

# WORK MOTIVATION AND ITS IMPACT ON SELF-EFFICACY LEVEL OF EMPLOYEES: EVIDENCE FROM BANKING SECTOR OF LAHORE, PAKISTAN

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**ABSTRACT::** Since the past 20 years, self-efficacy has come out into view as an important predictor of a person's overall motivation and learning levels. Being a tool and helping in measuring of one's own comprehended capabilities performance wise; self-efficacy is conceptually different from associated motivational constructs such as locus of control, self conception etc. Researchers all over the world have so far been very successful in finding out its validity and to find a relationship between self-efficacy and work motivation. The present study was conducted to investigate the relationship between self-efficacy and work motivation level of employees working in different commercial banks of Lahore, Pakistan. It was hypothesized that there is a significant relationship between self-efficacy and work motivation of banking sector employees. The sample was drawn from respondents of different public and private commercial banks in Lahore, Pakistan. After applying the statistical tests, it is evident that there is a significant relationship between the two variables for the employees of banking sector of Lahore. It can be inferred from the findings of the study that continuous training and development, good working conditions, equal chances for promotion and growth and favorable work environment can contribute positively in raising the self-efficacy level of the employees.

## 1. INTRODUCTION

Banking sector plays a significant role in the growth of a country's economy. Industry today is a service oriented and employees are the most valuable assets of any company. Organizations strive to fully utilize their human resources in order to have optimal performance and production with efficiency and effectiveness. Employees having increased self-efficacy are likely to be much motivated than those with low-self efficacy levels. Employees with high self-efficacy set difficult goals for themselves and perform well.

This research study is aimed to explore and find out the possible relationship between self-efficacy and work motivation of public sector employees in banking sector of Lahore.

The extent to which someone believes that the goals are achievable and within reach is determined by and is dependent upon an individual's personal sense of self-efficacy; the individuals feeling and belief of his/ her own abilities and capabilities which are necessary and required thereof to for the purpose of arranging, implementation and directing the efforts and actions required by applying certain selected types of performances [1].

According to Bandura [2], self-efficacy values are considered a person's own belief in his / her abilities and talent which allows them to handle and experience new situations and circumstances.

They are largely important for activities which require huge amount of effort and determination. But the precision of these beliefs can vary. On one side there are globally known self-efficacy beliefs like beliefs regarding a person's own life and beliefs surroundings one's own strengths and weaknesses through difficult times and challenging

situations. On other side there are also some beliefs related to certain competency domains.

A study by Pajares [3] was helpful in finding out that a person's perception regarding self-efficacy has major impact on the way that persons makes decisions and choices and the course of action and direction which they follow in fulfillment of their decisions.

The General Self-Efficacy Questionnaire (GSE), and Employee Work Motivation (EWM) questionnaire consisting of indicators introduced by Frederick Herzberg [4] were used as measuring tools. The study was conducted through questionnaires of 239 respondents through convenience sampling. The research instrument consisted of a questionnaire with regard to the demographics, self-efficacy & motivation. The demographic variable of interest was age, gender, and marital status. The survey instrument consisted of demographic information of the employees followed by a probe question to filter out the respondents.

### 1.1 Objectives of the Study

Following are the objectives of the study:

- To investigate the relationship between work motivation and self-efficacy level of employees
- To investigate the relationship between working conditions and self-efficacy level of employees.
- To investigate the relationship between work itself and self-efficacy level of employees.
- To investigate the relationship between salary & benefits and self-efficacy level of employees.
- To investigate the relationship between growth and self-efficacy level of employees.

- To investigate the relationship between recognition and self-efficacy level of employees.

## 1.2 Scope of the research

There have not been many researches exercised over finding out the relationship between self-efficacy and work motivation among employees in banking sector of Lahore. The study focuses on developing a profile of the relationship between two continuous variables.

Self-efficacy is an individual's belief in his/her capabilities and is a strong predictor of motivation and task performance. Despite this, little work has been done to understand its organizational implications. The scope of the study includes the impact of work motivation and its dimensions on the self-efficacy level of employees in banking sector of Lahore, Pakistan while keeping in view the local demographical factors. The scope was further strengthened by the fact that Lahore is the second largest cosmopolitan city of Pakistan.

## 2. Literature Review

This section covers the literature from previous researches on the chosen variables of work motivation and self-efficacy.

Some three decades ago, it was Bandura [5] who originally introduced the concept of self-efficacy with the very well renowned and world wise recognized publication named "Self-efficacy: Toward a Unifying Theory of Behavioral Change".

