

The study of Privatization Impacts on Bank Mellat Employee's Motivational factors

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ABSTRACT

This article investigates the influence of “privatization of the banks “ and “the employees motivational factors” on the employees’ motivational factors (internally and externally), with a contemplation on these two elements. The conceptual model of this study is based on Herzberg’s two-factor-theory. And with the use of questionnaires and distributing them among 95 bank employees, it evaluates the amount of motivational factors as the dependent variable after the change in the bank’s legal personality. Herzberg’s two-factor-theory is used in preparing the conceptual model because most of the approaches to understanding motivation have specified uses in increasing the work and satisfaction. In this study, using the probable categorical sampling method and systematic collecting of data by questionnaire and finally with making use of statistical instruments, the main hypothesis of this study, which is “the process of privatization an Mellat Bank has increased the employees’ motivational factors”, was rejected.

KEYWORDS: privatization, motivational factors, motivation, Mallat Bank.

INTRODUCTION

With announcing the general policies of principle 44 of the constitution at Tir 85, the economic system of Iran’s Islamic Republic is based on the three parties of state, cooperative, and private. The main objectives of the organizations’ privatization are better proficiency being more active, economic flourishing, and as a result, more efficiency. But, unfortunately, in our country we have this misconception that the main objective of private organizations is just gaining profit and subsequently, for the employees, depravity of the benefits which government has set for them, results in the reduction in employment and finally brings unemployment about. With putting privatization of banks in the program- according to the principles of 14th of Azar 86. And 19th of Bahman 87 of the exchange- Mellat Bank was inserted in the rates’ list of the main tableau of Tehran’s first exchange market [1-5].

Human being is the main agent of any evolution, therefore, success in every kind of organization is due to correct employment of this valuable source and attempting to nurture them more and more. However, carrying out every economic policy is accompanied by obstacles and difficulties and privatization is no exception. Mellat Bank is a state organization which acts upon governmental rules and instructions. Therefore, due to the fact that human beings spend most of their lives in their working environment, evaluating their attitude towards the evolution is one of the investigable issues [6-9].

A review of the theoretical foundations

Most of the countries have put modification of state departments in their program since late 1980s. Modifications’ processes are carried out for different reasons and motivations, but improvement of the public services’ quality is one of its main reasons in most of the countries. In

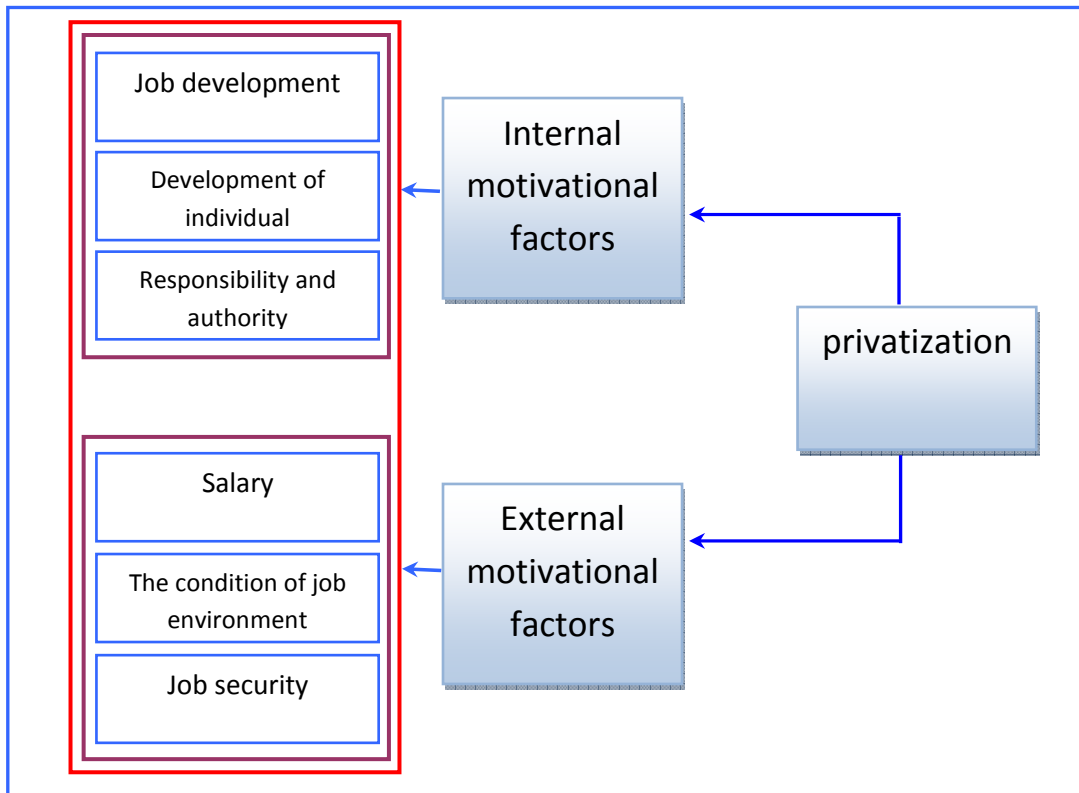
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Iran, privatization started in early 1970s but it stopped because of many difficulties that appeared. Privatization means changing the dominating atmosphere on state institutions in a way that along with keeping the main contexture of the activity, the markets' conditions affect the way of leading institutions. This effect should be in a way that motivation and private departments' mechanisms become the criteria for decision in the institutions, which is wholesomely after such objectives.

