AN INVESTIGATION OF THE RELATIONSHIP BETWEEN WORK MOTIVATION (INTRINSIC & EXTRINSIC) AND EMPLOYEE ENGAGEMENT

A STUDY ON ALLIED BANK OF PAKISTAN

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This thesis would not have been possible without the help and support of generous people around us. It is of particular importance to mention all of them with their names.

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ABSTRACT

Introduction: Work motivation (intrinsic & extrinsic) and employee engagement is the hot issues for today’s management. Employee’s motivation has been in discussion for years, different compensation plans and strategies were adopted over years to make employees more productive. Recently, the introduction of employee engagement as a new construct to business, management, and human resource management fields make it an imperative to adopt in organizational settings. Many studies made indirect link between work motivation (intrinsic & extrinsic) and employee engagement. Moreover, motivational factors (intrinsic & extrinsic) are often considered a useful tool for employee engagement. But very few studies investigated the direct relationship between work motivation (intrinsic & extrinsic) and employee engagement.

Purpose: This study explored the relationship between work motivation (Intrinsic & Extrinsic) and employee engagement. Moreover, the study also examined the impact of intrinsic and extrinsic motivation on employee engagement.

Methodology: In order to fulfill the research purpose, quantitative study was adopted. Questionnaires were designed using Google survey tool. 187 questionnaires were collected from employees of Allied Bank of Pakistan. Later on, SPSS was used to perform the required test of descriptive statistics, reliability analysis, bivariate correlation, ANOVA test and multiple regression analysis.

Findings: The results of SPSS revealed strong agreement of respondents to positive relationship between intrinsic motivation and employee engagement, and extrinsic motivation and employee engagement. Four intrinsic factors namely interesting work, job appreciation, satisfaction and stress, and four extrinsic factors namely job security, good wages, promotion & growth and recognition were considered important by respondents for engagement.

Conclusion: From the findings it is concluded that there is positive relationship between intrinsic motivation and employee engagement, and extrinsic motivation and employee engagement. Furthermore, it is also accomplished that both intrinsic and extrinsic motivation has strong positive impact on employee engagement. From the results it is also concluded that the relationship and impact of extrinsic motivation was stronger on employee engagement as compared to intrinsic motivation.

The study will enrich the current literature of work motivation and employee engagement. On practical level this study will not only help practitioners and consultants but also bank management will also be equipped with useful information regarding work motivation and employee engagement in organizational settings.

Key Words: Motivation, Intrinsic motivation, Extrinsic motivation, Employee engagement
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CHAPTER NO 1
INTRODUCTION

This chapter aims to discuss the research topic and explore the research gap. It starts with introduction to work motivation (intrinsic & extrinsic) and employee engagement. Later on background of the topic is discussed in comprehensive way. This study considers work employee engagement and motivation (intrinsic & extrinsic) as the main stances. After explaining the research problem, research question and purpose of the study is formulated. Towards the end of chapter significance of the study, limitation, introduction to key terms and outline of all chapters are given with the help of comprehensive figure.

1.1 Introduction

Human resource management plays a vital role in the success and failure of any organization strategic business planning. The topic of human resource has been in discussion for years, much have been written and much left for further exploration. Organization current and potential human resources are important considerations both in the development and execution of it strategic business plan (Huselid, 1995, p.636). Question arise that, why an employee is required to work hard? Why an employee is required to demote more time to his or her work? And why organization engages employees in work? Why they want them to work for a common goal? Answer of these questions lies in motivation. It is the force of motivation that enables employees to work hard, to devote more time and the same force encourage organizations to engage their employees in work to attain a common organizational and employee goal. The role of human resource management has become increasingly popular in motivation and employees engagement.

Employee motivation has always been consider a central issue for any organization (Amabile, 1993, p.185). It was the Greek philosophers who focused on the concept of hedonism, stating that individual make efforts to seek pleasure and avoid pain (Steers et al., 2004, pp. 379-380; Kamal et al., 2006, p.1). Scientists have since then worked intensively to present different motivational theories and they reached to significant achievements in 1960s and 1970s and beyond (Steers et al., 2004, pp. 379-380). However, many researchers consider motivation a complex process, because it crosses many disciplinary boundaries, including economics, psychology, organizational development, human resource management, and sociology (Seldon & Brewer, 2000, 532). But despite of this complexity and slow progress the concept of motivation has numerous theoretical as well as practical implications for example, most motivational work done in industrial and business organization. The theoretical contribution to the field of motivation in public sector is also evidence from the work of (Wright 2001; Dixit 2002; Lewin 2003, cited in Dimitris 2008, p.1739).

Organizations are formulating a combination of short and long-term strategies for successful employee motivation. Different types of rewards are setting to boost the organization’s productivity and improve employee engagement. But recently a consensus has been developed for shifting cash-for-motivation into long term
engagement strategies. It has also been said that motivational factors (Intrinsic and extrinsic) could be a useful tool for employee engagement (Silvera, 2013, p.2). According to Macey and Schneider (2008) short term as well as long term strategies are required to develop in order to facilitate employee engagement at work place (p.3-4). Shuck, Reio and Rocco (2011) also argue that, long term emotional commitment is required for employee engagement (p.427). Employee engagement has been linked with firm high level of profits, overall revenue and growth (Xanthopoulou et al., 2009, p.184). Surveys have been conducted to find out its importance in organization. According to 2013 Credit Union Checking Survey, organizations reporting increased profit showed high level of engaged employees as compared to those organizations that shows declining profit (p.1).

Employee engagement is an emerging concept in the business, management, industrial/organizational psychology, and human resource development fields (Wollard & Shuck 2011, p.429; Mcbain, 2006, p. 21). Kahn (1990) uses the term employee engagement as a psychological presence of an employee when executing his or her task in organization. Kahn considered these psychological presences from the aspects of physical, cognitive and emotional. According to Kahn (1990), these three facets are activated simultaneously to generate an engaged state (Kahn, 1990, p.693). Empirical evidence from the work of May, Gilson and Harter (2004) also support this conceptualization (p.11). Researchers have started investigating the imperative of employee engagement. Increasing evidence both on theoretical and practical level indicates that employee engagement can make a difference to the performance of individuals, teams and organizations (Mcbain, 2006, p.21). Being a new field, it does not get that much attention as required.

It is apparent from the above discussion that motivation and employee engagement are the important aspects of organizational success. Much has been written and discussed on motivation and employee engagement separately as an individual topic, but very few studies have made link between motivation and employee engagement. The topic is further explored in background.

1.2 Background of the Study

1.2.1 Motivation

Motivation can be used to engage employees in their work. Employees are the key components of all organizations, whether private or government. Therefore, it is an imperative to investigate more closely what motivation is and how it works in management?

Motivation means to be moved to do something. Therefore, someone is energized or acted towards an end is considered motivated, whereas, a person who feels no inspiration to act thus considered as unmotivated (Deci & Ryan, 2000, p.54). It is also defined as producing “engagement in and persistence with the learning task” (Crookes & Schmidt, 1991, p.469). Human behavior is complex; some desires are conscious while others are unconscious. Sometimes their needs are driven by their unconscious motives. According to Kamal et al (2006) human are just like an iceberg, as the tip of the ice berg is visible (conscious), but the rest of the parts which is under the surface is
not visible. Although, there are different opinions about definition of motivation, but all researchers almost agree that, it is the force that compel human to start an activity and complete it with putting all of their efforts to fulfill their desires. Motivation is thereby connected to every function of life and it could be found in different working behaviors. Simple acts such as eating are motivated by hunger; education is motivated by desire for knowledge (P.6).

These factors can be understood more thoroughly by going deeper into different types of motivation, i.e. intrinsic & extrinsic motivation. Both theories and empirical research holds that a) need-based motivations are the important input that engage people in various behaviors, b) such motivation can be divided into two major groups: extrinsic and intrinsic (Jiming & Xinjian, 2013, p.156; Amabile, 1993, p.186). Intrinsic motivation arises from the intrinsic value of the work for the individual (for example, its interest value), whereas, extrinsic motivation arises from the desire to obtain some outcomes (for example, as rewards) that are apart from the work itself (Amabile, 1993, p.186). Intrinsic motivation refer to perform a behavior for one own sake for pleasure and satisfaction, whereas, extrinsic motivation refers to perform a behavior for instrumental values such as monetary rewards, that are apart from the behavior (Young, 1961, p. 171; Deci and Ryan, 1987, p.1026). Intrinsic motivation is related to internal desire and extrinsic motivation is related to the external environment. These different needs for motivation are necessary to understand in order to make a cooperative work place; therefore, employees need both intrinsic and extrinsic motivation (Kamal et al., 2006, p.5).

Motivational theorists identified and tested different intrinsic and extrinsic motivators in work environment. Powell, Symbaluk and Honey, (2005) identified some behaviors that could be extrinsically motivated that are; working for money, driving a car toward a destination, and reading textbooks for an upcoming exam (P.38-40). Many behaviors are intrinsically motivated for example, arousal, excitement, enjoyment and flow (Holbrook et al., 1984, p.137). Deci and Ryan (1985) argue that the main focus of intrinsic motivation is on the employee task engagement process only (P.113-140). Amabile (1993) disagree with this statement and suggested that “intrinsic motivation is completely compatible with certain kinds of product focus” (p.189). There are different opinion regarding intrinsic and extrinsic motivation, it is sure that, both of them play crucial role in motivating employees. Employee motivation depends on many intrinsic and extrinsic factors like, interesting work, job appreciation, satisfaction, stress, job security, promotion and growth, rewards, work environment, punishment and recognition etcetera (Palaniammal, 2013, p.2). The main purpose of these motivating factors is to create an environment where people are willing to work with zeal, initiative, interest and enthusiasm, with a high personal and group satisfaction, with the sense of responsibility, loyalty and confidence to achieve their personal as well as organizational goals (Palaniammal, 2013, p.1).