Then after that, almost 20 years ago, Bandura [1] developed a conception around a social cognitive theory regarding human behavior. In most recent times Bandura [2] decided to publish "Self-Efficacy: The Exercise of Control" in which further elaboration of self-efficacy around a theory of personal and collective agency was discussed. Self-efficacy is the extent to which an individual believes in his/her own abilities to perform various tasks and to attain goals [1]. Self-efficacy has been studied by many psychologists and studies show that it determines the persistency and motivation with which an individual will undertake a task.

Social Cognitive theory, however, argues that the way an individual acts and reacts, to a great extent, are influenced by his observation. The way he reflects, the social behavior and cognitive course of actions are influenced by what he has observed in others. Self-efficacy is an important facet of social cognitive theory. It is an individual's perception of external social factors and significantly determines the effect of many events [1]. Bandura [6] believes people with high level of self-efficacy are likely to set difficult and challenging goals for themselves. They are likely to put in more effort and are more persistent in attaining those goals. Such people when face difficulty or failure they increase their effort rather than giving up. Recovery of their self-efficacy after failure is quicker in these individuals and they attribute their failure to lack of effort and skill which they can acquire by putting in more effort. People judge their own capabilities in carrying out actions which are required to attain certain performance. This judgment is self-efficacy. [7].

Similarly, Self Concept theory attempts to explain that people perceive and interpret themselves from traces that they have gathered from external sources. These perceptions

and interpretations are organized and are on the go throughout life. Successes and failures are closely linked to how individuals perceive themselves. This theory describes self-efficacy as something which is learned i.e. it is not innate. It is organized and dynamic.

Verbal persuasions are an important factor in the generation and development of self-efficacy beliefs. These persuasions comprise of others' verbal judgments, they are however a weak source of efficacy beliefs when compared to explicit experiences. But those who have the power to convince or persuade can play an important role in the growth and enhancement of efficacy beliefs [3].

Another similar concept Self Esteem is the respect one feels for oneself. High self esteem results from high level of self-efficacy and high level of self respect. If either of the two is missing or under developed, it will result in lack of self esteem [8]. People with low self-efficacy beliefs usually have low self esteem. Self-efficacy is the belief that a person has over his/ her capabilities and abilities. It is one's judgment about his/her competence level. Competency varies from one situation to another.

Needs and wants motivates individual [9]. Timm & Peterson [9] have defined motivation as a need or drive to do something. Motivation is a reason to put forth effort to achieve something. People don't exhibit random behavior there's a reason or purpose behind every behavior. These behaviors can be positive and can also be negative. Motivation stimulates people to exhibit certain behavior. What rewards and incentives would motivate employees? What are the needs of employees and how can they be satisfied? Do all employees have the same needs? Can all employees be motivated by same incentives? These questions are of great importance in today's service industry.

## Fredrick Herzberg's Hygiene and Motivational Factors Theory:

Fredrick Herberg's theory [4] basically revolves around two concepts which are parallel to one another; the first should be assumed as a man's need as an animal so that he can avoid trouble and the second as a human being and the need for one's psychological growth.

He has discussed some factors which are related to an individual's needs in this theory just like Maslow's theory but here the focus and attention is more on the working conditions and the environment. The factors are further divided into two categories which are hygiene factors (dissatisfiers) and motivators (satisfiers).

Hygiene Factors include the following the following listed factors:

- Conditions at work
  - Organizational policies
  - Practices adapted by administration
  - Salary levels
  - Benefits and incentives
  - Supervision methods
  - Level of job security provided
  - Co workers and the personal life
- Motivators can be listed as:
- Recognition

- Achievement
- Advancement
- Growth
- Responsibility
- Job challenge

The hygiene factors are related to what an individual does whereas the motivators are related to the situation in which it is done.

The motivators have the capability to motivate the individuals so that they can perform to the fullest of their abilities and capabilities and put as much effort as possible during a job accomplishment. The dis-satisfiers on the other hand explain the working environment and the working conditions. These factors do not create motivation rather removal of dis-satisfiers just ensures that employees are no more dis-satisfied from their job. The hygiene factors are called dis-satisfiers because they are directly responsible to creating an atmosphere and a surrounding in which an individual is continuously trying to adjust to perform better while the motivators are responsible for provision of such factors which in turn increase the motivation of an individual which directly enhances his/her performance. Herzberg indicates that hygiene factors must first be implemented, observed and ensured in a work environment before the motivators. This means that motivator factors cannot have their influence unless dis-satisfiers are removed from work place.

The above mentioned concepts of self-efficacy and work motivation are widely studied in the literature and have a proven relationship. However, absence of any significant study on the chosen variables in banking sector of Lahore, Pakistan creates a literature gap. This study will have an important role in filling this literature gap.

