EXPLORATORY STUDY ON EMPLOYEES’ MOTIVATION IN THE OMANI PRIVATE BANKING SECTOR

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ABSTRACT. There are clear evidences that organizations are focusing on retaining motivated employees. Although motivation is a well-discussed topic in academic literature, motivation of employees in the Omani private banking sector is not fully discussed. The purpose of this exploratory study is to find some insights on the predictors of employees’ motivation in the Omani private banking sector. A cross-sectional method was used to collect data from 105 employees from the Omani private banking sector. Furthermore, to collect the primary data, a questionnaire with 23 items was designed and distributed for that purpose. In order to analyze the gathered data, correlational methods were used. This exploratory study shed some light on the importance of the relationship that the employees have with their colleagues on their motivation and on the employees’ salaries to their motivation. The study found these two variables as significant and positive predictors of employees’ motivation.

INTRODUCTION

Motivation is derived from the Latin word movere which means to move (Kreitner & Kinicki, 1988). Motivation was defined by Robbins (1993) as “The willingness to exert high level of effort towards organizational goals, conditioned by the effort’s ability to satisfy some individual needs”. Furthermore, motivation represents those psychological processes that cause the arousal, direction and resolution of voluntary activities that are goal oriented (Mitchell, 1982). Bartol and Martin (1998) define motivation as “a force that energizes behavior, gives direction to behavior, and underlies the

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tendency to persist.” Many research magnified the importance of motivation in the individual and organizational levels. Tietjen and Myers (1998) found that motivation is related to satisfaction of employees. Moreover, Amabile (1998) found that motivation is correlated with individual performance. Further in an organizational level, Nahavandi and Malekzadeh (1999) associate the concept of motivation with management issues related to organizational performance. They define motivation as a state of mind, desire, energy or interest that translates into action. This action is viewed as work performance. In today’s highly competitive labor market, there are major evidences that organizations, regardless of their orientations, are focusing on retaining their best employees (Ramlall, 2004). Furthermore, motivation of employees is an essential element for any organization (Rafikul & Zaki Hj, 2008). However, even with these clear evidences of the importance of motivation, there is a lack of research on motivation of employees in the financial sector in Oman. Even with the growth in research literature in motivation of employees in the financial sector in the western world, there is a considerable uncertainty as to the relevance of these researches to specific culture contexts. Moreover, motivation of employees in the private banking sector in Oman was not fully discussed before. The purpose of the exploratory study is to understand the possible impact of salary, relationship with supervisor, relationship with colleagues and job autonomy on motivation of employees in an individual level. The study is aiming to establish general grounds of understanding for researchers, decision makers and individuals on motivation of employees in the Omani private banking sector.

Banking Sector in Oman

In Oman, the banking industry has been witnessing significant growth in recent years, mainly due to sustained revenues generated from oil prices, efforts to diversify the economy and growing emphasis on the private sector (Central Bank of Oman, 2009). Furthermore in 2008, 17 commercial banks accounted for 93% of the financial system assets (Bologna & Prasad, 2009). Seven of these 17 banks are local banks such as BankMuscat and BankDofar. Furthermore, 10 banks are foreign banks mainly from India, the United Kingdom, Iran, Pakistan, and the Middle East region. Moreover, 7 of the 10 foreign banks have been operating in the country for more than 30 years (Bologna & Prasad, 2009).
LITERATURE REVIEW

Theoretical Background

Motivation is one of the most intensively studied topics in the social sciences. Brewer and Selden (2000) argued that scholars devoted substantial effort in developing a master theory of motivation. On their part, Bartol and Martin (1998) categorized motivation theories into three categories which are, needs theory, cognitive theory and reinforcement theory. The most popular needs theory is brought from Abraham Maslow. Moreover, it is known as Maslow’s motivation theory of hierarchical needs. The hierarchy includes five basic levels of needs, which should be satisfied consecutively (Maslow, 1970). Alderfer (1972) proposed an alternative to Maslow’s theory known as ERG theory. He combined Maslow’s theory into three levels which are existence (E), relatedness (R) and growth (G). Existence needs include physiological factors such as food, shelter, clothes, good pay, fringe benefits and good working conditions. Relatedness needs address the relationship with others such as families, friends and work groups. Growth needs are related with Maslow’s last two levels which are self-esteem and self-actualization. Herzberg, Mausner and Snyderman (1959) developed the two factors theory of motivation. Furthermore, this theory has two groups of factors which are called motivators and hygiene factors. In the same scope, McClelland (1985) studied three types of needs: achievement, affiliation and power as motivators.