Intrinsic and extrinsic motivation factors have been under discussion for long time. According to Locke (1969), more than 3300 articles have been written on this subject. One of the main reasons of this interest is that motivation and its types, not only affect employee productivity but it has also huge impact on organization and employee performance (p.310-311). A relationship between psychology of workers motivation and monetary rewards has been developed recently. Literature on workers psychology and monetary rewards recommend that, good wages are suitable to maintaining personnel motivation in organization (Leete, 2000, p.423). Islam and Ismail (2008) in a
study made a relationship between Hierarchy of Needs Theory and monetary reward, the study confirm that monetary rewards are effective motivational factor (p.347). A survey conducted from sales and banking employees showed that, monetary rewards (i.e. Good Wages) were the preferred factor for motivation in banking and sales employment (Jenica, 2007, p.34). In 1946, 1980, 1986 and 1992 studies were conducted on employee motivation. Employees ranked monetary reward at first place, followed by job security and promotion and growth. This comparison also revealed that employee’s preferences vary over time (Kovach, 1987, p.427). Rewards in organization can affect employee satisfaction. Rosenthal (2008), examined rewards trends by using Quality of Employment Survey of 1977, and the National Study of the Changing Workforce of 1997 and 2002. The results indicate that workers improved their job rewards from 1977 to 2002. Ali and Ahmad (2008) conducted a research on reward and recognition and employee satisfaction. A sample of 80 employees from Unilever companies of Pakistan was chosen. Rewards and recognition were taken as independent variables and employee satisfaction as dependent variables. The analysis support positive relationship between reward, promotion and employee satisfaction (p.1).

Tausif (2012) conducted a study on public and private banks of Pakistan. The results indicate positive relationship among task autonomy, task involvement and recognition. Employees from public sector service organization are not satisfied with chances and opportunities to learn more; whereas, employees from private sector service organizations are more satisfied (p.40). A survey on American workers investigated 16 aspects of worker motivation, respondents chose interesting work, and enjoying an opportunity to learn new skills (Spector, 1997, p.7-10). Another study examined the importance of job security in organization by selecting a sample of 104 employees from the central personnel office of a large state agency. Job security was found as an important factor related to both intrinsic as well as extrinsic motivation (Kuhnert & Palmer, 1991, p.178). Job security is considered a fundamental requirement as compared to other factors especially in banking sector. Extrinsic rewards such as cash bonus can therefore, increase intrinsic motivation (Jenica, 2007, p. 38). Increasing interest of researchers in the field of motivation has proved that most employers communicate job appreciation very poorly. According to Jenica, 80% of supervisors stated that they frequently express appreciation to their subordinates. Whereas, 20% of the employees declare that, supervisors express appreciation occasionally. It is also evidence that, hard workers employees at daily operation unit are rarely recognized by supervisors. Therefore, managers must recognize the importance of appreciation and recognition for better engagement in their job (Jenica, 2007, p.33).

Khan, Farooq and Khan (2010) analyzed the role of reward in motivating employees in commercial banks of Kohat, Pakistan. Four predictor variables (payment, promotion, benefits and recognition) were used to analyze variance in employee motivation. A sample of 200 commercial banks employees was surveyed. The results of the study indicated 71% variance explained by predictor variable in employee motivation. Promotion and recognition showed greater effect on employee motivation as compared to payment and benefits (p.181-182). Tahir et al (2011) worked on the compensation instruments which were use as the factors for motivation in the banking sector of Pakistan. A qualitative research was carried out, interviewing 50 employees from National Bank of Pakistan. The results show that employees were motivated both by the intrinsic as well as extrinsic factors and a direct relationship were found between compensation management and employee motivation (pp.204-205). In another study Tahir et al (2010) tried to find out the comparison between intrinsic and extrinsic factors.
of motivation in banking sector of Pakistan. Intrinsic and extrinsic factors were considered as independent variables and motivation and performance as dependent variables. An unstructured interview was conducted from 20 officers of banks in Pakistan. The research identified positive direct relationship between dependent and independent variables. The results added that extrinsic factors (such as basic salary, bonus etcetera) and intrinsic motivation factors (such as work environment, training and development etcetera) play role of motivators for the employees in banking sector of Pakistan. High satisfaction was felt and observed in employees about extrinsic factors (pp. 8-9).

Different researchers used different intrinsic and extrinsic factors for employee motivation in banking sector. After discussing different motivational factors, we conclude that four intrinsic (such as: interesting work, job appreciation, job satisfaction, stress) and four extrinsic factors (job security, promotion & growth, good wages, recognition) will be consider for this study. These factors are taken on the basis of Maslow’s Need theory, Alderfer ERG theory, Herzberg’s two factor theory, Four-Drive Theory and Expectancy theory. There is no doubt that motivated employee is productive employee, many studies have proved positive relationship between motivation and employee performance. But are they really engaged in their job or how this motivation could be exercise at work place, so that employee engagement is insure.

1.2.2 Employee Engagement

Employee engagement is an emerging concept and still there is no consensus on its definition. We will try to reflect on some of famous definitions used by different scholars. According to Schaufeli and Bakker’s (2004), engagement is a “positive, fulfilling, work related state of mind that is characterized by vigor, dedication, and absorption” (p.295). There are some definitions of employee engagement that provide more stress on identification with either organization or a job (McBain, 2006, p.23). Perrin (2003), defined engagement as the ‘employee willingness and ability to contribute to company success, through putting extra time, brainpower and energy to their work’ (p.1). According to Shuck and Wollard (2010), employee engagement is “an individual employee’s cognitive, emotional, and behavioral state directed toward desired organizational; outcomes” (p.103). Recently, Rice, Marlow and Masarech (2012), in their book “The Engagement Equation” defined engagement as “full employee engagement represents an alignment of maximum satisfaction for the individual with maximum contribution for the organization” i.e. EE= MS + MC (p.4). The focus of all definitions is on two things, employee satisfaction and contribution to organization success. Employee satisfaction in Schaufeli and Bakker’s (2004) definition is explained by the terms vigor, dedication, and absorption, in Towers Perrin (2003) definition represent by employee willingness and in Shuck and Wollard (2010) definition explained by cognitive, emotional, and behavioral state and the ultimate results of these behavior are shown as a contribution for organization success. Many researchers differentiated involvement and commitment from the concept of engagement (for example, Kahn 1990, Rice, Marlow and Masarech 2012) and used them as contents for achieving employee engagement. We will use work employee engagement only and a relationship will be find out with work motivation. Employee engagement has not only attracted researchers but it is also a common focus for consulting firms (Andrew & Sofian, 2012, p.498). Most of the literature available on employee engagement comes from the practitioner and consulting firms (Robinson, Perryman & Hayday, 2004, p.2).
Recently, employee engagement has become a point of focus for both scientists and practitioners (Andrew & Sofian, 2012, p.498). A large body of research is covering this concept, as it is attach with high levels of personal investment in the work tasks performed on a job (for example, Kahn, 1990; May, Gilson and Harter, 2004; Macey & Schneider, 2008). Kahn (1990) made a great contribution in development of employee engagement literature. He explained the term self-in-role as a collaboration of personal engagement and personal disengagement. The term engagement refers to behaviors by which people are bringing on or leave out their personal selves during work role performances. According to Kahn when people are engaged, they employ and express themselves physically, cognitively, and emotionally during role performance, whereas, in disengagement people withdraw and defend themselves physically, cognitively, or emotionally during role performances. The concept of engagement argues that people need both self-expression and self-employment in their working lives (p.694). Kahn (1990) identified three psychological conditions for engagement.

a) Psychological meaningfulness: feeling worthwhile and valuable when work is challenging and creative

b) Safety: employing oneself without fear of negative consequences to self-image, career.

c) Availability: possessing the physical, emotional and psychological resources required to employ oneself in the role performance.

Buckingham and Coffman (1999) in their book “First, Break all the Rules” showed their interest in employee engagement. The authors worked with The Gallup Organization by analyzing a million or more Gallup surveys to identify factors that distinguish effective work unit from less effective ones and interviewing more than 80,000 managers to identify how they effectively manage themselves and their work units. These surveys identified the fact that it is the behavior of the manager that make one unit effective than other. Buckingham and Coffman (1999) used the term “employee engagement” throughout their book as a shorthand for manager’s behavior to make a unit effective (engage employee) for profitable outcomes. They also identified some features for effective managers like, caring and encouraging employee’s development, focusing on their talent, providing opportunities (pp.126-130). Later on more than 250 peer-reviewed articles have appeared in scholarly journals in different academic disciplines about employee engagement (for example, Bakker & Demerouti, Schaufeli, 2008 & Salanova, 2010, Chalofsky & Krishna, 2009). It is also evidence from empirical literature that presence of higher levels of employee engagement significantly reduces turnover intention in organizations (Shuck, Reio & Rocco, 2011, p.427). Those organizations that develop employee engagement, report fewer accident on the job and high level of safety is enjoying by employees (May, Gilson & Harter, 2004, p.11). Kahn (1990) connected engagement to motivation; it should lead to high level of performance (p.694).

