

## **Intrinsic and Extrinsic Motivation of Public and Private Commercial Banks in Bangladesh**

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***Abstract:** Motivation is a widely cited topic among the behavioral scientists and practicing issue of the managers irrespective their levels and areas within the organization. On the basis of functional outcomes and managerial value of interest on work motivation, this study is designed to investigate the underlying motives of intrinsic and extrinsic motivation. Thirty-three intrinsic and eighteen extrinsic work motives have been investigated. The Alpha value of the study is 0.911, therefore, the study is considered to be highly reliable. The F tests show that intrinsic and extrinsic motivation between the public and private banks do not significantly differ. The T statistics show significant differences between intrinsic and extrinsic motivation of public and private banks. The study concludes that the managerial job is to recognize the diverse pinpoints of intrinsic and extrinsic motivation consistently for minimizing gaps of psychological contract of the employee of commercial banks in Bangladesh.*

***Keywords:** Commercial Banks, Employee Motivation, Extrinsic Motivation, Intrinsic Motivation*

***Research Area:** Management*

### **I. Introduction**

The banking sector is one of the leading sectors, significantly contributes to the economy of Bangladesh (Siddique and Islam, 2001). The bank plays a very pivotal role in mobilizing resources by investing in different sectors which in turn contributes to economic growth (Sanusi and Governor, 2011). The efficiency banking operation is very important for overall development of a country (Roghanian, Rasli, and Gheysari, 2012). On the basis of these realities, employees of commercial banks in Bangladesh work in a competitive pressure to serve the internal and external customers (Rahman, 2013a). A large number of talented and energetic employees in commercial banks work as an agent of economic development (Rahman, 2013b). Commercial banks in Bangladesh occupy 97.4 percent of banking industry assets and 97.2 percent of total banking deposit

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(Bangladesh Bank, 2017). The performance of commercial banks largely depends on the employees work on it. Highly motivated employees are required for ongoing growth and development of commercial bank in Bangladesh.

The motivation remains a key secret of managing people at organizational interfaces (Rahman, 2013b). Motivated employees are one of the most valuable assets of any organization (Gabčianová, 2011). Motivated employees help the company overcome its drawbacks and ensure the most productive use of its other resources (Jahiruddin, Nur Un Nabi, and Hasan, 2004). Motivated employees are dedicated, dutiful, laborious, sincere and obedient, therefore, need less supervision to exert the best performance out of them (Rahman and Rahman, 2014). To keep the employee working efficiently, need to motivate them consistently. Money is not only a sole motivating factor (Gupta and Sunderji, 2018). Besides the money, there are intrinsic and extrinsic motives that can keep employees happy, hardworking, and ambitious for the ongoing success of the organization (Rahman, 2013b). Motivation comes in intrinsic and extrinsic in nature; because of the divergence of employee psychological contract (Cullinane and Dundon, 2006). To better understand the complexities of motivation, the motivational scholars over the year developed a number of motivational theories to explain and predict the nature of human behavior at work (Oni-Ojo et al., 2015). Interestingly, motivation is dynamic in nature as income changes, money becomes the less source motivation (Kovach, 1987). As employees grow older, interesting work becomes a motivational factor (Prasad, 2011). Individuals may differ as to the type, amplitude, and varied intensity of motivation (Larsen and Diener, 1987). The longevity of the motivation will probably relate to how long the motivational factor remains unsatisfied (Millette and Gagné, 2008). Motivation has been recognized as a dilemma that managers face, because what motivates one individual may not motivate another (Geren, 2011). There was an evident gap between employers' offers and employees' expectations (Hong et al., 1995). Employees have a variety of needs (Sylvester et al., 2014), aspirations (Lyden, 1975), as well as differing perceptions on motivational incentives of the organization (Kuvaas and Dysvik, 2009). In spite of everlasting debate regarding what constitutes the employee motivation (Latham, 2012) is lying in the meaning of the art of managerial practices (Evered and Selman, 1989).

The debate on the difference between public and private sector organization is long running debate issue in terms of political focus, measurement of objectives, attitudes, accountability, social goals versus business goals, rational versus political decisions, contrasting personnel management systems, the degree of control over the employee, and valuing time (Murray, 1975; Allison, 1986; Perry and Rainey, 1988). There is a consensus that public sector organization is too large, over employed, inefficient, less productive in comparison with private sector enterprise. In public sector enterprise due to political influence, corruption, unions, and bureaucracy have been blamed for the lower

performance. It is observed that public and private commercial banks differ according to the motivational importance given by them (Jahiruddin, Nur Un Nobil, and Hasan, 2004; Rahman, 2013b; Rahman and Nurullah, 2014).