### 3. RESEARCH METHODOLOGY

Mentioned below is the research methodology adopted for the study.

#### 3.1 Hypotheses Testing

Following hypotheses were formulated to conduct the research.

H1: There is a significant relationship between working conditions and self-efficacy level of employees.

H2: There is a significant relationship between work itself and self-efficacy level of employees.

H3: There is a significant relationship between salary benefits and self-efficacy level of employees.

H4: There is a significant relationship between growth at workplace and self-efficacy level of employees.

H5: There is a significant relationship between recognition and self-efficacy level of employees.

H6: There is a significant relationship between work motivation and self-efficacy level of employees.

#### 3.2 Sample

The sample used to study the association between work motivation and self-efficacy of employees was drawn from different public and private banks in the city of Lahore. The study was conducted through questionnaires of 239 respondents through convenience sampling.

### 3.3 Source of Data

In order to gather the required data related to work motivation and self-efficacy beliefs of employees working at various banks, a survey questionnaire was developed from The General Self-Efficacy Questionnaire (GSE), developed by Schwarzer & Jerusalem [10] and Employee Work Motivation (EWM) questionnaire consisting of indicators introduced by Herzberg [4]. After applying the reliability test, the value of Cronbach's Alpha as shown in Table 1 for 43 items of questionnaire is .839 which is more than 70% and hence allows proceeding with the research. Demographic variables of interest were age, gender, and marital status.

### 4. THE RESULTS OF HYPOTHESES TESTING

The following sub-sections provide analysis of results of hypotheses testing. The hypotheses were tested by applying the regression analysis in SPSS.

#### 4.1 Results of Testing H1

A summary of regression analysis given in Table 5 shows that there is a significant and moderately correlated relationship between Working Conditions and Self-Efficacy level of employees. The organizations providing favorable working conditions to their employees help the employees to raise their self-efficacy level. This enhanced self-efficacy level not only increases the motivation level of employees but ultimately leads to enhanced performance shown by the employees. This interpretation of results highlights the importance of working conditions which may be provided to the employees in different organizations including banking sector. The organizations in banking industry can improve the employee productivity by focusing more on the betterment of working conditions provided to their employees in order to raise the self-efficacy level of employees.

Regression equation derived from regression analysis is as follows:

$$\text{Self-Efficacy} = 2.296 + 0.389 (\text{Working Conditions})$$

Result: H1 Accepted.

#### 4.2 The Results of Testing H2

A summary of regression analysis given in Table 5 shows that there is a significant and moderately correlated relationship between Working Itself and Self-Efficacy level of employees. If the given tasks are clear and properly communicated to the employees, match with person's capabilities and challenging in nature then employees feel more motivated and involved in their work. The work itself which means the task given to the employees also determines the self-efficacy level of the employees. The increased confidence of employees about their capabilities to perform the assigned tasks well ultimately increases their overall performance, thus, benefiting the organization.

Regression equation derived from regression analysis is as follows:

$$\text{Self-Efficacy} = 2.550 + 0.341 (\text{Work Itself})$$

Result: H2 Accepted.

#### 4.3 The Results of Testing H3

A summary of regression analysis given in Table 5 shows that there is a significant and moderately correlated

relationship between Salary & Benefits and Self-Efficacy level of employees. The research literature has proved the direct relationship of these two variables and likewise, this relationship stands true in banking industry of Pakistan. The organizations offering attractive remunerations to the employees not only retain the good employees but also help the employees to raise their self-efficacy level. As a result, employees feel more satisfied and motivated to perform their jobs.

Regression equation derived from regression analysis is as follows:

$$\text{Self-Efficacy} = 2.054 + 0.470 (\text{Salary Benefits})$$

Result: H3 Accepted.

#### 4.4 The Results of Testing H4

A summary of regression analysis given in Table 5 shows that there is a significant and moderately correlated relationship between Growth (at workplace) and Self-Efficacy level of employees. The organizations which do the succession planning and provide adequate opportunities to their employees to grow at workplace benefit from employee commitment and satisfaction. The management of banking sector of Lahore, Pakistan must ensure that employees get their promotions on time when due. The increased focus of management in this regard will help the employees to raise their self-efficacy level.

Regression equation derived from regression analysis is as follows:

$$\text{Self-Efficacy} = 2.840 + 0.275 (\text{Growth})$$

Result: H4 Accepted.