Kahn (1990) and May, Gilson and Harter (2004) model made a good contribution to engagement literature by making a relationship among three psychological conditions; meaningfulness, safety, availability and engagement. Another model of engagement comes from the burnout literature. Maskach and Leiter (2008) associated burnout to both positive and negative responses to the job. The positive responses are in the form
of engagement and negatives are in the form of job dissatisfaction, absenteeism, intention to leave the job, turnover, stress (p.499). Maskach and Leiter (2008) identified six factors of work-life that can lead to burnout and engagement: workplace environment, workload, control, reward & recognition, community, fairness, and values (p.450). Although, Kahn (1990) and Maskach and Leiter (2008) models indicates different antecedents that are necessary for engagement but they do not explain an individual response to these conditions. This issue has been explained by social exchange theory (SET). One of the basic believe about SET is that the relationships develop over time into trusting, loyal, and mutual commitments as long as the parties are abide by certain rules of exchange (Cropanzano & Mitchell, 2005, p.875). Exchange rule normally based on reciprocity or repayment principal, where action of one party become the response or action of another party. If employees are getting resources and benefits from their organizations they in exchange will engage them self in a way to contribute to organization. According to Robinson, Perryman, and Hayday (2004) engagement is two way relationships between employee and employer (p.25). If employees are regularly getting benefits from organization, he or she will be motivated and will put all his or her efforts to engage in the work for better outcomes.

Many studies have examined the antecedent, predictors and outcome variables of employee engagement. Studies show that employee engagement shares an important relation with organization out comes and overall performance (for example. Shuck, Reio & Rocco, 2011; Saks, 2006; Schaufeli & Bakker’s 2004; Menguc et al., 2012; Dalal et al., 2012). Four out of every five employees worldwide are not delivering their full potentials to help their organization (Gebauer & Lowman, 2009, P.5). Current surveys on employee disengagement cost $250 and $300 billion a year in United States. Similar studies report this cost, $263 billion for German, $4.9 billion for Australian and $2.5 for Asian economy Meere (2005, cited in Shuck et al, 2011, p.428). According to a report Europe was the strongest among all other regions showing continuous improvement in engagement in 2011-2012. North America decline by 3% and no change has been seen in Asia pacific (Aon Hewitt, 2013, pp.1-2). Asia pacific still not recovered from the recent economic recession, evidence can be seen from the above report. After the economic recession of 2008, trends in global engagement has been changing. It is become an imperative for organizations to keep engaging their employees for better outcomes. We are only considering individual employee work engagement and its relationship with employee work motivation (intrinsic & extrinsic) in our study.

Human resources are considered an important asset of any organization; organizations are now turning towards human resource to set up strategic agenda for the enhancement of employee engagement (Andrew & Sofian, 2012, p.499). Motivated and engaged employee is always considering a productive employee, few studies have found the relationship between motivation (intrinsic & extrinsic) and employee engagement. Therefore, one would probably want to know this relationship in a region where past trend of engagement remains unchanged i.e. Asia (Pakistan).

1.3 Knowledge Gap

After scrutinizing previous literature on engagement, it is clear that most of the literature present today comes from practitioners and consulting firms, little academic and empirical research is attach to this subject (Robinson, Perryman & Hayday, 2004,
The existing research and empirical evidence on employee engagement is relatively limited as compared to other subjects. Evidence at academic and practitioner level propose that employee engagement can make a difference to the performance of individual, teams and organization (McBain, 2006, p.21). These evidences suggest that, it is an emerging concept and there is a need for further research on this subject.

Study of Christian, Garza and Slaughter (2011) clarifies the role of engagement as a motivational construct which is related to contextual and individual factors. The study also suggests that there is some alignment between work engagement and motivational factors of the work context (p.122). Kahn (1990) and May et al., (2004) also relate employee engagement to motivation. According to Chalofsky and Krishna (2009) motivation is an individual and personal process and it is affected by the contextual and organizational factors (p.191). Therefore, organizations need to develop factors that can serve both motivational as well as engagement aspects of job performance. Fairlie (2011) also suggest that meaningfulness of work motivation and employee engagement is overlooked in organizations (p.520). Engagement has been associated with intrinsic aspects of motivation from organizational and contextual factors, but there is very little empirical research exists that make use of motivational factors along with engagement (Chalofsky & Krishna, 2009, p.190). Academic research has had little to say on the relationship between engagement and motivation; it is a bit of ‘black hole’ (Lee & Lee, 2013, p.2). Macey and Schneider (2008) also notice this gap in their work (p.4). Therefore, an effort is required to find out the relationship between employee engagement and motivation.

The recent economic recession of 2008-09 has greatly affected the Asian economy; especially the banking sector has suffered a lot. Banking sector is always considered a backbone of economy; if this sector suffers it will have an overall effect on other sectors of economy. Engagement surveys on employee’s shows that, employee disengagement cost for organizations in Asian economy cost $2.5 billion a year, Meere (2005, cited in Shuck et al, 2011, p.428). Aon Hewitt, (2012) report on employee engagement also shows no improvement in Asia region in year 2011-12. To the best of our knowledge no research has investigated the relationship between employee work engagement and motivation (Intrinsic & Extrinsic) in banking sector of Pakistan (for example, Allied Bank of Pakistan), especially with the factors we are considering for this study. Besides that our internship experience also forces us to take banking sector as our investigation firm. This study will attempt to fill this knowledge gap in order to make theoretical and empirical contribution in the field of management.

1.4 Research Questions

To what extent work motivation (intrinsic & extrinsic) is related to employee engagement?

The question addresses the types of motivation i.e. intrinsic and extrinsic motivation. We will consider intrinsic motivational factors such as an interesting work, job appreciation, satisfaction, stress and extrinsic motivational factors such as job security, promotion & growth, good wages and recognition. We will investigate the relationship of intrinsic and extrinsic motivation with employee engagement. Data will be collected from Allied Bank of Pakistan.
1.5 Purpose of the Research
This study seeks to find out relationship between work motivation (Intrinsic & Extrinsic) and employee engagement. This study will investigate any positive, negative, neutral or no relationship between intrinsic and employee engagement, and extrinsic motivation and employee engagement. Moreover, the study will also examine the impact of intrinsic and extrinsic motivation on employee engagement.

1.6 Significance of the Study
The significance of this study contains both theoretical as well as practical contributions. As mentioned before, there is scarcity of academic and empirical literature on the topic of employee engagement. This study will enrich the existing literature, since it is going to tackle a largely ignored area of research that is, relationship between motivation and employee engagement. Banking sector will also be equipped with useful information regarding motivation and engagement, which will help to formulate policies accordingly. Both organizations and employees could use the findings of this study for better outcomes.

1.7 Delimitation
As our case banks is in Pakistan. Since this study is delimited to under develop country, therefore, the results of this study could not be generalized to other developed countries. Secondly, banking sector of Pakistan has been selected as investigation firm; therefore, this put another limit to the study.

1.8 Introducing Key Concepts

**Employee Engagement:** refers to the employee willingness and ability to contribute to company success, through putting extra time, brainpower and energy to their work (Towers Perrin, 2003).

**Motivation:** Refers to a force that originates individuals to take actions to accomplish personal and organizational goals.

**Intrinsic Motivation:** individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work (Amabile, 1993).

**Extrinsic Motivation:** individuals are extrinsically motivated when they engage in the work in order to obtain some goal that is apart from the work itself (Amabile, 1993).
1.9 Disposition of the study

Figure 1: Disposition of the study
CHAPTER NO 2
METHODOLOGICAL POINT OF DEPARTURE
THEORETICAL METHODOLOGY

In this chapter the choices for theoretical methodology is selected and aligned with the research question and purpose. In the start choice of the subject and preconception are discussed. Afterwards the research philosophies, research approach, research strategy and research design are explained in detail. In the last part of the chapter research time horizon, limitation of research choices and the summary of the whole research choices of the study is explained with the help of diagram.

2.1 Choice of subject

Both of the researchers are students of Management in USBE and have many things common that enable them to start research on the selected topic. The inspiration on this topic comes during our communication on comparison of banking organization worldwide. During discussion we realize that, both of us have internship experience in banking organization that leads us to discuss deeply about employee motivation and their morale during job performance. One of the important reasons for the selection of this topic was our similar views on employee engagement and work motivation (intrinsic and extrinsic). Both researchers experience that employees are disengaged and de-motivated in banking organization. We started searching material, read articles and after a long discussion we agreed to start working on employee engagement. During initial stage of discussion, we talked with our friends who are working in banks. Our prior experience in banking sector, search of current literature on the topic and friend views facilitate us to work on the relationship between work motivation (intrinsic & extrinsic) and employee engagement.