On the basis of managerial value and interest on motivation, this work is designed to empirically investigate the current status of the motivational dual structure phenomenon in terms of intrinsic and extrinsic motivation. The divergent of intrinsic and extrinsic motivation between the public and private commercial banks have been designed to investigate; and the perception differences between intrinsic and extrinsic motivation of public and private commercial banks in Bangladesh have been designed to verify.

On the basis of the objectives of the study, the following working hypotheses have been developed:

H<sub>1</sub>: There is a significant difference between public and private commercial banks regarding intrinsic work motivation.

H<sub>2</sub>: There is a significant difference between public and private commercial banks regarding extrinsic work motivation.

H<sub>3</sub>: There is a significant difference between intrinsic and extrinsic work motivation of public commercial banks.

H<sub>4</sub>: There is a significant difference between intrinsic and extrinsic work motivation of private commercial banks.

## **II. Review of Literature**

### ***A. Intrinsic Motivation***

Motivation scholars have argued that intrinsic motivation is an important driver of employee attitudes (Cho and Perry, 2012) and their productivity (Martin, 2005). “Individuals are intrinsically motivated when they seek enjoyment, interest, the satisfaction of curiosity, self-expression, or personal challenge in the work. Individuals are intrinsically motivated when they engage in the work in order to obtain some goal that is apart from their work” (Amabile, 1993).

Most individuals desire more from their jobs than simple extrinsic compensation (Amabile, 1993). They may be motivated by numerous factors such as a pleasant work environment (Vartia, 1996) where they can apply all their capacities (Gul, Akbar, and Jan, 2012) and collaborate with interesting people (Martín Cruz, Martín Pérez, and Trevilla Cantero, 2009), working in an atmosphere of mutual respect (Carmeli and Gittel, 2009), the possibility of experiencing feelings of accomplishment (Shirom, 2003) and self-respect (Hill Jr, 1991) when they perform well, the provisions for adequate leisure time, feelings of power and prestige (Davis and Moore, 2018), a low-stress

(Rahman, 2013c), slower pace of work, or involvement with an organization that has values and goals similar to their own (Martín Cruz, Martín Pérez, and Trevilla Cantero, 2009).

Intrinsic motivation refers to engaging in an activity for its own sake, the work interest, pleasure and satisfaction derived from the ones job experiences (Deci and Ryan, 1975). Intrinsic motivation is the motivation to perform in order to experience the pleasure and satisfaction from work (Vallerand, 1997). Intrinsic motivation refers to the desire to expend effort based on one's interest and enjoyment of work being performed (Amabile, 1996). Chiang and Jang, (2008) opined that intrinsic valence motivates employees take more responsibility, making full use of their abilities for goal accomplishment.

Herzberg (1968) identified intrinsic factors in employee motivation, such as achievement, recognition for achievement, the work itself, responsibility, growth, and advancement. According to self-determination theory intrinsic motivation will increase if the communication of organizational goals provides the rationale for behavior at work (Ryan and Deci, 2000b).

Intrinsic work motivation enhances psychological engagement at work and exerting energy for sustaining the effort, spending the time to work spontaneously (Fredrickson, 1998). The degree of intrinsic interest at work depends on how the work becomes interesting, entertaining, enjoyable, and exciting perceived by the task's members and the positive association between intrinsic motivation and performance has been investigated (Christ et al., 2012). Intrinsic motivation has been shown to be one of the strongest predictors of job satisfaction (Kalleberg, 1977), which provides many benefits to organizations, including decreased absenteeism, low turnover, and a willingness to help other employees and to engage in activities without compensation. Employees who are intrinsically motivated also tend to exhibit better work performance (Barrd, Deci, and Ryan, 2004).