Cognitive theories of motivation are widely used. Expectancy theory is one of the most known theories that uses cognitive processes for motivation. The theory argued that the strength of likelihood to act in a certain way depends on the strength of an expectation. Thus, the act will be followed by a given outcome and on the attractiveness of that outcome to the individual (Robbins, 1993). Furthermore, equity theory recognizes that individuals are concerned not only with the absolute amount of rewards they receive for their efforts, but also with the relationship of this amount to what others receive. In other words, when people perceive an imbalance in their outcome-input ratio relative to others, tension is created (Carrell & Dittrich, 1978). Moreover, one of the main assumptions of this theory is that people develop beliefs about what constitutes a fair and equitable return for their contributions of their jobs.
The reinforcement theories are actually the opposite of the cognitive theories. Thus, reinforcement theories do not relate with human thought process. According to the reinforcement theory, our behavior can be explained by consequences in the environment and therefore, it is not necessary to look for cognitive explanations. Instead, the theory relies heavily on a concept called the law of effect that states behaviors having pleasant or positive consequences are more likely to be repeated and behaviors having unpleasant or negative consequences are less likely to be repeated (Bartol & Martin, 1998).

**Motivation in Organizations**

Motivation of employees is a well-discussed matter in literature. In a wider scope, research found that there are some differences and similarities of motivation between the private and public sectors. Posner and Schmidt (1996) found that the employees’ fulfillment of their achievement and self-actualization needs motivate employees in both sectors. Moreover, Gabris and Simo (1995) confirmed that the need for job security has been shared as a motivator in both sectors. However, Rainey (1982) concluded that public sector managers cared less about monetary rewards compared to private sector managers. In terms of motivation in the private financial sector, Chovwen and Ivensor (2008) conducted a research on perceived job insecurity and motivation of Nigerian female employees in banks. The purpose of this paper was to examine the predictors of perceived job insecurity and motivation. The data were collected from 286 female participants in merged and acquired banks in two capital cities of South West Nigeria through the usage of questionnaires designed for that study. Furthermore, the data collected was analyzed using regression and t-test statistics. The most important finding of the research was the significant influence of job characteristics and organizational justice in women’s perceived threat of job loss and motivation. In the same scope, Kubo and Saka (2002) conducted a research on motivation in the Japanese financial sector. Moreover, the purpose of this research was to find predictors of motivation in the Japanese financial sector. The authors found three significant and positive predictors of motivation which are monetary incentive, human resource development and job autonomy.
HYPOTHESES DEVELOPMENT

Based on the literature reviewed and with a consideration of the unique features of the Sultanate of Oman, four hypotheses were developed for this study.

H1: Monthly salary is a positive and significant predictor of employees’ motivation.

Besides the classical theory of Herzberg, Mausner and Snyderman (1959) that argued that compensations such as salaries may impact motivation, many other researches confirmed that monetary incentives such as salaries are predictors of motivation (Kubo & Saka, 2002). As a result, employees with higher salaries will be highly motivated (Wiley, 1997).

H2: The relationship with supervisor is significantly and positively related to motivation of employees.

Researches show that supervision contributes to motivation (Claes & Heymans, 2008). Supportive supervisors show concern for employees’ needs and opinions, provide informational feedback and promote the development of their skills (Deci & Ryan, 1985; Lichtenstein, Netemeyer, & Maxham III, 2010). Therefore, a good supervisor will impact the motivation of his or her employee positively (Coelho, Augusto, & Lagos, 2011).

H3: Relationship with colleagues is significantly and positively related to employees’ motivation.

Peers provide emotional support and help each other with job-related problems (Zhou & George, 2001). Alderfer (1972) argued that factors such as family, friends and colleagues can impact motivation.

H4: Job autonomy is a positive predictor of motivation of employees.

Along with well-established self-determination theory, many researches confirmed that job autonomy has an impact on motivation (Gagne´ & Deci, 2005). Moreover, Blais and Brie`re (1992) found that job autonomy is a positive predictor of employees motivation. Furthermore, Deci and Ryan (1985) confirmed the positive effect of job autonomy on employees’ motivation.
METHODOLOGY

In this exploratory study, a cross-sectional method was used to collect data from employees working in the Omani private banking sector. A questionnaire was designed with 23 items for this study to collect the primary data. The questionnaires were administrated in Arabic and English (items were written in Arabic and English) in order to reduce the risk of losing meaning. The questionnaires were distributed to employees of BankMuscat, BankDofar and AhliBank anonymously. Further, the return rate of the questionnaires was high (87.5 %). The researcher selected this sample due to the fact that it was convenient to collect data from these three banks and it was suitable for the time limitation of the research.

In this exploratory study, motivation of employees was used as the dependent variable. Moreover, it was measured through three questionnaire items adopted from Coelho, Augusto and Lages (2011) scale of motivation. These items were measured on 1 to 5 Likert scale where 1 = strongly disagree and 5 = strongly agree. Furthermore, the Cronbach's Alpha of motivation scale was 0.832.