Increasing people's participation in economic issues and finally in decision-making of country, reducing the amount of government's role in economy, increasing advantages in industry an services, decreasing the borrowing in the public department, increasing ownership and shareholding in private state and especially shareholding among employees and laborers of departments, increasing politic participation by developing economic participation, and of course it should be considered that every change has its own obstacles and limitations. To name a few, we can mention its being new, the investment markets' weakness and private department's disability and the problems arising from their evolution.

Job satisfaction is one's wholesome attitude toward his job and it is the result of the influence of many factors, like needs, motivations, interests, attitude, and people's personality on one hand, and on the other hand the significance of work environment and the ay of leadership [10]. Fredrick Herzberg [11], presenting the theory of sanitation-motivation, has introduced a collection of factors that lead to job dissatisfaction and he has named them sanitary or retentive. And also he has introduced another collection of factors which results in job satisfaction and motivation in work, as motivation factors. To name a few of sanitation factors(retentive)m we can mention salary, rank, job situation, leadership, job safety, organization's management, mutual relationships, etc. these factors are not directly related to people's working activity, but when their quality decreases, it results in dissatisfaction.

Motivating factors are like the job's inherent circumstances, success, job's nature, development and promotion, which can lead to people's job satisfaction. This theory has a special relationship with job environment. Managers, in order to create motivation, should use their knowledge as the motivational basis to make sure that there exist retentive factors in the work environment. Non-existence or low-quality of sanitary(retentive) factors can lead to employees dissatisfaction. When managers prepare satisfactory retentive factors in organization and work environment, they also can focus on the motivational factors. The following model is designed:



Hypotheses of the research:

Considering privatization as the independent variable and motivating factors as the dependent variable, it is divided in two main dimensions (internally and externally) and 6 components are specified:

The main hypothesis: studying and determining the influence of privatization upon the motivational factors of Mellat Bank employees.

Subsidiary hypothesis 1: studying and determining the effect of privatization on internal motivational factors:

Subsidiary hypothesis 1-1: studying and determining the effect of privatization on responsibility and authority of Mellat Bank employees.

Subsidiary hypothesis 1-2: studying and determining the effect of privatization on development of individual capabilities of Mellat Bank employees.

Subsidiary hypothesis 1-3: studying and determining the effect of privatization on career development of Mellat Bank employees.