Intrinsic motivation is the tendency for employee to engage in tasks which they find interesting, challenging, and satisfying (Honand Leung, 2011). McClelland's (1985) motivational study identified three forms of intrinsic motivation: a need for achievement, a need for power, and a need for affiliation. Intrinsically motivated employees have better concentration, learning, recall, performance, and creativity than those who are extrinsically motivated (Deci and Ryan, 2000). The need for achievement (nAch) is a commitment to strive for success and a desire to show standards of excellence, as well as a need to achieve esteem, status, and feelings of persona accomplishment. They prefer either to work alone or with others who are like themselves, and they express preferences for organizational cultures that emphasize creativity, problem solving, and accomplishment. The need for power (nPow) refers to the desire to control and to use vigorous action to influence the behavior of others. In the workplace, power seekers try to

acquire status and reputation to gain satisfaction from exercising their influence (McClelland, 1985), and they have a tendency to pursue their own individual aspirations, such as attaining management and political positions (Hon and Rensvold, 2006). Finally, the need for affiliation (nAff) refers to the desire to establish warm and cooperative relationships with others. Individuals with strong affiliation motives tend to be supportive and helpful in their relationships (Stahl and Harrell, 1981). Research has found that people with high affiliation motives work well in teams that are composed of cooperative people, and thus a collectivistic culture emerges that promotes collective goals and cooperative efforts and places priority on maximizing collective welfare (Kirkman and Shapiro, 1997).

When intrinsic motivation is high, one is more likely to enjoy working, to invest more time and energy on work tasks, and thus to perform them better and more productively (Deci and Ryan, 2002). Consistent with these theoretical arguments, empirical research has confirmed that intrinsic motivation is positively related to persistence in work tasks, job performance, quality of works, and overall performance ratings (Hackman and Oldham, 1980; Piccolo and Colquitt, 2006; Vallerand, 1997).

When employees perceive an external intervention to be controlled, it not only reduces intrinsic motivation, but their work performance is also likely to be diminished over time (Frey and Jegen, 2001). Intrinsic motivation is apparent when the individuals' behavior is oriented towards the satisfaction of innate psychological needs rather than to obtain material rewards (Ryan and Deci, 2000a). Intrinsic motivation appears to be self-defined (Loewenstein, 1999) and self-sustained (Calder and Staw, 1975) and is fostered by a commitment to the work itself, which must be both satisfying and fulfilling mind states of the employees (Deci, 1975).

### ***B. Extrinsic Motivation***

Extrinsic motivation is considered as the set of monetary rewards- both direct (salary, financial incentives, bonus) and indirect (paid vacation, training, contributions to employee benefit plans such as medical, dental and life insurance, fringe benefits, and other allowances) -that individuals receive in exchange for their job. These external incentives motivate employees to perform valuable tasks for the organization (Prendergast, 1999; Bonner and Sprinkle, 2002). Employees are extrinsically motivated if they are able to satisfy their needs indirectly, especially through monetary compensation. It is quite possible that greater emphasis on monetary incentives will begin to attract individuals who value economic wealth more highly (Perry and Porter, 1982). That is, money is a goal which provides satisfaction irrespective of the actual activity itself (Osterloh and Frey, 2000).

From an extrinsic motivational perspective, individual behavior is driven by its perceived values and the benefits of the action. The fundamental goals of extrinsically motivated behaviors are to receive organizational rewards or reciprocal benefits (Vallerand, 2000; Kowaland Fortier, 1999). Organizational rewards are useful for motivating individuals to perform the desired behaviors (Bartoland Locke, 2000). Organizational rewards can range from monetary incentives such as increased salary and bonuses to non-monetary awards such as promotions and job security (Hargadon, 1998).

Extrinsic motivation occurs “when employees are able to satisfy their needs indirectly, most importantly, through monetary compensation” (Osterloh, Frost, and Frey, 2002). Herzberg (1968) identified extrinsic factors in employee motivation, such as company policy and appreciation, supervision, interpersonal relationships, working conditions, status, payment, and security.

Empirical research and recent theoretical developments suggest that increasing extrinsic rewards may lead to individual perceptions that their behavior is under the control of the rewards and that this, in turn, reduces intrinsic motivation (Luthans, 2011). Recent economic research on motivation crowding supports the view that extrinsic rewards can “crowd out” intrinsic motivation (Frey and Jegen, 2001).

### **III. Materials and Methods**

This work is exploratory in nature, designed to identify the intrinsic and extrinsic motivational facts in commercial banks in Bangladesh. The population of this study consists of the officers or executives in different layers of management in public and private commercial banks incorporated under company act in Bangladesh.

The target population of this study consists of 45 commercial banks in Bangladesh including 06 public commercial banks and 39 private commercial banks incorporated in Bangladesh. The total number of 7679 branches, including 3705 branches of public commercial banks and 3974 branches of private commercial banks operating in Bangladesh. It is difficult to collect samples from each bank and each branch of public and private commercial banks. Therefore, the sample banks of public and private commercial banks are selected for better representation of the entire population.

