall score	4.20	.541

Source: Field Survey, 2024

The data presented in above table explores the descriptive analysis of employee motivation which reveals that employees are motivated by all the factors that the researcher has studied in this study. Employees agreed on the fact that they are influenced and motivated towards their duty if they get opportunity for career development, desired working schedule and other perks and benefits from their organization.

Hence, it is concluded that all the factors selected for this study have positive relationship with employee motivation. Also, it is revealed from the above table that productivity and efficiency of employees are highly and positively affected by the level of motivation. This shows that highly motivated employees tend to have higher level of productivity and work efficiency.

4.3 Correlation Analysis

It is used to describe the degree to which one variable is linearly related to other variables. Two or more variables are said to be correlated if a change in the value of

one variable appears to be linked with the change in the other variables. The correlation analysis refers the closeness of the relationship between the variables.

Table 7

Correlation of Independent Variables with Employees Motivation

	Career Development	Recognition / Benefits	Time Flexibility	Employees Motivation
Career Development	1			
Recognition / Benefits	.654** (.000)	1		
Time Flexibility	.219** (.002)	.364** (.000)	1	
Employees Motivation	.385** (.000)	.400** (.000)	.414** (.000)	1

Source: Field Survey, 2024

Table 4.6 is a correlation matrix that shows the correlation between the variables used in the study. In this matrix, three employees' motivational factors i.e. career development, recognition/benefits and time flexibility are independent variable while the employee's motivation is dependent variable. Correlation coefficient between career development and employees motivation is 0.385, which is significant at $p < 0.05$. This indicates that there is positive moderate relationship between career development and employees motivation. The results also indicate that there is positive moderate relationship between recognition and Benefit and employees motivation with a Pearson's correlation coefficient of $r = 0.400$, which is significant at $p < 0.01$. Correlation coefficient between employee's motivation and time flexibility is .414, which is significant at $p < 0.01$. This indicates that there is positive moderate relationship between time flexibility and employees motivation.

On the basis of these findings, the banks need to understand such factors of employee motivation and manage to address such issues which will really help to bring out the full potential of their employees. Since there is positive relationship between the

career development, benefits and time flexibility with employee motivation, banks must develop their HR policies and facilities accordingly. Necessary changes must be made to fit the right employee at the right job in order to achieve the desired goal. Hence, it is concluded that all the variables taken in this study have positive correlation with one another and have positive impact on employee motivation.

4.4 Regression Analysis

The study used multiple linear regression to calculate the total impact of career development, recognition/benefits, and time flexibility on the motivation of commercial bank employees. Simple linear regression was used to assess the strength of the relationship between each independent variable and employees' motivation.

Table 8

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.522 ^a	.272	.261	2.32577	23.827	.000 ^b

a. Predictors: (Constant), career development, recognition/ benefit and time flexibility

Source: Field Survey, 2024

Table 8 reveals that R-square is 0.272. This means that the model explains 27.2 % of the variance in the dependent variable. The model is also highly significant as the p value is less than 0.05.

Table 9

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	342.247	3	68.449	191.963	.000 ^b
	Residual	140.491	446	.357		
	Total	482.737	449			

a. Dependent Variable: Employees motivation

b. Predictors: (Constant), career development, recognition/ benefit and time flexibility

The ANOVA table helps assess the overall significance of the regression model. In this case, the low p-value (Sig. = .000) associated with the F statistic indicates that the model is highly significant, suggesting that at least one of the predictors (career development, recognition/ benefit and time flexibility) significantly contributes to explaining the variance in Employees motivation.

Table 10

Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	10.084	1.375		7.335	.000
1	Career development	.153	.055	.227	2.785	.006
	Recognition/ Benefit	.121	.076	.137	1.598	.112
	Time flexibility	.266	.056	.315	4.745	.000

a. Dependent Variable: Employees motivation

Source: Field Survey, 2024

Based on the SPSS output, the following multiple regression equation was formed for the model.

$$\text{Employees Motivation} = 10.084 + 0.153X_1 + 0.121 X_2 + 0.266X_3 + e$$

From the linear equation above, the study shows that there is positive relationship between career development, recognition/ benefit and time flexibility with employees motivation. This study shows that when there is increase in the career development by 1 unit, the employee's motivation value increase by 0.153 and the other independent variables remain the same. While, increasing 1 value unit on Recognition/ Benefit, Employees motivation will increase by 0.121 and the other independent variables remain unchanged. Meanwhile, by increasing 1 value unit of time flexibility, employee's motivation will increase by 0.266 and the other independent variables remain unchanged.