Motivation is a broad topic that shows the way to think specifically. We agreed on the point that every employee does not have same motivational preferences for engagement in job. We started reading available materials on intrinsic and extrinsic motivation with relation of employee engagement in general in order to find out any relationship empirically. Unfortunately, very few studies showed the relationship between work motivation (intrinsic & extrinsic) and employee engagement. We again started reading different books, articles and journals to find out the relationship in banking sector. This time, we did not find out any study that encourages us to start working in banking organization. The banking organization is selected due to coordination between researchers after a long discussion and to get quick responses on questionnaires in order to do analysis section. During searching motivation literature, it was hard to decide which variable we should take for research study? But analyzing literature, our coordination and experience facilitate us in variable selection. Lastly, we develop a model that showed relationship of work motivation (intrinsic & extrinsic) and employee engagement.
2.2 Preconception
Preconception is an opinion that formed in advance of adequate knowledge, experience and behavior. It plays a significant role because researchers experience, understanding and behavior manipulate what he/she observes and how (through which angel) he/she observes. The example would be a manager who has experience in the field of a banking sector, who has different and appropriate talent, skills and capabilities than a person who is a Fresh university graduate management student. The researcher’s knowledge, observation, hypothesis and theories might be helpful in contribution of value to their understanding, when data is provided by sample of respondents.

Our preconceptions started from our academic education. Both researchers study in Umea school of Business and Economics as management students and have good knowledge of employee engagement and motivation. Both are bachelor graduated in business administration and studied human resource management as core course. Both authors have done internship in banking sector and have practical understanding of employee engagement and motivation. These defined preconceptions have complement researchers with good consideration about work motivation (intrinsic & extrinsic) and employee engagement. Umea university database and some other database sites enable researchers gather knowledge which helps them to come across all relevant theories and information.

Both researchers are fully aware of practical concern about educational writing. One of them has already written a master level thesis in his homeland and studied some courses regarding employee engagement. The internship experience for a long duration in banking sector gave an opportunity to write different types of motivation and the relationship between employee motivation and employee engagement in banking organization. Both researchers have good relations with some foreigner bank personnel; therefore, it was an opportunity to write such a topic to take help from particular banking employees. These were some perspectives that persuade researchers to see things from different angles and with open mind approach.

Researcher’s theoretical and practical conception directly or indirectly relates with their research problem, objectives and overall thesis in general. In fact, preconception help us how to observe respondents and information they have provided. As researchers, we anticipate that it will not limit us so our results become subjective. Preconception will balance our knowledge and understanding that make possible to move with an open mind to obtain new understanding and experience.

2.3 Research Philosophy
The objective of scientific research is to determine laws and theories to explain natural or social phenomena or in other words build scientific knowledge. Sometimes there may be a single universal truth and sometimes multiple truths, but it is understood that theories upon which scientific knowledge is based, are only explanations of a particular phenomena. Scientific knowledge is based on theories and observations, they always coexists and cannot exists without each other. “Theories provide meaning and significance to what we observe and observations help validate or redefine existing theory or construct new theory” (Bhattacherjee, 2012, p.6).

Research philosophy refers to the development of knowledge and the nature of that knowledge (Saunders et al, 2012, p. 127). Development of knowledge takes place either
finding solution for a problem or filling a knowledge gap. Our research is influenced by our knowledge and thoughts (filling gap) i.e. finding relationship between work motivation (intrinsic & extrinsic) and employee engagement. Researchers often make assumptions while conducting research. Such assumptions about human knowledge and the nature of reality they encounter in their research help them to understand their research questions, the methods they use and the findings they interpret Cotty (1998, cited in Saunders et al., 2012, p.128). Epistemology and ontology are two main fundamentals of research philosophy, which impact the way researchers think and carry out their research process.

### 2.3.1 Ontological Assumption

Ontology is the branch of philosophy that studies the nature of reality or social entities (Saunders et al, 2012, p. 132; Bryman, 2012, p.32). Business and management researchers holds different views about the nature of reality, sometimes reality is consider objective and sometimes subjective, both of these aspects of ontology are likely to be accepted as producing valid knowledge (Saunders et al, 2012, p. 131). Objectivism “is an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors” (Bryman, 2012, p.32). While subjectivism holds the view that social phenomena is created from perceptions and actions of the social actors. Subjectivism is often associated with constructionism, which views reality as being socially constructed (Saunders et al. 2012, p. 130-132).

Motivated and engaged employees are organizational assets, therefore, management always adopt new compensation tactics to engage their employees. Every organization has certain rules and regulation for their employee to follow. Both managers and employees have job duties and operating procedures to which they are adhere. They are a part of formal structure (hierarchy) where employees report to managers, they in turn report to more senior managers. Management of the bank is an objective entity, which often adopt different motivational factors (intrinsic & extrinsic) to motivate and engage their employees (social actors). Our study emphasizes the structural aspect of management by assuming that they are managerial similarities about adopting motivational factors in banking sector. Although there may be differences in the structural aspect of management but the core function will remain same (Saunders et al, 2012, p. 131). We believe that our study variables have objective characteristics in organizations like banks and since we are investigating single reality of relationship between work motivation (intrinsic & extrinsic) and employee engagement; therefore, we have selected objectivism. In our study we will discuss intrinsic (job appreciation, interesting work, satisfaction, stress) and extrinsic motivational factors (job security, good wages, promotion & growth and recognition) which have tangible realities and are independent of social actors (bank employees).

### 2.3.2 Epistemological Assumption

Ontology explains how the real world is, whereas, epistemology enable us to study the real world. Epistemology deals with acceptable data and knowledge in a specific ground of study (Saunders et al, 2012, p. 131; Bryman, 2012, p.27; Wang et al, 2010). Knowledge has been viewed in two ways, i.e. positivism and interpretivism.

Positivists believe that reality exists objectively in the world and knowledge can only be obtained through scientific method of hypothesis testing. The positivism stance supports the application of methods of natural science to the study of social reality. However, it is used in both deductive as well as an inductive approach (Bryman, 2012, p.27). The
positivism research is conducted on a value free basis, meaning that researcher is not influenced by research subject. Some similarities are also found between positivism and another stance of epistemology i.e. realism. Realism also assumes a scientific approach to the development of knowledge i.e. collection of data and its understandings (Saunders et al. 2012, p.36). Interpretivists believe that reality is subjective in the world and knowledge can be obtained by interpreting the reality. The interpretivism stance requires the social scientist to grasp the subjective meaning of social actions (Bryman, 2012, p.30). Interpretivists rely on the basic phenomena of depending on relative situations and subjective importance from the aspects of social actors. In interpretivism a researcher cannot detach his/her self from the research and is a part of what is being researching (Saunders et al. 2012, p.137).

The aim of our study is to find a relationship between work motivation (intrinsic & extrinsic) and employee engagement. Therefore, it would be logical to base our research on positivism stance of epistemology. In positivist stance reality exists outside the researcher mind and there is single reality in the mind of people (banking employees). We want to obtain knowledge about motivation and employee engagement from employees of Allied Bank of Pakistan. To generate a research strategy data is collected and hypotheses are generated using existing theories. These hypotheses are tested and confirmed, in whole or part which leads to further development of theory (Saunders et al., 2012, p.134). After a thorough review of existing literature we assume that there is relationship between work motivation and employee engagement. Hypotheses were generated by deploying previous theories. These hypotheses will be tested to validate any positive or negative or neutral or no relationship between work motivation (intrinsic & extrinsic) and employee engagement, which will further lead to development of theory. The collected data will be analyze through statistical tool SPSS. The positivist stance guided our research question and purpose to generate and test hypotheses from the previous theories; therefore, it is appropriate for our study.

2.4 Research Approach

As previously described, theories and observations are the two pillars of science, similarly scientific research also have two level i.e. theoretical level and an empirical level. At the theoretical level abstract concepts about natural or social phenomena and the relationship between those concepts (theories) are discussed, whereas, at the empirical level theoretical concepts and relationships are tested and compare with our observation of reality to build better theories. The scientific research approach can take two possible forms: deductive (theory-testing research) and inductive (theory-building research) (Bhattacharjee, 2012, p.6). At theoretical level concept about work motivation (intrinsic & extrinsic) and employee engagement and their relationship has been explained in literature review chapter. At empirical level we will test these theoretical concepts through the data obtained from questionnaires to validate or invalidate the theory.

“Deductive reasoning is a theory testing process which commences with an established theory or generalization and seeks to see if the theory applies to specific instances” (Kenneth, 2000, p.83). In deductive approach hypotheses are developed from existing theories, data is collected through questionnaires, interviews etcetera and a research strategy is proposed for testing the hypotheses (Saunders et al., 2012, p.146) that’s why it is also called theory-testing research. “Inductive reasoning is a theory building process, starting with observations of specific instances, and seeking to establish
generalizations about the phenomenon under investigation” (Kenneth, 2000, p.83) that’s why it is often referring to theory-building research.

![Deductive and Inductive approach](image)

**Figure 2: Deductive and Inductive approach**

Source: Bryman, 2012, p.26

If we resubmit our research question i.e. “To what extent work motivation (intrinsic & extrinsic) is related to employee engagement” and compare with research approaches as discussed above, we will go for deductive approach. Theoretical and empirical implication of our study also supports the selection of deductive approach. Theories about work motivation (intrinsic & extrinsic) and employee engagement have been presented in literature review chapter. Based on this literature relationship has been assumed between work motivation (intrinsic & extrinsic) and employee engagement and hypotheses have been generated. Generalization has been made from broad (motivation) to specific (types of motivation / their factors). Furthermore, hypotheses will be tested and finally acceptance or rejection of these hypotheses will be the final results of the study. The acceptance or rejection of these hypotheses will show significant or insignificant relationship between dependent and independent variables presented in the theory would the expected results of our study.