The study has four independent variables which were monthly salary, relationship with supervisor, relationship with colleagues and job autonomy. These variables were used to predict motivation of employees. Figure 1 illustrates the research framework.

The first independent variable in this exploratory study was the monthly salary of employees. This variable was measured by a categorical scale. The second independent variable was employees’ relationship with their supervisor. This variable was measured through 6 questionnaire items adopted from Coelho, Augusto and Lages (2011). Further, the Cronbach's Alpha of employees’ relationship with their supervisor scale was 0.769. The third independent variable was employees’ relationship with their colleagues. This variable was measured through 3 questionnaire items adopted from Coelho, Augusto and Lages (2011). Moreover, the Cronbach's Alpha of employees’ relationship with their colleagues scale was 0.703. The final independent variable in this exploratory study was job autonomy of employees. This variable was measured through 4 questionnaire items adopted from Coelho Augusto and Lages (2011). The Cronbach’s Alpha of job autonomy scale was 0.824.
There were several items that have been developed as control variables and, also, to capture differences in the sample. The first variable was personal financial management skill that Luigina, Anna, and Paul (2005) defined as “Saving as a consequence of a personal habit to avoid spending, for moral, cultural and psychological reasons”. This variable was measured through three questionnaire items. Items such as “I tend to save money monthly” were used to measure this variable on 1 to 5 Likert scale where 1 = Strongly disagree and 5 = Strongly agree. Moreover, the Cronbach’s Alpha of personal financial management scale was 0.713. The second variable was gender of employees which was measured by a dummy variable where 1 = Male and 2 = Female. The third variable was marital status which was measured by a dummy variable where 1 = Married and 2 = Non Married. The fourth variable was education levels of employees. This variable was measured by a categorical scale where 1= less than diploma level, 2 = Diploma level, 3 = Bachelor level, 4 = Master level, 5 = More than Master level. The final variable was the experience that the employees have in their banks. This variable was measured by ratio scale.
The sample of this study was selected from three banks in the sultanate of Oman. In order to test the hypotheses of the study, 105 employees participated from these three banks. Sixty five (61.9%) of the participants were male employees whereas 40 (38.1%) of the participants were female employees. Further, the analysis showed that the average age of this sample was 28 years and 54 (51.4%) of the participants were non married whereas 51 (48.6%) of the participants were married. Moreover, the participants in this study had different educational levels. Thus, 28 (26.7%) of the participants had degrees less than a Diploma whereas only 5 (4.8%) participants had Master degrees. Furthermore, 36 (34.3%) participants had bachelor degrees and 36 (34.3%) of the participants had Diploma degrees. In terms of the experience that the employees have in their banks, the analysis showed that the participants had an average of 5.6 years of experience in their banks.

RESULTS AND DISCUSSION

The correlation analysis in Table 1 indicated some findings. Firstly, motivation of employees is positively correlated with relationship with supervisor (r = .405, p < .001). Hence, when the motivation of employees increases, they will have better relationship with their supervisors. Secondly, motivation of employees is positively correlated with relationship with colleagues (r = .546, p < .001). As a result, when the relationship between the employees and their colleagues increases, the motivation of these employees will increase as well. Thirdly, the correlation analysis showed that motivation of

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Motivation of Employees</td>
<td>4.019</td>
<td>.691</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Relationship with Supervisor</td>
<td>3.634</td>
<td>.927</td>
<td>.405&lt;sup&gt;c&lt;/sup&gt;</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Relationship with Colleagues</td>
<td>3.771</td>
<td>.705</td>
<td>.546&lt;sup&gt;c&lt;/sup&gt;</td>
<td>.596&lt;sup&gt;c&lt;/sup&gt;</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Job Autonomy</td>
<td>3.578</td>
<td>.882</td>
<td>.385&lt;sup&gt;c&lt;/sup&gt;</td>
<td>.451&lt;sup&gt;c&lt;/sup&gt;</td>
<td>.521&lt;sup&gt;c&lt;/sup&gt;</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>5. Monthly Salary of Employee</td>
<td>2.876</td>
<td>1.016</td>
<td>.260&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.223&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.084</td>
<td>.373&lt;sup&gt;c&lt;/sup&gt;</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Notes: <sup>a</sup> p < .05, <sup>b</sup> p < .01, <sup>c</sup> p < .001.
employees correlates with job autonomy \((r = .365, p < .001)\). Thus, when job autonomy increases, the motivation of employees will increase as well. Finally, the data showed that motivation of employees correlates with salary \((r = .260, p < .01)\). As a result, when the salaries of employees increase, the motivation of these employees will increase.