At this stage four (4) public commercial banks, eight (8) private commercial banks have been identified for better representation of the population of the study (population coverage 70.4%). According to the formula of optimum sample determination (Krejcieand Morgan, 1970), a survey of 366 branches (n) can be the best to represent the entire population. For the best comparison between public and private banks, the study designed to collect samples from the 400 branches, including 200 branches of public banks and 200 branches of private banks. The sample frame is designed to collect one object (respondent) from each branch of sample commercial banks. The total number of

respondents of the study is 400, including public 200 and private banks 200 proportionately distributed as per the number of branches.

The primary data of the study collected through the questionnaire by survey method. The survey of the study conducted during 2016 to 2017. This study used the structured questionnaire to assess the perception of bankers relating to their intrinsic and extrinsic work motivation. The questionnaire of the study is developed on the basis of a review of scientific literature of the Scopus, Google Scholar Indexed and Peer Reviewed Academic Journal of Bangladesh. Thirteen (13) motivators related to intrinsic work motivation have been identified as “relationship with colleagues; promotion; workplace dignity & respect; job security; career advancement; participation in decision making; appreciation; creativity at work; recognition; feedback; freedom of association; autonomy; and reward” and eighteen (18) extrinsic motivation incentive such as “lunch allowance; personal loan; paid leave; salary; provident fund scheme; house rent; festival bonus; pension plan; working conditions; target bonus; holiday leave; profit sharing; annual vacation; medical allowance; work disease compensation; educational allowance; health insurance; and transportation allowance” have been identified. Five-point “Likert” type scale has been used to measure and investigate the perception related to intrinsic and extrinsic work motivation.

The study data were analyzed by the statistical package for the social science (SPSS). The Descriptive Statistics like mean, and the standard deviation was used to compute the general understandings of the motivational mix. The inferential statistics like One-Way ANOVA, Paired Samples Correlations, Paired Samples mean difference *T* test is used to explain the mean difference of the of intrinsic and extrinsic motivation between and within the public and private commercial banks.

Reliability of data has measured by using the Cronbach’s alpha (Cronbach, 1951). Cronbach’s alpha is a coefficient of reliability and consistency. Many researchers suggested that acceptable Cronbach’s alpha is at least 0.70 or above. Nunnally (1978) offered a rule of thumb of 0.7. On the other hand other researcher suggested that the value of Cronbach’s alpha may vary from different studies, for instance, in exploratory research the Cronbach’s alpha value 0.60 is accepted.

**Table 1: Reliability Statistics**

Variables	The nature of Bank	Cronbach’s Alpha			Internal Consistency	N of Items
Work Motivation	Public	.892	Good	0.911	Excellent	31
	Private	.932	Excellent			

**Source:** SPSS Output of the Field Survey, 2016-2017

The Cronbach's Alpha of Work Motivation is 0.911 of 31 items (Public Bank, 0.892 and Private Bank, 0.932). The Alpha value is higher than that is suggested by Nunnally (1978) and therefore data collected may be considered as highly reliable.

#### IV. Empirical Results

#### Descriptive Statistics of Intrinsic Motivation of Public and Private Commercial Banks

**Table 2: Descriptive Statistics of Intrinsic Motivation**

Rank	Public Bank				Private Bank			
	Intrinsic Motivation	N	$\bar{x}$	$\sigma$	Intrinsic Motivation	N	$\bar{x}$	$\sigma$
1	Relationship with Colleagues	200	4.30	0.54	Relationship with Colleagues	200	4.36	0.59
2	Promotion	200	4.12	0.62	Promotion	200	4.23	0.60
3	Workplace Dignity & Respect	200	3.82	0.74	Career Advancement	200	3.89	0.85
4	Job Security	200	3.75	0.92	Workplace Dignity & Respect	200	3.85	0.79
5	Career Advancement	200	3.73	0.85	Appreciation	200	3.72	0.85
6	Participation in Decision Making	200	3.65	0.80	Participation in Decision Making	200	3.60	0.89
7	Appreciation	200	3.60	0.85	Creativity at Work	200	3.59	0.91
8	Creativity at Work	200	3.47	0.94	Recognition	200	3.53	0.92
9	Recognition	200	3.23	0.94	Job Security	200	3.48	1.01
10	Feedback	200	3.18	0.92	Feedback	200	3.41	0.89
11	Freedom of Association	200	3.05	1.06	Reward	200	3.35	0.95
12	Autonomy	200	3.01	0.99	Autonomy	200	3.20	0.99
13	Reward	200	2.96	0.94	Freedom of Association	200	2.50	1.22
	<b><math>\Sigma</math> Extrinsic Motivation</b>	<b>200</b>	<b>3.31</b>	<b>0.49</b>	<b><math>\Sigma</math> Extrinsic Motivation</b>	<b>200</b>	<b>3.25</b>	<b>0.67</b>