### 2.5 Research Strategy

Research strategy guide researcher how to answer the research question, how the data will be collected and analyze (Saunders et al., 2012, p.159). There are two distinctive clusters of research strategy i.e. quantitative and qualitative (Bryman, 2012, p.35). These research strategies are often chosen by matching research philosophy, methodology and the research problem (Holden & Lynch, 2004, p.2).

Quantitative research strategy is concerned to quantify social phenomena by collecting and analyzing numerical data, and focusing on the link among smaller number of attributes across many cases (Tuli, 2010, p.106). In quantitative research strategy deductive approach is used to find a relationship between theory and research, in which the main stress is placed on the testing of theories. Quantitative strategy incorporates the practices of natural science models and the positivism stance of epistemology and objectivism stance of ontology (Bryman, 2012, p.36). By combining all these three
(deductive + positivism + Objectivism) a quantitative research strategy is formulated. On the other hand qualitative research strategy is concerned with understanding the meaning of social phenomena and the center of attention is on relationships among larger number of attribute across comparatively few cases (Tuli, 2010, p.106). The qualitative strategy usually stress on words rather than quantification in the collection and analysis of data. In qualitative research strategy inductive approach is used to find a relationship between theory and research, in which the main stress is placed on the generation of theories. Qualitative strategy does not incorporate the practices of natural science models. It accepts the interpretivism stance of epistemology and subjectivism stance of ontology (Bryman, 2012, p.36). By combining all these three (inductive + interpretivism + subjectivism) a qualitative research strategy is formulated and incorporated.

Figure 3: Fundamental differences between quantitative and qualitative research strategies

Source: Bryman, 2012, p.36

As mentioned before the research strategy is selected by matching research philosophies, methodology and research problem. The nature of our research question is to test the existing theory (deductive) rather than developing new theories. We also selected positivism stance of epistemology and objectivism stance of ontology; which match with quantitative research strategy. Since we are studying a relationship between work motivation and employee engagement by collecting quantifiable data through questionnaires and analyzing it by using statistical tool i.e. SPSS, therefore, it is appropriate to follow quantitative research strategy.

2.6 Research Design

2.6.1 Case Study
Case study gives emphasis of detail related analysis of limited number of events or people and their relationship. According to Yin (2009) “Case study research is an empirical investigation that investigates contemporary phenomena with in real life context, when boundaries between phenomena and context are not clearly evident and
in which multiple sources of evidence are used” (p.18).

The question arises, when should we take our investigation as case study? According to Yin (2009), when your study focuses on descriptive questions? “What is happened or what is happening or an explanatory statement or question-how or why did something happen?” (p.19)

The reason to adopt case study research is the employee disengagement with their jobs in banking sector. As far as we know, few researchers studied employee engagement with motivational factors in banking organization. These causes enable us to study a particular group/organization (Allied Bank of Pakistan) in Pakistan. We want to know the descriptive-explanatory answer that: To what extent work motivation (intrinsic & extrinsic) is related to employee engagement? Similarly, if employees are not engage in their jobs, so what are the reasons? Does employee engagement and disengagement vary on work motivation (intrinsic and extrinsic)? To get answers of these questions we signify the relationship between employee engagement and work motivation (intrinsic and extrinsic) that is what we are trying to investigate in our research. We prefer to consider case study because it provides deep understanding of up to date phenomena about banking organization and employees engagement.

Another reason to chosen banking organization as case study is our internship experience and academic understanding in banking sector. This enables us to select a particular bank and select manager level, middle level and lower level management groups for study. For make strength of our case study, we have chosen questionnaire technique for data collection. Moreover, case study helps us to face everyday employee experience in banks and a deep understanding about employee engagement and motivation in banking organization.

Case study as quantitative analysis contains elements of the empirical-investigative systematic approach. These are often regarded as contrasting the overriding approach of case study research. Quantitative analysis in case studies may rely on the origination of research question, type of case study and causes of evidence used. In quantitative analysis, case study may be used on its own analysis (Mills, 2010, p.4-7)

However, Gibbert, Ruigrok & Wicki, 2008, p 1465) declare “case study as a tool for testing and creating theory that provided the strategic management field with ground-breaking insights”. (Flyvberg, 2011, p.308) in his book the sage of qualitative research stated case study “an intensive analysis of an individual unit (individual or community) stressing development factors in relation to community”. This definition focuses on an individual unit (Allied bank limited in our case). Individual unit may be investigated in different conducts. For example, quantitatively or qualitatively, systematically or mixed technique. According to Abercrombie, Hill & Turner (cited in Flyvberg, 2011, p.313) explained case study as “the detailed examination of a single example of a class of phenomena, a case study cannot provide reliable information about the broader class but it may be useful in preliminary stages of an investigation since it provides hypotheses, which may be tested systematically with a large number of cases”. On the other hand, Flyvbjerg did not considered (Abercrombie, Hill & Turner) definition accurate one and clarified in the same book that it is wrong that case study do not provide accurate and reliable information about the broader class. He further illuminate, it is correct that case study may be use “in the beginning phases of an investigation” for generating hypothesis but it is not correct that case study as a pilot testing can only be used in preparing
real study larger surveys, regular hypothesis testing and theory building. (p.301-302). In case study, data gathering technique engaged may be assorted and to be used in mixture. They include observation, documentary examination, interviews and questionnaires (Saunders et al, 2012, p. 192)

The reason to exemplify case study in detail is because of many misconceptions about case study method. Many people have misconception about case study as it can only be used in qualitative study. Now it is clear and understandable that case study approach is not limited to qualitative analysis.

2.7 Research Time Horizon
The research time horizon in our thesis is cross-sectional because of choosing particular bank and its various branches for our study. We are seeking to explain motivational factors (intrinsic & extrinsic) and its relation with employee engagement in Allied Bank of Pakistan. According to Saunders et al (2012) cross sectional research is the study of particular phenomenon at a particular time period or multiple times in short time (p.190). Or a study in which different groups is studied at similar time (Beck & Polit, 2010, p.239). According to Jackson (2009) cross sectional study helps researchers to study variety of groups in short time (p.327).

We decided to choose various branches of Allied Bank of Pakistan in one time in order to investigate the relationship between work motivation (intrinsic & extrinsic) and employee engagement. In our study the aim of using cross sectional design is to collect data in one time period from different level employees from Allied Bank of Pakistan. In fact, cross sectional design will help us to gather data in a very short time and easily. Since, our selected organization for the study is Allied Bank of Pakistan and the respondents are their employees from various branches in a particular time, therefore, cross sectional time horizon is suitable selection for our study.

2.8 Strengths and weakness of the research choices
Positivism is suitable for industry specific problem (motivation and engagement level of employees of Allied bank of Pakistan). Researchers are well equipped with the information and existing literature therefore, questionnaires construction is easy. There is single reality in the mind of people therefore; it is easy to gain knowledge about reality through questionnaires with a large sample size. A larger sample of population with participants from much wider backgrounds and regions could be helpful in developing a better picture of the service levels and thus providing more validity to the data produced. Problem as whole is easily understood if reduced to simplest possible elements like our study. It is also easy to compare the results with other studies because of the standardized statistical tools. Researchers are independent of the results because validation is objective. This kind of research is not suitable for exploratory research. Kenneth (2000) stated that quantitative approach describes the general characteristics of a population and ignores the detail of each particular element (p.84).

2.9 Literature selection criteria
The selection criteria for the literature were twofold: relevance and the year of publication. The criteria of selection for the literature were relevance to the research
topic and the year of publication. Both Umea University as well as online libraries was visited to access the data. Some of the online databases that were accessed to download peer reviewed articles are Business source premier (Ebsco), Business Search interface (Ebsco), Science direct, emerald, and phoenix, Google scholar and Books and so on.

Summary of the research choices selected for the study

Figure 4: Summary of research choices for the study

Source: Developed from Amgad Badewi, 2013.
CHAPTER NO 3
THEORETICAL FRAME OF REFERENCE

The purpose of this chapter is to process and evaluate all related theories of the research. A thorough literature search with clear focus on the research topic is done in the chapter. The chapter starts with motivation, its historical background and related theories. Later on intrinsic and extrinsic motivation and their factors are discussed and linked with motivational theories. Afterwards employee engagement is discussed along with its theories and its differences from involvement and commitment. In the last part of the study conceptual framework of the study, theoretical and empirical plan and hypotheses are formulated.

3.1 Motivation
The term motivation is derived from the Latin word “movere” which means to be moved to do something (Ryan & Deci, 2000, p.54; Steer et al., 2004, p.378). The word ‘motivation was first time used by P.T. Young’s in his book “Motivation and Behavior” (Heckhausen & Heckhausen, 2008, p.10). According to Robbins, motivation is “the willingness to exert high levels of effort towards organizational goals, conditioned by the effort’s ability to satisfy some individual need” (p.187). Motivation is also considered as the interaction between the individual and the situation or environment (Latham & Pinder, 2005, p.486). “Motivation is inferred from a systematic analysis of how personal task and environmental characteristics influence behavior and job performance” (Jenica, 2007, p.29).