Table depicts that time flexibility, career development and recognition has the most powerful influence on employee's motivation in commercial bank of Kathmandu with unstandardized coefficient value of 0.266, 0.153 and 0.121. Similarly, time flexibility and career development has been significant association with employee's motivation. It is concluded that employees' motivation has been dependent on time flexibility provided by bank and career development of the employees.

4.5 Discussion

This study was conducted with the main aim to impact of career development, recognition/ benefits and time flexibility on employee's motivation in commercial bank of Kathmandu. Career development, recognition and time flexibility are the factors of which affect employees motivation. This study investigates whether the employees of commercial bank of Kathmandu are motivated or not by these three factors.

The study revealed that most of the employees are male, age group from 25 to 35 years, qualified of bachelor degree, working in below five years and works in assistant level of job.

Similarly, the study finding indicated that, employees had agreed that career development, recognition/ benefits and time flexibility impacts on employee motivation. Also the study revealed that there is positive correlation between career

development, recognition/ benefits and time flexibility with employee's motivation and significant association with independent variables with employee's motivation.

Additionally, the study discovered that career development has a positive and significant impact on commercial bank employees' motivation. These findings are consistent with a research study conducted in 2016 by Ching, Shianet, and colleagues on the subject of "The impact of motivation on employees' job performance at Prudential Assurance Malaysia Berhad in Seberang Jaya, Penang." which discovered a substantial correlation between the dependent variable (work performance) and career progression.

In line with Manzoor's (2011) findings, which indicated that recognition had a beneficial impact on employee motivation, the research also discovered that benefits factors and recognition had no effect on the motivation of commercial bank workers. Employee desire to work will rise in proportion to an organization's level of employee empowerment and recognition.

Similar to Lama's (2013) research on the quality of work life among Nepalese workers of commercial banks, time flexibility has a favorable and substantial impact on employees' motivation. According to the survey, the most important factors determining the quality of one's work life are job stability, employee relations, appropriate and fair remuneration, a secure and healthy work environment, the chance to grow as a person, and, finally, autonomy.

The findings of the regression study indicate that career growth comes in second to time flexibility as a major factor influencing employees' motivation at the Kathmandu commercial bank. The bank manager is responsible for overseeing the career development and time flexibility indicators of their staff.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

The study on factors affecting employee motivation in commercial banks of Kathmandu provides a comprehensive overview of the key determinants influencing employee engagement and satisfaction within this specific sector. Conducted with 450 respondents, predominantly male, the research highlights various demographic and professional characteristics that contribute to understanding motivational dynamics in the banking industry of Nepal's capital city. Demographically, the survey revealed a predominance of male respondents, constituting 64.22% of the sample, compared to 35.78% female respondents. This disparity reflects broader gender distribution patterns within the banking sector, where males typically hold a larger share of positions, particularly in higher-ranking roles.

Age distribution among respondents showed that individuals between 25 to 35 years old represented the largest group at 41.78%, followed closely by those below 25 years old at 30.89%. The age group of 36 to 45 years constituted 27.33% of the sample. These findings indicate a relatively young workforce within Kathmandu's commercial banks, with a significant proportion of employees in the early stages of their careers. Education-wise, nearly half of the respondents (49.78%) held Bachelor's degrees, while 43.78% had obtained Master's degrees or higher qualifications. A smaller percentage, 6.4%, had completed up to the +2 level. This educational profile underscores the importance of higher education in accessing professional opportunities within the banking sector, reflecting a trend towards higher educational attainment among employees.

In terms of work experience, the majority of respondents (62.44%) had less than five years of experience in banking, indicating a relatively young and less experienced workforce overall. Employees with 5-10 years of experience accounted for 34.44%, while those with 11-15 years were a smaller group at 3.11%. This distribution suggests ongoing recruitment of young professionals into Kathmandu's banking industry, with a gradual accumulation of experience over time. Job positions within

the banks varied significantly among respondents, with a notable majority (58.89%) occupying assistant positions. Officers comprised 32% of the sample, while managerial roles were held by only 9.11% of respondents. This hierarchical breakdown highlights the pyramid structure typical of organizational roles within commercial banking, where entry-level and mid-level positions dominate.

The study also investigated several factors influencing employee motivation. Career development emerged as a significant motivator, with respondents expressing satisfaction with their current job roles, salaries, and benefits. However, there was a neutral sentiment towards the willingness to work extra hard for promotion, suggesting a cautious approach towards career advancement among employees. Recognition and benefits were identified as another critical factor impacting motivation. Employees expressed a desire for challenging roles and appreciated receiving special treatments and acknowledgments for their work. This aspect of motivation highlights the importance of non-monetary rewards and appreciation in fostering a positive work environment and enhancing employee engagement.