#### 4.5 The Results of Testing H5

A summary of regression analysis given in Table 5 shows that there is a significant and moderately correlated relationship between Recognition and Self-Efficacy level of employees. The employees feel motivated when organizations give them due recognition in lieu of their contributions towards organizational success. The same holds true for the chosen sample of this study. The results show that if employees are recognized for their services, their self-efficacy level increases and they feel more satisfied and committed with their work as well as organization.

Regression equation derived from regression analysis is as follows:

$$\text{Self-Efficacy} = 2.440 + 0.384 (\text{Recognition})$$

#### 4.6 THE RESULTS OF TESTING H6

A summary of regression analysis given in Table 5 shows that there is a significant and moderately correlated relationship between Work Motivation and Self-Efficacy level of employees. As proved for its dimensions, work motivation also has a direct relationship with self-efficacy level of employees. The overall work motivation which is constituted by working conditions, work itself, salary & benefits, growth and recognition determines the self-efficacy level of employees working in the chosen sector. The banking industry of Lahore, Pakistan must pay serious attention to enhance the work motivation of employees so that they feel more confident about themselves and do their best to perform the assigned tasks.

Regression equation derived from regression analysis is as follows:

$$\text{Self-Efficacy} = 1.507 + 0.606 (\text{Work Motivation})$$

Result: H6 Accepted.

#### 5. Key Findings

Following are the key findings of the study:

- If organizations focus on increasing the work motivation of employees, the employees feel more confident to perform, learn and contribute in organizational success.
- Good working conditions raise the self-efficacy level of employees.
- Clear, well-communicated and relevant work assigned can have a positive influence on increasing the self-efficacy level of employees.
- Attractive salary & benefits make employees more committed with their work and raise their overall involvement to perform well.
- Providing proper growth opportunities at work place can have a positive influence on self-efficacy level of employees.
- Due recognition and acknowledgement to the employees for their contributions also raise the self-efficacy level of employees.

#### 6. CONCLUSION AND RECOMMENDATIONS

It can be inferred from the findings of this study that the performance of the employees working within an organization can be further improved by ensuring the concept of right employee with the right sets of skills to be selected for a right job. As it is evident from the results of the study that there is a significant relationship between self-efficacy and work motivation of the employees in banking sector of Lahore, Pakistan therefore continuous training and development, good working practices, market based attractive salary and equal chances for promotion and growth must be provided to the employees in order to raise their self-efficacy level. It can also be concluded that verbal and tangible rewards affect self-efficacy beliefs. If employees believe that their contributions and efforts are recognized and their work is valued by the organization they will be motivated to perform better and accomplish more. It will eventually lead to higher self-efficacy beliefs among employees.

The research study does not end here as the scope of the study can further be broadened to find out different dimensions of the concept which can be done by increasing the sample size. Moreover,

- In this research study, demographic factors have not been used as variables and for future researches in the same field, demographics can also be included to find out their relationship with self-efficacy levels.
- Future research can also incorporate other factors as work motivation is dependent on multiple factors which can differ from organization to organization and also the nature and scope of the work between different organizations.

- Future research can be conducted and applied on schools, colleges, universities, other private and public employees from some other industry; may it be banks, sector organizations.

**Table 1: Composite Reliability Statistics of all Variables**

Composite Reliability Statistics of all Variables	
Cronbach's Alpha	N of items
.839	43

**Table 2: Sample Composition by Gender**

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Male	166	69.5	69.5	69.5
Female	73	30.5	30.5	100.0
Total	239	100.0	100.0	

**Table 3: Sample Composition by Marital Status**

Marital Status				
	Frequency	Percent	Valid Percent	Cumulative Percent
Single	126	52.7	52.7	52.7
Married	109	45.6	45.6	98.3
Divorced	3	1.3	1.3	99.6
Widowed	1	.4	.4	100.0
Total	239	100.0	100.0	

**Table 4: Sample Composition by Age Group**

Age of Respondent				
	Frequency	Percent	Valid Percent	Cumulative Percent
21-25	79	33.1	33.1	33.1
26-35	107	44.8	44.8	77.8
36-45	41	17.2	17.2	95.0
46-59	12	5.0	5.0	100.0
Total	239	100.0	100.0	

**Table 5: Summary Table of Regression Analysis**

Variable	Significance	R Value	R Square	Adjusted R	Constant	Slope
Working Conditions	.000	.401	.161	.157	2.296	.389
Work Itself	.000	.339	.115	.111	2.550	.341
Salary & Benefits	.000	.472	.223	.220	2.054	.470
Growth	.000	.327	.107	.103	2.840	.275
Recognition	.000	.396	.156	.153	2.440	.384
Work Motivation	.000	.495	.245	.242	1.507	.606

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