Subsidiary hypothesis 2: studying and determining the effect of privatization on external motivational factors:

Subsidiary hypothesis 1-1: studying and determining the effect of privatization on the wage and salary of Mellat Bank employees

Subsidiary hypothesis 1-2: studying and determining the effect of privatization on the work environment's conditions of Mellat Bank employees.

Subsidiary hypothesis 1-3: studying and determining the effect of privatization on the job security of Mellat Bank employees.

Statistical population and sample:

The statistical population in this study is all employees of Mellat bank's Human resource management, which includes 127 people, who are categorized in 3 job ranks of management, professional, and executive.

In this research, the sampling distribution of the mean is used, which is the distribution of the relative frequency of the means of all possible samples which is taken with the "n" size from a population of "N" size. Considering standard deviation of 30 questionnaires which were distributed in the first step, it is calculated:

$$n = \frac{\frac{z^2 \times p \times q}{d^2}}{1 + \frac{1}{N} \left(\frac{z^2 \times p \times q}{d^2} - 1 \right)}$$

in this formula:
N=127, the population size

- P= the probability of the proportion of having the considered adjective
- Q= the probability of the proportion of not having the considered adjective
- D= the desired deviation or error
- Z= the degree or coefficient of 95% certainty

$$n = \frac{(1.96)^2 \times \frac{(0.5 \times 0.5)}{(0.05)^2}}{1 + \frac{1}{127} (1.96)^2 \times \frac{(0.5)(0.5)}{(0.05)^2} - 1} = 95$$

The amount of z(1.96) is derived from the tables which are related to the amount of standard errors. The number of the population is determined and the employees' chance for choosing is the same. So, the probable categorical sampling method is used for choosing samples and this way, there were 103 distributed questionnaires aong 3 career ranks of management, professional, and executive with the proportion of ($n_n = n \cdot N_n / N$) and 85 questionnaires were collected.

| row | Considered category(job ranks) | All subjects | Required questionnaire | Sent questionnaire | Returned questionnaire |
|-----|--------------------------------|--------------|---------------------------|--------------------|------------------------|
| 1 | Management rank | 26 | $95 \times 26 / 127 = 20$ | 24 | 17 |
| 2 | Professional rank | 69 | $95 \times 69 / 127 = 52$ | 54 | 47 |
| 3 | Executive rank | 32 | $95 \times 32 / 127 = 23$ | 25 | 21 |
| | | 127 | 95 | 103 | 85 |

The instrument for collecting data:

In this section, for collecting information in the field of theoretical foundations and the research literature, library resources, related books, and also internet are used and a questionnaire with two parts of demographic questions (7 questions) and professional questions (36 questions), which were designed upon Likert's 5-point scale, is used for collecting data.

For this objective, 36 questionnaires are designed based on the studied variables and in the following table the classification of the questions based on the variables are presented.

| hypotheses | Number of questionnaire's questions | The studied issues | Number of questions |
|--------------|-------------------------------------|--|---------------------|
| Hypothesis 1 | 1-6 | Development of individual capabilities | 6 |
| Hypothesis 2 | 7-14 | Justice in gaining salary | 8 |
| Hypothesis 3 | 15-20 | Career development | 6 |
| Hypothesis 4 | 21-23 | Career security | 3 |
| Hypothesis 5 | 24-28 | Responsibility and authority | 5 |
| Hypothesis 6 | 29-36 | Environmental factors | 8 |

Considering the non-existence of a standard questionnaire for the designed model, the validity and stability of this questionnaire was studied.

Determining the questionnaire's validity:

Considering the fact that the validity of a test is determined by the professionals in the related issues, the validity of this questionnaire was used to some extent by leading professors. And because this questionnaire is made by the method of determining the model's dimensions in the components' format and because the index scheme or question is created for each of the components, there was a need for studying the validity of it from the aspects of writing and content.