Time flexibility was also identified as a key motivator, with respondents valuing the ability to choose their working hours and access various leave facilities. Flexible working schedules were perceived to improve work efficiency and productivity, emphasizing the role of work-life balance in enhancing employee motivation within the banking sector. Statistical analyses revealed significant correlations between employee motivation and the independent variables of career development, recognition/benefits, and time flexibility. These findings underscored the importance of these factors in influencing employee engagement and satisfaction within commercial banks in Kathmandu.

In summary, the study concluded that career growth opportunities, recognition for achievements, benefits, and flexible working arrangements play crucial roles in enhancing employee motivation and, consequently, improving organizational performance. The findings provide valuable insights for bank managers and policymakers aiming to develop effective strategies to cultivate a motivated and productive workforce in Nepal's evolving banking industry. Future research could further explore the interplay between these motivational factors and organizational

outcomes, contributing to a deeper understanding of employee motivation in diverse cultural and economic contexts.

5.2 Conclusion

The study concludes that selected independent variables i.e. career development, benefits and time flexibility have a positive and significant relationship with employees' motivation. The research concludes that career development has a positive and significant influence on employee's motivation. The study reveals that improving on job status, salary & benefits, fair opportunity for promotion and promotes deserving employee within reasonable time frame.

Similarly, the research highlights that benefits and recognition has a significant influence on employee motivation. So, commercial bank policy maker have focused on how to improving the benefit/ recognition to employees. The study further concludes that time flexibility have a significant influence on the employees motivation of commercial banks in Nepal.

The study revealed that facility of choosing working hour as per need would be very helpful & encouraging, flexible working hours improves efficiency & productivity, leave facilities such as casual leave, substitute leave, annual leave, etc. are essential part of job, easily adapt to different schedule of working hours and work from home is very comfortable has significantly improved the employees motivation within commercial banks in Kathmandu.

The study also reveals that most of the employees are still neutral to the facilities provided by their organization. This indicates that banking industry in Kathmandu has a lot more space to improve and develop in terms of salary packages, insurance facilities, allowances as per the dynamic economy, etc.

It must not be forgotten that human resource is the backbone of any organization. Management needs to understand that it must look after its employees and the employees shall look after the entire customers of the organization. Also, it is easier to look after and take care of few thousands employees than to address millions of customers for the organization.

Banking industry is rising and gaining much popularity due to its prospects and future growth. But the challenges are still there. The biggest challenge is to manage human resource which is directly connected to the facilities and benefits provided by the banks to their staffs. This further links everything to the employee motivation.

A motivated employee can work and accomplish wonders whereas on the flip side, a demotivated staff can ruin the whole structure and working environment. Hence, it is of utmost necessary for the banks to understand the principles of employee motivation and its factors so that they can achieve their goals through their employees.

Overall, the research concludes that holding other factors constant, employee's motivation is determined by career development, recognition/ benefits and time flexibility in commercial banks of Kathmandu. The study also concludes that there is a statistically positive and significant relationship between independents variables and employee's motivation and time flexibility is highly influencing on employees motivation in commercial bank of Kathmandu.

5.3 Implications

- The study's conclusions suggest that future research on the elements influencing employees' motivation in Kathmandu's commercial banks should draw from this work to determine the best research design and methodology to use.
- The study also suggests that future research on the effects of career development, time flexibility, and recognition on employee motivation in commercial banks might use the study's results as a reference.
- The results of this research will be useful to the Commercial Bank of Nepal in determining how best to simplify the several measures used to influence the effects of workers' motivation on their working patterns.
- The study's findings may help specific banks pinpoint the areas where their efforts to improve employee motivation are falling short.
- Regarding the degree of career development, the study suggests that commercial banks provide time flexibility for employees.

- Enhance job status, salary, and benefits.
- Provide fair opportunities for promotion and promote deserving employees within a reasonable time frame.
- In order to meet the bank's objectives, the study also suggests that commercial banks enhance the perks, time flexibility, and professional development opportunities for its staff.

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SURVEY QUESTIONNAIRE

Dear Respondents,

Your precious 5 minutes would be really helpful for me.

I am a student of MBS at Shanker Dev Campus, Tribhuwan University. I am doing this survey entitled “Factors Affecting Employee Motivation and its impact on their productivity of Commercial Banks of Kathmandu” as a partial fulfillment for my Graduate Research Project (as required by MBS program) in Tribhuwan University. I would be truly grateful for your willingness to participate and provide your valuable feedback. I assure you that the information provided will be kept strictly confidential and the data collected will be used only for academic purpose.