**Source:** Field Survey, 2016-2017

The traditional rule of thumb of describing the mean score of five point scale as 4.5 and above=highest mean score; 4 to 4.49= high mean score; 3.5 to 3.99= average high mean score; 3 to 4.49= average mean score; up to 2.99= low mean score (Rahman, 2017).

The descriptive statistics of intrinsic work motivation (Table 2) indicates that the relationship with colleagues and promotional opportunities of both public and private commercial banks accessed at the high perceived mean score (4 to 4.49= high).



The workplace dignity & respect; job security; career advancement; participation in decision making; and appreciation at work are perceived at the average high mean scores (3.5 to 3.99= average high) of public commercial banks. At the same level, “career advancement; workplace dignity & respect; appreciation; participation in decision making; creativity at work; and recognition” are perceived at the average high mean scores of private commercial banks.

Creativity at work; recognition; feedback; freedom of association; and autonomy at work are perceived at the average mean scores (3 to 4.49= average) of public commercial banks. In private commercial banks, the perceived average mean scores of “job security; feedback; reward; and autonomy” at work are prevailing.

In public commercial banks, “reward” is perceived at the low mean score (up to 2.99= low mean) at the same level the “freedom of association” of private commercial banks is perceived low mean score.

### Descriptive Statistics of Extrinsic Motivation of Public and Private Commercial

**Table 3: Descriptive Statistics of Extrinsic Motivation**

Rank	Public Bank				Private Bank			
	Extrinsic Motivation	N	$\bar{x}$	$\sigma$	Extrinsic Motivation	N	$\bar{x}$	$\sigma$
1	Lunch Allowance	200	4.36	0.57	Working Conditions	200	3.96	0.87
2	Personal Loan	200	4.07	0.82	Provident Fund Scheme	200	3.86	0.83
3	Paid Leave	200	3.93	0.71	House Rent	200	3.71	1.06
4	Salary	200	3.79	0.90	Personal Loan	200	3.52	1.10
5	Provident Fund Scheme	200	3.75	1.00	Salary	200	3.51	1.19
6	House Rent	200	3.74	0.93	Festival Bonus	200	3.47	1.07
7	Festival Bonus	200	3.71	0.88	Target Bonus	200	3.46	1.10
8	Pension Plan	200	3.54	1.23	Medical Allowance	200	3.35	1.09
9	Working Conditions	200	3.52	0.94	Transportation Allowance	200	3.32	1.14
10	Target Bonus	200	3.50	1.10	Paid Leave	200	3.25	1.24
11	Holiday Leave	200	3.34	1.07	Holiday Leave	200	3.14	1.20
12	Profit Sharing	200	3.15	1.17	Profit Sharing	200	3.13	1.10
13	Annual Vacation	200	3.11	1.14	Lunch Allowance	200	3.05	1.36
14	Medical Allowance	200	2.60	1.13	Work Disease Compensation	200	3.05	1.17
15	Work Disease Compensation	200	2.52	1.01	Annual Vacation	200	3.01	1.31
16	Educational Allowance	200	2.34	0.97	Pension Plan	200	2.72	1.18
17	Health Insurance	200	2.32	1.09	Health Insurance	200	2.68	1.12
18	Transportation Allowance	200	2.31	1.18	Educational Allowance	200	2.34	0.95
<b>∑ Extrinsic Motivation</b>		<b>200</b>	<b>3.52</b>	<b>0.52</b>	<b>∑ Extrinsic Motivation</b>	<b>200</b>	<b>3.59</b>	<b>0.58</b>

Source: Field Survey, 2016-2017

The descriptive statistics of extrinsic work motivation (Table 3) indicates that the lunch allowance and personal loan facilities of the public commercial banks accessed at the high perceived mean score (4 to 4.49= high).