Determining the questionnaire's stability (reliability):

In this article, the method of Cronbach's alpha is used in order to determine the stability of the test, and this method is used for calculating internal coordination of measuring instruments which measure different features. For this, we had a primary sample with 30 questionnaires as a pretest, and then with making use of statistical data gathered from these questionnaires and also with the statistical software "SPSS", the reliability coefficient was calculated by Cronbach's Alpha method, which was 0.82% for all the questions and for everyone it was calculated as it is brought in the table below. These numbers indicate that the used questionnaire is having the quality of reliability, or in other words, a high degree of stability.

| hypotheses | Number of questionnaire's questions | Number of questions | Studied issues | Cronbach's Alpha |
|--------------|-------------------------------------|---------------------|--|------------------|
| Hypothesis 1 | 1-6 | 6 | Development of individual capabilities | .768 |
| Hypothesis 2 | 7-14 | 8 | Justice in gaining salary | .808 |
| Hypothesis 3 | 15-20 | 6 | Career development | .720 |
| Hypothesis 4 | 21-23 | 3 | Career security | .920 |
| Hypothesis 5 | 24-28 | 5 | Responsibility and authority | .848 |
| Hypothesis 6 | 29-36 | 8 | Environmental factors | .845 |

The method for analyzing data:

In this survey in order to examine the research hypotheses and attaining answer, the paired comparisons test is used in the SPSS software. In addition to making use of this software, we have also paid attention to defining data, like frequency tables, mean, etc. all the statistical results are analyzed at the certainty level of 95 % ($\alpha=0.05$)

The research's results:

For analyzing data, mainly the methods of statistical defining and analyzing especially the paired comparisons test and Pearson's correlation coefficient are used. And all the statistical results are analyzed at the certainty level of 95 % ($\alpha=0.05$).

Among the 85 respondents, 52 persons (61%) are men and 33 persons (39%) are women. Although in this article the influence of gender on the results is not important, but the fact that most of the studied samples are men might have been influential to the results. Taking the age variable into consideration, 56 persons (66%) are between 25 and 35 years old, 25 persons (29%) are between 35 and 45 years old, and 4 persons (5%) are between 45 and 55 years old. Considering the fact that 66 percent of employees are in the age of 25 to 35, so we can conclude that Mellat Bank (Human resource management) derives benefit from young staff. So we can conclude that Mellat Bank employees are young and powerful people and have suitable work experience.

Taking the marriage variable into consideration, 16 persons (19%) are single and 69 persons (81%) are married. And also taking the educational degree into account, 6 persons (7%) have diploma, 4 persons (5%) have associate degree, 36 persons (42%) have BA, and 39 persons (45%) have MA and higher degrees. 17 persons (20%) are working in management rank, 47 persons (55%) in the professional rank and 21 persons (25%) in the executive rank.

Taking the Occupational history into consideration, 16 persons (7%) have worked for Mellat Bank for less than 5 years. 33 persons (38%) for 5 to 10 years, 27 persons (31%) for 10 to 15 years, 12 persons (14%) for 15 to 20 years, 4 persons (4%) for 20 to 25 years, and 3 persons (3%) for more than 25 years. In this regard, also, more than 90 percent of employees have less than 20 years of working background.

Conclusions:

The main question of the research is that "does the process of privatization have influence upon the Mellat Bank employees' motivational factors?" Considering the sanitation-motivation theory, which is defined as the theoretical framework of this research, and it includes the influential factors on career motivation of employees, the following results can be attained:

- There is a meaningful relationship between having career development before and after banks' privatization and the privatization process has decreased the amount of career development among Mellat Bank employees (Human resource management)
- There is a meaningful relationship between development of employees' individual capabilities before and after privatization and the privatization process has decreased the amount of individual capabilities among Mellat Bank employees (Human resource management)
- There is a meaningful relationship between the responsibility and authority among employees before and after privatization and the privatization process has decreased the amount of responsibility and authority among Mellat Bank employees (Human resource management)
- There is a meaningful relationship between justice in gaining salary and benefits before and after privatization.
- There is a meaningful relationship between the amount of employees' environmental factors before and after privatization and the privatization process has decreased the amount of environmental factors among Mellat Bank employees (Human resource management)

- There is a meaningful relationship between employees' job security before and after privatization and the privatization process has decreased job security among Mellat Bank employees (Human resource management)

Therefore, paying attention to the rejection of 6 hypotheses out of the 6 defined hypotheses, we can reject the main hypothesis of this research and declare that the privatization process has been influential on the Mellat Bank employees' motivational factors and it has reduced the amount of them.