Earlier theorists tended to explain that, motivation is related to needs satisfaction i.e. Maslow, whilst the more recent cognitive psychologists describe motivation as a product of conscious decision (Williams & Burden, 1997, pp.17-20). After reviewing all the related definitions we define motivation as “a force that originates individuals to take actions to accomplish personal and organizational goals”. Individuals have not only different amounts, but also different kinds of motivation with respect to environment and culture (Aworemi et al., 2011, p.228; Deci & Ryan, 2000, p.54). Human resource needs depend on internal and external factors, these factors need to be identified and satisfied for better outcomes. As our case firm is a banking sector, therefore, these factors are identified in relation with banking employees. Internal factors include satisfaction and growth, rewards and recognition. Jenica (2007) in her article “What Motivates Employees of Banking System” argue that managers are required to collect information for these factors and then work accordingly to improve employees’ motivation and engagement on regular basis (p.31-32).

3.2 Historical development in Motivation
The understanding of human motivation was first carried out by Greek philosophers. They consider the concept of hedonism as a driving force in human behavior. In seventeenth and eighteen centuries Locke, Bentham, Mill, and Helvetius refined and
developed the principle of hedonism. At the end of nineteenth and beginning of twenty century, the subject of motivation begun to migrate from philosophy towards newly emerging science of psychology. This transformation arose many challenge, therefore as a result behavioral scientists started search for empirically based models to explain motivation. These models were **instinct theories** which were proposed by James, Freud, and McDougall. These theorists were of the opinion that behavior resulted from instinct (Steers et al., 2004, pp.379-380). J.B.Watson was the main opponent of instinct theories, he proposed that psychological research should be objectively observed and inter-subjectively validated (Heckhausen & Heckhausen, 2008, p.19).

Due to the increased limitations of the theory in early 1920s, instinct theories were replaced by models of reinforcement. This concept was supported by Thorndike, Woodworth, and Hull. They introduced the concept of learning in motivated behavior by arguing that present or future behavior is influenced by the consequences of rewards associated with past behavior. The work of Frederick Taylor and his colleagues on the scientific management movement is considered a key development in this field. Scientific management was considered as an economic boom for workers and management. In 1930s social scientists and managers started considering the role of social influences on behavior. In 1950s, new models of motivation emerged which were collectively called as **content theories**. The aim of these theories was to identify factors associated with motivation. According to Bloisi et al., (2007) content theories are “based on identifying specific human needs and describing the circumstances under which these needs activates behavior”. Maslow presented his theory “Maslow’s need hierarchy theory” in the same era which was later adopted by Alderfer encompassing three needs: existence, relatedness, and growth (Steers et al., 2004, pp.380-381).

Steers, Shapiro and Mowday (2004) called 1960s and 1970s golden age of work motivation theory, because the progress made in work motivation in these years had never made before. Clear differences had been identified between **process theories** and content theories. Indeed, process theorists viewed motivation as a dynamic perspective, and casual relationship could be made across time and events relate to human behavior at workplace. Cognitive theories like expectancy theory, equity theory and social cognitive theory were introduce to the field of motivation. However, in 1990s intellectual showed their interest in the work motivation. Much had been written on motivation but still the literature is not enough, one of the reasons they quoted that we have lost interest in this field. Therefore, corporate community, organization management needs to understand this issue and develop it further (Steers et al., 2004, pp.381-382).

### 3.3 Theories of Motivation

Motivation theories are classified into two groups; content theories and process theories. Content theories describe what motivate people, that is arouses and energized the behavior. Some of the most famous content theories are Maslow’s need hierarchy, Herzberg’s two-factor theory and McClelland’s three factor theory. Process theories describe why people are motivated or it reached the specific of the motivation process. Vroom’s expectancy theory, Adam’s equity theory, four driver theory and skinner’s reinforcement theory are some of the famous process theories (Iguisi, 2009, p. 142). This study will review Maslow’s need hierarchy, Alderfer ERG theory, Herzberg’s two-factor theory, Self Determination theory (SDT) Vroom’s expectancy theory and four driver’s theory.
3.3.1 Maslow’s Hierarchy of Needs

Maslow is considered one of the most prominent behavioral scientist and writers in the area of human motivation (Iguisi, 2009, p.142). Maslow originally proposed the “Maslow’s Hierarchy Need Theory”, which has been adopted in almost every human pursuit, from marketing product to rehabilitating prison inmates (Aworemi et al., 2011, p.228). Maslow identified five classifications of needs which act as motivators. These needs start with physical needs the most basic, followed by safety, belonging, esteem and self-actualization needs. This theory can easily be explained in three assumptions (Bloisi et al., 2007, p.199; Berl & Williamson, 1987, p.54).

a) Unsatisfied needs stimulate behavior whereas, satisfied needs are not motivators.
b) Human needs are arranged in hierarchical order from more basic to more complex needs level.
c) The activation of higher level needs would only be possible if the lower level needs are satisfied.

**Figure 5: Maslow Hierarchy of needs**

Source: Developed from Maslow, 1954, pp. 15-22

**Psychological Needs:** are the basic needs, which includes water, shelter, clothes, food, oxygen etc. if the psychological needs not fulfilled then the organism will only think about fulfilling that need, but once such needs are satisfied then they will think of satisfying higher needs and so on (Maslow, 1954, pp.15-18). In the work place such items like salary, working conditions, and rewards would be in this category (Berl & Williamson, 1987, p.54). In organization like banks, if managers help their employees to satisfy those needs, employees can be satisfied and then, motivated to work better (Iguisi, 2009, p.142). According to Sadri and Brwon (2011) monetary rewards, free food and good work-life balance are the most important psychological needs that must be satisfied so that employees are satisfy on this level and able to engage fully in their workplace activities (pp.45-46).

**Safety Needs:** Once psychological needs are fulfilled, it will activate safety needs. Safety needs may categorize as security, stability, dependency, protection, freedom from fear, anxiety, and chaos etcetera. For example, at job employees preferences will
be security of job, desire for saving account, insurances, bonus etcetera (Maslow, 1954, pp.18-19). Sadri and Brwon (2011) considered safety needs both physical and mental. For example health insurance, retirement plans and providing employee assistance programs and counseling services adds the feeling of long-term safety and security, and helps build employee trust and loyalty (pp.46-47).

**Belonging Needs:** After psychological and safety needs, belongingness and love needs will activate. Such needs involve giving and receiving affection. In some situations this need become the most important needs and a person even forgets about the previous need. In corporate terms it may appear in the form of relations with subordinates, managers’ etcetera (Maslow, 1954, pp.20-21). Important social support for employees normally comes from co-workers and bosses. Team work in workplace, company sponsored sports teams, clubs and get to gathers work as fulfillment of current as well as previous needs (Sadri and Brwon, 2011, p.47).

**Self-Esteem:** Self-esteem is thought to be obtained through personal achievements (i.e. the desire for strength, achievements, adequacy, confidence, independence and freedom) as well as social esteem (i.e. the desire for recognition, reputation or prestige, status, fame and glory) (Maslow, 1954, p.21; Aworemi et al., 2011, p.229). Research have shown that lack of recognition and appreciation from supervisors is one of the main reason of employees leave their jobs. Strategies to satisfy esteem needs include reserved car parking for employee, valuable prizes, recognition programs, and business cards with employees’ names (Sadri and Brwon, 2011, p.47).

**Self-Actualization:** At this level individuals try to fulfill their desires through maximum use of their specific skills and ability (Berl & Williamson, 1987, p.54). For example, musician must make music, artists must paint, and poet must write if they want to be at peace with themselves. They want to do their work in more challenging way (Maslow, 1954, p.22). Providing valuable opportunities for personal and professional growth and development will help employer to satisfy this higher need (Sadri and Brwon, 2011, p.48).

Maslow’s theory is one of the most popular theories in the management literature; many studies support Maslow’s theory like Lyman Porter. However, a review of research findings on hierarchy of needs concepts found three propositions, i.e.

1. “The existence of the hierarchy
2. The proposition that unfulfilled need leads individual to focus exclusively on that need
3. The proposition that satisfaction of one need activates the next higher need”

Careful examination of Maslow’s theory discovered that, there is no evidence that needs are classified in five categories or these categories in hierarchy. Most studies found two categories of needs, i.e. deficiency and growth needs. The bottom four needs are deficiency needs because they become activated when unsatisfied, while self-actualization is a growth need because it continues to develop even when fulfilled (Aworemi et al., 2011, p.229; Bloisi et al., 2007, pp.199-200). Some studies support the second propositions but others did not. The third proposition is also not supported, because it was found that some higher level needs can be activated even when the lower level needs are unsatisfied. Maslow’s theory has been controversial among researchers about its application. Maslow also questioned its applicability in organizational
behavior but still it is popular and can provide useful model for personal development (Bloisi et al., 2007, pp.199-200).

The main aim of our study is to find out the relationship between work motivation (intrinsic & extrinsic) and employee engagement. Since we are studying intrinsic and extrinsic factors of motivation, therefore Maslow’s theory of hierarchy could be helpful in finding out internal and external factors and aligning them with employees’ personal needs, where they will find out at which level of needs they are living and how would they go from one level to another considering their needs. This theory can help bank employees to create their action plan to increase their work and satisfaction. Keeping in mind these psychological needs we choose good wages and monetary rewards as extrinsic factors for our study. Job security is an important factor for motivation especially in the banking sector of Pakistan (Allied Bank of Pakistan). After fulfilling the basic needs employees wanted to have job security, it has been noticed in the banking sector that if employees get their job secure they try to engage more in their jobs. This safety need not only ensure the fulfillment of their physical needs but it can also increase their intrinsic motivation for job. In banking sector the relationship between employees and managers is of worth, because both of them encourage each other’s for better work. The best way to make this relationship stronger is to consider job appreciation and recognition, belongingness and self-esteem provide the base to fulfill such needs. Employees in banks often get stressed by having heavy work load and long working hours. Identification of self-actualization need may help these employees to find interest in what they are doing. We believe that if employees in banks of Pakistan (Allied Bank of Pakistan) identify such needs and bank management also helps them in achieving these needs, it may lead to overall employee engagement in their jobs.