Paid leave; salary; provident fund scheme; house rent; festival bonus; pension plan; working conditions; and target bonus are perceived at the average high mean scores (3.5 to 3.99= average high) of public commercial banks. At the same level, “working conditions; provident fund scheme; house rent; personal loan; and salary” are perceived at the average high mean scores of private commercial banks.

Holiday leave; profit sharing; and annual vacation are perceived at the average mean scores (3 to 4.49= average) of public commercial banks. In private commercial banks, the perceived average mean scores of “festival bonus; target bonus; medical allowance; transportation allowance; paid leave; holiday leave; profit sharing; lunch allowance; work disease compensation; and annual vacation” at work are prevailing.

In public commercial banks, “medical allowance; work disease compensation; educational allowance; health insurance; and transportation allowance” are perceived at low mean score (up to 2.99= low mean) at the same level the “pension plan; health insurance; and educational allowance” of private commercial banks are perceived at low mean scores.

**Table 4: One-way ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
Intrinsic Motivation	Between Groups	0.379	1	0.379	1.240	0.266
	Within Groups	121.590	398	0.306		
	Total	121.968	399			
Extrinsic Motivation	Between Groups	0.370	1	0.370	1.071	0.301
	Within Groups	137.562	398	0.346		
	Total	137.932	399			

**Source:** SPSS Output of the Field Survey, 2016-2017

Table 4 is a summary of findings related to the employee’s perception of intrinsic and extrinsic motivation. The test statistics of the table indicate the perception regarding the intrinsic motivation of public bank compare to private bank counterpart is statistically insignificant at 5 percent level of significance ( $F=1.240$ ,  $P=0.266$ ). Therefore the hypothesis  $H_1$ : There is a significant difference between public and private commercial banks regarding intrinsic work motivation is rejected because the  $P$  value is higher than 5% (0.05) level of significance.

The test statistics of the table indicate the perception regarding the extrinsic motivation of public bank compare to private bank counterpart is statistically insignificant at 5 percent level of significance ( $F=1.071$ ,  $P=0.301$ ). Therefore the hypothesis  $H_2$ : There is a significant difference between public and private commercial banks regarding extrinsic work motivation is rejected because the  $P$  value is higher than 5% (0.05) level of significance.

**Table 5: Paired Samples Statistics**

Nature of Bank			$\bar{x}$	N	$\sigma$	Std. Error Mean
Public	Pair 1	Intrinsic Motivation	3.52	200	0.52	0.04
		Extrinsic Motivation	3.31	200	0.49	0.03
Private	Pair 2	Intrinsic Motivation	3.59	200	0.58	0.04
		Extrinsic Motivation	3.25	200	0.67	0.05

**Source:** SPSS Output of the Field Survey, 2016-2017

The mean value of intrinsic motivation ( $\bar{x}=3.52$ ) is higher than that of extrinsic motivation ( $\bar{x}=3.31$ ) of public commercial banks. The standard deviations indicate the variability in the perceptions of intrinsic motivation ( $\sigma =0.52$ ) and extrinsic motivation ( $\sigma =0.49$ ) of public commercial banks.

The mean value of intrinsic motivation ( $\bar{x}=3.59$ ) is higher than that of extrinsic motivation ( $\bar{x}=3.25$ ) of private commercial banks. The standard deviations indicate the variability in the perceptions of intrinsic motivation ( $\sigma =0.58$ ) and extrinsic motivation ( $\sigma =0.68$ ) of private commercial banks.

**Table 6: Paired Samples Correlations**

Nature of Bank	Pairs	N	$r$	Sig.
Public	Pair 1: Intrinsic & Extrinsic Motivation	200	0.68	0.00
Private	Pair 2: Intrinsic & Extrinsic Motivation	200	0.75	0.00

**Source:** SPSS Output of the Field Survey, 2016-2017

The table-6 indicates that, there is a strong high positive/significant relationship between the intrinsic and extrinsic motivation of public commercial banks, (N=200) with coefficient correlation  $r =0.68$ ,  $p= 0.00$  at 0.00 level of significance.

There is a very strong positive/significant relationship between the intrinsic and extrinsic motivation of private commercial banks, (N=200) with coefficient correlation  $r =0.75$ ,  $p= 0.00$  at 0.00 level of significance.