Section A: Respondent’s Profile

1. Name of your Bank:

2. Gender : Male Female Other

3. Age (years) : Below 25 25-35 36-45
Above 45

4. Education level : SLC/SEE 10+2 Bachelors
Masters &

5. Work Experience : Below 5 5-10 11-15 Above 15 year Above 15 year

6. Job Level : Assistant Officer
Managerial

Section B: Determinants of Employee Motivation

Please specify to what extent you agree to the following statements. Please use tick mark (√) to indicate your response.

1. Career Development:

Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am satisfied with my current job assignment & responsibilities.					
I am satisfied with my current salary & benefits.					
Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
My organization provides fair opportunity for promotion.					
I shall work harder & beyond normal working hours in order to get chance for promotion.					
My organization promotes deserving employee within reasonable time frame.					

2. Recognition / Benefits:

Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I feel happy to get new challenging tasks & duties.					
Getting appreciation from my seniors & co-workers for my work really encourages me to work harder.					
I get excited to receive certificates of appreciation, trophies,					

medal of honour etc. for my work.					
I love to receive special treatments such as personal parking space, personal working desk, special discounts at hotel, malls, movie tickets, etc.					
I am satisfied with the benefits and other facilities provided by my bank, other than salary.					

3. Time Flexibility:

Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Facility of choosing working hour as per need would be very helpful & encouraging.					
Flexible working hours improves my efficiency & productivity.					
Leave facilities such as casual leave, substitute leave, annual leave, etc. are essential part of job.					
I can easily adopt to different schedule of working hours.					
Work from home is very comfortable & useful for me.					

4. Employee Motivation:

Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Career Growth affects my motivation towards work.					
Recognition & other benefits motivate me to work harder.					
Flexible working time & leave facilities are important for motivating employees.					
Motivation affects my work productivity & efficiency.					
I am motivated to further continue my job with current bank.					

Thank You so much for your precious time and feedback.

FACTORS AFFECTING EMPLOYEE MOTIVATION IN COMMER...**By: Rashmi Pokhrel**As of: Jul 9, 2024 4:14:47 PM
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ABSTRACTS The banking industry has consistently brought up a number of concerns about employee motivation. A number of factors that describe the causal link between the various antecedents and performance have been used to predict employee motivation. Numerous studies have shown the connection between job security, employee relations, proper and equitable remuneration, a secure and healthy work environment, the chance to grow as a person, and, finally, autonomy and employee motivation. The purpose of this paper is to assess the effect of employee motivation at the Kathmandu Valley Commercial Bank. The research model explains how certain independent variables, such as career development, benefit recognition, and time flexibility, relate to employee motivation, which is the dependent variable. The survey was conducted using a questionnaire administered to 195 banking professionals working in different commercial banks of Kathmandu valley. The questionnaire comprised of five classifications and Likert scale questions were used. The questionnaires were distributed to the respondents in order to collect the information. The questionnaire measures variables career development, recognition/benefit and time flexibility and employee's motivation. Thus, the research was solely based on primary data. The research is quantitative in nature. The sample of 195 respondents was selected on the basis of convenience and the location of sample selected was Kathmandu. The collected data were organized, analyzed and managed by simple descriptive analysis using Statistical Package for Social Scientists (SPSS) and Microsoft Excel. The data from the respondents when analyzed via SPSS software confirmed the connection between these variables and employee motivation. The results of those respondents were analyzed to ascertain the differences in their views regarding the motivation level of employees in banking sector. For the purpose of variety of statistical tools from SPSS were used such as frequencies, percentages and correlation, regression, one-way ANOVA test, mean and standard deviation. The result obtained showed that there is significant positive impact of career development and time flexibility on employee motivation. Thus, this study concluded that employee motivation in commercial banks in Kathmandu is affected by career development and time flexibility. CHAPTER I INTRODUCTION 1.1 Background of the study A bank is a kind of economic organization that trades in money and credit to promote national and individual economic development. The banking sector is made up of several bank kinds and tiers. It is required for the creation of capital, the monetization of the economy, remittances, agency functions, foreign exchange, money transfers, and other things. The NRB, Nepal's central bank, regulates all financial institutions. In Nepal, the banking sector is seen as one that is well regulated and trustworthy. Employee motivation is one of the trickiest parts of human resource management. Employee satisfaction, productivity, effort, absenteeism, labor turnover, loyalty, and success are some of the ways it shows up. Although it is quite complicated, motivation is often described as an internal state that prompts an employee to participate in certain activities or as a