3.3.2 Alderfer ERG theory

Clayton Alderfer (1972) developed ERG theory, by adopting Maslow’s assumptions. This theory states that there are three types of needs i.e. existence, relatedness and growth. **Existence** needs correspond to Maslow’s psychological and safety needs which are material in character. For example, employees pay fringe benefits and working conditions. **Relatedness** needs coincide with Maslow’s social needs. Relatedness needs are interpersonal in character, an individual desire to make interpersonal relationship for social emotional-acceptance, for example, employee relations with coworkers and supervisors. **Growth** needs correspond to Maslow’s esteem and self-actualization needs (Berl & Williamson, 1987, p.57; Arnolds and Boshoff, 2002, p.698).

Unlike Maslow’s theory, Alderfer believes that any need could occur at any time (Johnson & Leewis, 2009, p.72). However, Alderfer also suggest that existence and to some extent relatedness if go unfulfilled, the desire to attain it will be increased. If the growth needs are unsatisfied, people will go back towards existence or relatedness needs, which is easier to attain in this case. Alderfer also believes it is also possible that more than one need is operating at a time. For example, in course of business day, one person eats lunch (existence need) with his colleagues in a part for social interaction (relatedness need) and in a part to get some help to solve the problem (growth need). Research provides better support to Alderfer ERG theory as compared to Maslow’s hierarchy theory and it is because Alderfer focus was to understand adult behavior in task oriented organizations (Berl & Williamson, 1987, p.57; Arnolds and Boshoff,
This theory also supports our research purpose like Maslow’s theory of hierarchy. The purpose of our research is to find relationship between work motivation and employee engagement through intrinsic and extrinsic motivational factors. Like Maslow’s theory ERG theory also suggests extrinsic factors (in the form of existence and relatedness needs) and intrinsic factors (in the form of esteem and self-actualization needs). Employees in banks most of the time experience more than one need at a time just like explained by Alderfer, therefore identifying such needs and working on them in organizational settings like banks (Allied Bank of Pakistan) could be helpful in employee engagement. Mostly employees in banks are assigned to fulfill a particular task on daily basis through job rotation and Alderfer theory will be helpful to understand employee’s behavior regarding their task performance and engagement.

3.3.3 Herzberg’s Two-Factor Theory
Herzberg dual factor theory is based on a study involving 203 interviews with accountants and engineers. The subjects were asked to think of time when they feel good or bad about their job (Berl & Williamson, 1987, p.55; Iguisi, 2009, p.142). After analyzing the responses Herzberg concluded two separate dimensions (House and Wigdor, 2002, P.369; Bloisi et al., 2007, p.202) that is.

1) “Job satisfaction and job dissatisfaction derive from different sources.
2) Simply removing the sources of dissatisfaction will not cause a person to be motivated to produce better results”.

Herzberg mixed these two premises into two factors: 1) Hygiene factors and 2) Motivational factors.

**Hygiene factors:** factors are contextual in nature, involving those things surrounding the job i.e. job security, working conditions, quality of supervision, interpersonal relationships, status salary etcetera. These factors would not necessarily motivate an individual to work hard but the absence of such factors may cause dissatisfaction and unhealthy environment in organization. These factors are considered as extrinsic or external to the nature of job, therefore it should be served as job features. It doesn’t mean that hygiene factors will work as motivator but will just provoke neutral feeling that basic needs are fulfilled. Hygiene factors are similar to Maslow’s psychological needs, safety needs, security needs and belongingness needs (Berl & Williamson, 1987, p.56; Iguisi, 2009, p.143; Bloisi et al., 2007, pp.202-203).

**Motivator factors:** factors are concerned with the content of the job, such as job challenge, responsibility, achievement, recognition, promotion and growth etcetera. These factors are considered intrinsic, or unique to each individual in his or her own way. The absence of these factors will not create dissatisfaction; however, that person will not be in a position to experience satisfaction. Herzberg’s motivational factors correspond to Maslow’s esteem and self-actualization need. The presence of these factors can act as a motivator in organization. Figure 2 will present the four alternative combination hygiene and motivator factors derived from the theory (Berl & Williamson, 1987, p.56; Iguisi, 2009, p.143; Bloisi et al., 2007, pp.202-203).
In order to motivate employees managers are advised to provide job context improvements. These improvements will help in fulfilling lower level hygiene factors but if not fulfilled than it may result in dissatisfaction. To arise work interest managers are required to improve job contents. These improvements will work as a motivators but if not present employee will feel no satisfaction (Bloisi et al., 2007, pp.203-204). Herzberg considered both factors important for the smooth running of organization. The hygiene factors are not serving as motivators but there absence may create poor job attitude. If proper attention is given to motivators especially to job contents, worker may feel motivated to work harder and produce more (Iguisi, 2009, p.143).

Two-factor theory has been criticized for its original reliance on engineers and accountants as subjects, ignoring worker at lower-skilled jobs. Some variable like, quality of supervision or pay that Herzberg used seems to be unstable than what he specified (Bloisi et al., 2007, p.204). Similarly House and Wigdor (2002) also criticized this theory on three grounds. First, it is methodologically bound; second, it is based on faculty research, and last, it is inconsistent with past evidence regarding motivation and satisfaction.

Two-factor theory had not only captured the views of researchers but practitioners also utilized this theory to know how certain job attribute can enhance employee motivation (Johnson and Lewis, 2009, p.74). Since we are investigating relationship between work motivation and employee engagement, therefore this theory has a great implication for our study. The hygiene factors such as job security, working conditions, quality of supervision, interpersonal relationships, good wages provide the accomplishment of basic needs in organizations like bank. After its fulfillment, if the organization provides motivator factors (as job challenge, responsibility, achievement, recognition, promotion and growth) to their employees would enable them to feel satisfaction and engagement in their work. Hygiene factors will work as extrinsic motivational factors and motivator will work as intrinsic motivational factors. We believe that if these factors are made the contents and attributes of job in Allied Bank of Pakistan, it can increase the overall motivation and engagement of employees.
3.3.4 Similarities among Motivational theories

There are some similarities among the theories of Maslow, Alderfer, and Herzberg. Bloisi et al (2007) made a good attempt to show the pattern of these similarities in a diagram. They argued, that employees level of knowledge about their needs direct them to a particular behavior and these theories may be helpful to provide signs of unsatisfied needs. It will help organization to identify such needs and try to satisfy them.

![Figure 7: Parallels among Popular Theories of Motivation](source)

Source: Bloisi et al, 2007, p. 206

There are many parallel among Maslow (original hierarchical theory and revised-dual level theory), Alderfer, Herzberg and McGregor. The needs that are at the top of the model leads towards approach behaviors, while the needs that are at the bottom leads toward avoidance behavior if not sufficiently obtained. Those needs that are in the middle of model i.e. Maslow’s belonging and Alderfer relatedness are unstable and can direct behavior either to approach behavior or avoidance behavior depending on the circumstances. It is individual current circumstances that decide which level of need will be acted on. However, there are different kinds of needs that are learned or socially acquired which are more stable over time. Personal experiences also enable a person to learn one or two strong social needs. These needs motivate behavior, whenever you get an opportunity (Bloisi et al., 2007, p.207). All these needs theories enforces management to identify employees desired behavior and then add factors (interesting work, appreciation, satisfaction, stress, job security, good wages, promotion & growth and recognition) to their job in order to motivate that behavior so that they feel engaged in the work.

3.3.5 Self Determination Theory (SDT)

Deci and Ryan (1985, 1991, cited in lapointe, 2013) discuss Self-determination theory. They stated that, there are three psychological desires that is origin of initiation, direction and determination of human behavior, i.e. autonomy, competences and relatedness. Desire for autonomy means employee needs to choose in a flexible and autonomous way or in other words, it shows path to their objectives/goals. Competency means employees aspire to have a concrete outcome on their environment. Finally, desire for relatedness means to connect with others and they accept him/her. When these three desires are accomplished, employee considers themselves self-determined and motivated. Furthermore, these desires keep employees in job role as happy employee. When these desires are not accomplished, their motivation is called to be non-self-determined (lapointe, 2013, p.2). Self-determination theory intent that, employees
perform better and positive concerning their wisdom and learning, development and psychological wellbeing to the extent that their organizations fulfill and persuade needs for autonomy (internal causations of one’s performance), competency (feeling valuable and efficient in one’s performance/actions) and relatedness (feeling close and connected to others) to such an degree that employees by themselves self-report high instead of low, specific degree of suppose autonomy, competency and relatedness (Lee, 2013, cited in lapointe, 2013, p.729).