**Table 7: Paired Samples Differences T Test**

Banks	Pairs	95% Confidence Interval of the Difference					t	df	Sig. (2 tailed)
		$\bar{x}$	$\sigma$	Std. Error $\bar{x}$	Lower	Upper			
Public	Pair 1: Intrinsic & Extrinsic Motivation	0.218	0.407	0.028	0.161	0.275	7.57	199	0.00
Private	Pair 2: Intrinsic & Extrinsic Motivation	0.340	0.446	0.031	0.278	0.403	10.79	199	0.00

**Source:** SPSS Output of the Field Survey, 2016-2017

In table 7, Pair-1: intrinsic & extrinsic motivation's t-statistic is 7.57 with 199 degrees of freedom. The corresponding two tailed significance (*p-value*) is 0.00, which is lower than 0.05. Therefore, the hypothesis H<sub>3</sub>: There is a significant difference between intrinsic and extrinsic work motivation of public commercial banks is accepted.

In table 7, Pair-1: Intrinsic & Extrinsic Motivation, the t-statistic is 10.79 with 199 degrees of freedom. The corresponding two tailed significance (*p-value*) is 0.00, which is lower than 0.05. Therefore, the hypothesis H<sub>4</sub>: There is a significant difference between intrinsic and extrinsic work motivation of private commercial banks is accepted.

**Table 8: Summary of Hypotheses Tests**

Hypotheses	Results	
H <sub>1</sub> : There is a significant difference between public and private commercial banks regarding intrinsic work motivation.	F = 1.240 Sig., 0.266	Rejected
H <sub>2</sub> : There is a significant difference between public and private commercial banks regarding extrinsic work motivation.	F = 1.071 Sig., 0.301	Rejected
H <sub>3</sub> : There is a significant difference between intrinsic and extrinsic work motivation of public commercial banks.	t = 7.57 P = 0.00	Accepted
H <sub>4</sub> : There is a significant difference between intrinsic and extrinsic work motivation of private commercial banks.	t = 10.79 P = 0.00	Accepted

**Source:** Table 4 and 7

## V. Conclusions

The perceived motivational incentives are the indicators of the potential gap of the psychological contract. Both intrinsic and extrinsic motivator's mean scores range between high to low both public and private commercial banks in Bangladesh. The

managerial job is to maintain the current highest loading motivational incentives, maintain and follow-up high loading motivational incentives, follow up and enhance average high loading motivational incentives, enhance the average loading motivational incentives, and redesign the loading motivational incentives. The mean average of extrinsic work motivation of public commercial bank is slightly higher than that of public commercial banks in Bangladesh but test statistics indicated insignificant divergence between them. The intrinsic and extrinsic motivation a public and private commercial banks alike to be same. The overall scenario of motivational incentives of public and private commercial bank is competitive and lies within the industry average.

The difference between intrinsic and extrinsic motivation of both public and private commercial banks are found to be statistically significant differences. The perceived mean value of intrinsic motivation of employee of both public and private commercial banks is higher than that of extrinsic motivation of them. The test statistics relating to the divergence of intrinsic and extrinsic motivation indicate the dual structured phenomenon of work motivation.

The intrinsic and extrinsic forms of motivation are two opposite poles of a continuum ranging from a *poor* (extrinsic) to a *good* (intrinsic) form of motivation (Lemos and Veríssimo, 2014). Research of extrinsic rewards on intrinsic motivation suggests the effect of extrinsic incentives to determine the subsequent interest in work. Extrinsic rewards have also produced deleterious effects on quality of work performance (Weinberg, 1978) as indicated by inverted U shape motivation and performance relationship (Sturman, 2003).

Extrinsic rewards can be used to motivate employees to bring effort, energy and work related competencies. Once employee become competent enough to perform, become intrinsically motivated to carry out the work effectively than the past. The most scholars advocate the need for intrinsic work interest. In some cases, employees simply have no internal desire to engage in work. In this case the extrinsic reward becomes the central remedy of the problem. The excessive extrinsic reward is counterproductive, but when it is given appropriately, extrinsic motivator become a useful motivational tool of employee engagement at work. The intrinsic motivation is often seen as desirable for effective organizational functioning, but both extrinsic motivation and intrinsic motivation are important ways of driving functional behavior of the employee. For effective human resource management, it is important to understand the key diverge pin points of the intrinsic and extrinsic work motivation leading to individual, group and organizational performance. On the basis of these realities, the managers need to be careful in designing the compensation package of employee with a mix of intrinsic and extrinsic work motives on the basis of their psychological contract.

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