Executive suggestions:

- 1- Revision of regulations and instructions of the career development and the system of appointment according to the current conditions of the bank.
- 2- Analyzing the jobs because of determining the nature of each employee's job and defining jobs with the same privilege to make the employees more active.
- 3- Competence should be in a special instruction as one of the determining criteria for appointment.
- 4- Some arrangements should be prepared so that there are less pauses at the beginning of career path.
- 5- Transferring the experiences and knowledge of professional educated work force along with holding training courses.
- 6- Continuous career circulation should be taken into account for all organizational jobs.
- 7- An assessment of the needs and announcement of training courses should be done for increasing people's individual knowledge in order to increase their efficiency in the organization.
- 8- The optimization of work load and the appointed duties using reengineering of duties' exact explanation.
- 9- Distributing and selling the shares to bank employees in order to create more dependency and commitment.
- 10- Increasing the employees' sense of participation by creating an environment of trust, improving the employees capability of being criticized and training them in the fields of psychology and organizational behavior.
- 11- Revision in the system of calculating wage and salary in private organizations and specifying a part of the payments according to people's talent and competence.
- 12- Preparing a suitable physical and mental environment in order to make the employees more active, and observance of ergonomic principles.
- 13- Making the employees aware of the new employment rules and informing all of them from every change.

Side suggestions:

Paying attention to the fact that in equality theory, Adams has introduced 6 ways for creating balance which are: changing the inputs, changing the outputs, changing the individual understanding, changing the understanding of the referent group, changing the referent group, and if all of the above faced with failure, leaving the situation. The following suggestions can be given:

- It is necessary that before every organization becomes privatized, the culture and atmosphere of that organization should be investigated. Privatization doesn't affect motivational factors everywhere and under any circumstances. In order to attain privatization, first there should be created a suitable cultural atmosphere and environment, so that privatization can be carried out in such an environment.
- It seems as if the contradictory information which reaches the employees from other groups (other private banks) and cause the employees' comparison with them, has resulted in the emergence of some expectations in individuals and it multiplies the sense of injustice and inequality. Therefore, if there exist valid informing systems and good

conditions for the employees so that wrong understandings and obscurities become eliminated, we can remove some causes of dissatisfaction.

Suggestions for future researchers:

- It is suggested that a study with the title of “studying the influential factors on career motivation in other levels of the bank” be carried out.
- It is suggested that a study with the title of “pathology of the decrease in Mellat bank’s motivational factors” be carried out.
- It is suggested that a study with the title of “studying the effect of privatization on the motivational factors according to other motivation theories” be carried out.
- It is suggested that a study with the title of “studying the external influential factors on privatization” be carried out.
- It is suggested that a study with the title of “studying the employees’ motivational factors in state organizations” be carried out.
- It is suggested that a qualitative study with the objective of determining the needs and legal limitations of privatization be carried out.

Research limitations:

Every research, along with novelty and its strengths, has some methodological limitations. But we have to pay attention that the limitations of the research don’t mean that the research is insufficient in the stages of condition, performance, analysis, and defining the data.

In other words, from methodological aspect, the applied limitations are representatives of the research’s strength. Because the researcher tries to do them with scientific justifications and a desired logic in the primary stage and plan developing stage.

Some limitations of this research are:

- 1- Non-existence of the pre-privatization data
- 2- Lack of research resources because of the fact that the research was new.
- 3- The conservatism which dominates the organizations, has influenced the honesty in responding and for eliminating this problem, there is always emphasis on the secrecy of responses.
- 4- The results of this research are limited to staff of Mellat Bank and it cannot be generalized to all Mellat Bank employees.

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