In terms of the model goodness of fit and its significance, the multiple regression analysis in Table 2 showed some essential findings. Firstly, the model has a good fit where \((F_{\text{block one}} = 7.08, p < .001)\) and \((F_{\text{block two}} = 7.68, p < .001)\). Secondly, \(R^2\) of block two has a value of 0.442. In other words, the independent variables of this study explained 44.2% of the change in motivation of employees. Despite the fact that \(R^2\) is moderately small, this is accepted as the study has a behavioral scope.

### TABLE 2
Regression Results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Block 1 Control Variables</th>
<th>Block 2 Independent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta Value</td>
<td>Beta Value</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.875(^b)</td>
<td>1.734(^b)</td>
</tr>
<tr>
<td>Education of employee</td>
<td>-0.037</td>
<td>0.083</td>
</tr>
<tr>
<td>Age of Employees</td>
<td>-0.027</td>
<td>0.083</td>
</tr>
<tr>
<td>Gender of Employee</td>
<td>-0.04</td>
<td>0.118</td>
</tr>
<tr>
<td>Employee experience in the Bank</td>
<td>0.007</td>
<td>0.012</td>
</tr>
<tr>
<td>Personal Financial Management Skills</td>
<td>0.383(^b)</td>
<td>0.072(^b)</td>
</tr>
<tr>
<td>Monthly Salary of Employee</td>
<td></td>
<td>0.085(^a)</td>
</tr>
<tr>
<td>Relationship with Supervisor</td>
<td></td>
<td>0.076</td>
</tr>
<tr>
<td>Relationship with Colleagues</td>
<td></td>
<td>0.119(^b)</td>
</tr>
<tr>
<td>Job autonomy</td>
<td></td>
<td>0.079</td>
</tr>
<tr>
<td>(R^2)</td>
<td>0.280</td>
<td>0.442</td>
</tr>
<tr>
<td>Adjusted (R^2)</td>
<td>0.240</td>
<td>0.385</td>
</tr>
<tr>
<td>(\Delta R^2)</td>
<td>0.280(^b)</td>
<td>0.162(^b)</td>
</tr>
<tr>
<td>Full Model (F)</td>
<td>7.08(^b)</td>
<td>7.88(^b)</td>
</tr>
<tr>
<td>(N)</td>
<td>105</td>
<td>105</td>
</tr>
</tbody>
</table>

Notes: \(^a\) \(p < .05\), \(^b\) \(p < .001\).
The multiple regression analysis in Table 2 illustrated some important findings. Firstly, the regression analysis showed that H1 is supported because the coefficient of salary is significantly and positively related to motivation of employees ($\beta = 0.085$, $P < 0.5$). Secondly, the analysis indicated that H2 is rejected. Hence, the coefficient of relationship with supervisor is not a significant predictor of employees’ motivation ($\beta = 0.076$, $P > 0.5$). Thirdly, the analysis showed that H3 is supported because the coefficient of relationship with colleagues is significantly and positively related to motivation of employees ($\beta = 0.119$, $P < 0.001$). Finally, the multiple regression analysis showed that H4 is rejected. Thus, the coefficient of job autonomy is not significantly related to motivation of employees ($\beta = 0.079$, $P > 0.05$).

**CONCLUSION**

The results of this study give some insights on the importance of employees’ monthly salaries on motivation. Further, the results of this study support the positive impact that employees’ relationship with their colleagues has on motivation. In a practical level, employees should enhance their relationship with their colleagues in order to be motivated. Even though that the study is focused on an individual level, supervisors and decision makers within the Omani private banking sector should understand the importance of salaries and importance of employee – colleague relationship on motivation that this study tried to bring. Managers and decision makers should encourage their employees to have good relationships with their colleagues by making sure that their employees know each other through having common goals, collaborative projects, and focus on having results that is measured through team work. Monthly salary variable was found in this study as a predictor of motivation and this finding supports a lot of other research on this matter. However, salaries are not the only factor that impacts motivation. Therefore, Managers and decision makers should not only focus on one factor such as the monthly salary as an ultimate tool for motivation. In a theoretical level, this study confirms with result of Wiley (1997) and Kubo and Saka (2002) studies on the role of salary as a positive predictor of motivation of employees. Further, the study confirms with result of Claes and Heymans’ (2008) study on the positive role of relationship with colleagues as a predictor of employees' motivation. However, further research should explore the kind of the relationships
between colleagues in the Omani private banking sector that will lead to employees’ motivation. Moreover, that will help decision makers to determine the sort of relationships that should be encouraged in the Omani private banking sector that would lead to the motivation of employees.

There are some limitations to this study. Firstly, this is an exploratory study with small sample. Secondly, data were collected through cross-selection method and were self-reported. Thus, the potential biases cannot be ignored. Finally, the results remain limited to the Omani private banking sector. Hence, applying the result of this study in a different environment than the Omani private banking sector would be misleading.

REFERENCES