These human desires are imagination to be developing features of individual nature, which are chosen for because feelings of competencies, relatedness and autonomy which were match up for distinctive categories of adaptive assignment. In other words, organization would reward employees with positive feelings, when they do something that has adaptive importance, like make a success at some task, understanding close relation and coalition with others and becoming more behaviorally independent and self-regulating. SDT theory declares that psychological desires are normally experienced by showing a unique connection of each satisfies need with broad range of positive outcome/result. Let us suppose, satisfied desires support organism integration process that bring out psychological growth just like plants grow and flourish, when their desires for sun, soil and water fulfill. Certainly, many researches shows the importance of desires for autonomy, competences and relatedness, because they are found to be autonomously independent by researchers that expected wellbeing in several time frame work, in multiple culture & society and in different age grouping. Similarly, the needs/desires play a meditational task in which they explain the positive effects of more distal effects, objectives and perspective for wellbeing.

Do these three desires/needs always have same impact on wellbeing or effect of wellbeing that depends on several other factors? As far as our analysis, few researchers have mentioned interactive influence including three basic desires and wellbeing. That is the needs don’t looks to be a separate different relationship with wellbeing but it depends on the persons society, behavior or stage of life. This is constant with SDT theory that gives attention on the needs in general and is very common in every one during operating. According to SDT perception highly affiliation oriented employees have the same desires for competencies even if they don’t familiarize their self in that way. Similarly, highly achievement oriented employees have same desire of relatedness; even with the acquainted their lives more towards competences. People develop different form of living that make unequal amount of particular basic desires compare with other needs. In conclusion, for receiving total amount of satisfaction, they should all end up with having equal whole level of wellbeing (Sheldon & Schuler, 2011.p.1107).

Self-determined theory helps to understand, why employees engage in some specific actions. It shows a differentiation between self-determined and non-self-determined employees. Employers can know the behavior/actions of employees through SDT because it exemplifies the performance and actions of employees in organization. Employee’s productivity, performance, turnover ratio and relation with peers and colleagues shows employee job engagement. In other words, employees must be satisfied in competencies, relatedness and autonomy needs. Lack of poor performance would lead to employee job disengagement (Gagne & Meyer, 2008, p.60). Competencies, relatedness and autonomy needs are already discussed above. The reason to discuss SDT with employee desires are to show the importance consider by employees in organization. Therefore, employers need to satisfy employees to engage
them in their jobs. We are finding the relationship between work motivation and employee engagement and SDT provide full support to our research purpose. We are collecting data from Allied bank of Pakistan, from the theory we understand that if the needs for competencies, relatedness and autonomy are fulfilled by bank management employee will feel self-determined and hence their engagement will increased.

3.3.6 Four-Drive Theory

Human behavior is a complex and centuries old puzzle, and it’s a challenging task for managers to identify and motivates that behavior. Some of the most influential thinkers about human behavior such as, Aristotle, Adam Smith, Sigmund Freud, and Abraham Maslow have worked to understand the importance of why people do the things they do. New cross-disciplinary research in the field of neuroscience, biology, and evolutionary psychology allowed researchers to learn more about human brain. Recently, a new theory was introduced by Harvard Business School professors Paul Lawrence and Nitin Nohria with the name of “Four-Drive Theory” in their book (2002) “Drive: how Human Nature Shapes Our Choices”. There research suggests that people are guided by four basic emotional needs or drives that are; drive to acquire, drive for bond, drive to comprehend and drive to defend (Nohria et al., 2008, p.80).

**Drive to Acquire:** This is the drive to obtain scarce goods, including intangibles such as social status (Nohria et al., 2008). In this drive people seek, take, control and retain objects and personal experiences. The desire to acquire beyond basic requirement (like, food, clothing, housing and money) includes the need for relative status (i.e. promotion) and recognition in society, self esteem and competition. People always want more, they compare what they have and what others possess (Aworemi et al., 2011, p.230; Nohria et al., 2008, p.80).

**Drive for Bond:** It is the drive to form connections and relationships with individuals and groups. The drive to bond, when met, is associated with strong positive emotions like love and caring, but when not met, it arise negative feeling like loneliness. Making bonds motivates people, encourages cooperation and arise the feeling of belonging to the organization. Consequently, it is a fundamental ingredient in organizational success and the development of societies (Aworemi et al., 2011; Nohria et al., 2008, p.80).

**Drive to Comprehend:** People always try to satisfy and make sense of what is around them. It is noted that employees are motivate by jobs that challenge them and enable them to grow and learn, whereas, they demoralized by those that seems to lead to dead end (Nohria et al., 2008, p.81).

**Drive to Defend:** The drive to defend goes beyond protecting our selves; it also includes defending our property and accomplishments, our relationships with family and friends, and our idea and beliefs against external threats. The drive to defend is always reactive because it is triggered by threat, while other three are always proactive because we actively seek to improve our acquisitions, relationships and knowledge (Aworemi et al., 2011, p.230). If the drive to defend is fulfilled, it may leads to feeling of security and confidence; but if not fulfilled it may produces strong negative emotions like fear and resentment (Nohria et al., 2008, p.81).

These four drives are independent of each other; they cannot be ordered hierarchically or substituted one for another. To work motivation all four drives should be addressed (Nohria et al., 2008, p.82). The four drive theory can be useful to be adopted by bank
management to increase the motivational as well as engagement level of employees. Drive of acquire, drive of bond and drive of defend can be serve as extrinsic motivational factors and drive to comprehend can be serve as intrinsic factors. As we are investigating relationship between work motivation (intrinsic & extrinsic) and employee engagement therefore this theory is useful to include in our study.

3.4 Types of Motivation
Employee motivation is a complicated and difficult subject. To enhance and improve the understanding of employee motivation, employers should identify the imperativeness of employee inspiration, concept and differences in individual employee desires. Consequently, management needs to be acquainted with employee motivational factors and changes in preferences of these motivational factors over time. The knowledge about employee motivation is an efficient and organized approach and employers should know that employee motivational techniques and programs are to motivate their workers. Therefore, employees must be appreciated and integrated throughout this motivational process. Many studies have used different motivational methods for directing workers towards desired objectives. Though, management responsibility is to understand the effect of various motivational techniques on single employee or group of employee’s behavior. It is the employer’s ability to match employee desires with suitable rewards. On the other hand, suitable reward means organizations should not limit themselves to some specific motivational factors. They should understand the different motivational techniques to recognize desires of employees. According to Kovach 1987, (cited in Kim, 2006, p.19), that particular motivational factor is not applicable for organizational system because of individual employee preferences. For instance, the motivational preference of one employee may not be a motivational preference of another employee. Employee differences are the most complicated mechanism because organizations have to deal with employee’s behavior which seems to be changeable and irrational. Employees recognize by their emotions instead of reasons. Though, organization should know the needs and complete consideration about employee motivation and their preferences because wrong consideration about motivational factors would lead to build up motivators that reward erroneous behaviors that would not concern with employee motivations (Kim, 2006, p.19-33).

Motives are desires, needs that enforce employees to move towards specific objectives define by management. Many motivation studies discussed that why human attitude is directed towards a goal. Employees are not inspired always of monetary factors but there are many other factors that are connected with actions and performance. The factors that manipulate an employee motivational process at job are categories in to extrinsic and intrinsic motivation.

3.5 Extrinsic and Intrinsic motivation
Extrinsic motivation is an important type of motivation. It can be defined as” a construct that pertains whenever an activity is done to attain some separable outcome”. When organization wanted to fulfill a task from employees, they offer monetary rewards and other tangible benefits. It referred extrinsic rewards in motivational language. It offers employees to make sure job when task is done properly. Extrinsic motivation is provided to employees because it is an effortless solution for task fulfillment. Surveys
of research findings on employee jobs motivation have recommended, employee considers intrinsic motivational factor better motivation than extrinsic motivation (Remi, 2011, p.227-232).

Some researchers consider extrinsic motivation decrease employee creativity because than employees focus on materialistic reward instead of tasks itself. As a result employee would be distracted from creativity relate side of job role that focused them task as originally explained and describe to them. According to Remi (2011) in Develop countries where extrinsic motivational factors are not considered best motivational factor get satisfaction of basic desires, food, and shelters as a grant, therefore preference of employees shifts from extrinsic (Promotion and growth, good wages, recognition, job security) motivation to intrinsic (interesting work, job appreciation, job satisfaction, stress) motivation. Management should know what motivates their workers and manipulate motivational technique based on employee’s desires. This would help organizations to recognize, educate and retain creative and productive employees. As an evidence, a research study in Nigeria based on descriptive survey method in which asked by employees about motivation from 15 organizations. Some employees considered high rank to intrinsic motivation factors while some considered to extrinsic motivation.(Remi, 2011, p.227-232).

Extrinsic motivation contrast with intrinsic motivation is definite as “doing an activity simply for the enjoyment of activity itself, rather than its instrumental value (Ryan, 2000, p.60). Or it can be the rewards presented to employees as an encouragement to engage in a behavior/ task in which they cannot employ (Deci, 2001, p.3) Or “an employee is inner directed, is interested or fascinated with a task and engages in it for the sake of task itself” (Zhang & Bartol, 2010, p.112). According to Zhang, (2010) intrinsic motivation is one of the most appropriate and strong influence on workers creativity (p.111). Employees get intrinsic reward directly from job they perform. Job satisfaction, interesting work, job appreciation or the sense they help a client. Intrinsic motivated workers employ in a job because of their own interest in it and enjoy the job due to search for new solutions for business challenges and are more likely to burn up energy to identify problems and find innovative solutions (Cooper & Jayatilaka, 2010, p-154). Intrinsic motivation begins from a positive response to qualities of a job role. Intrinsic motivated worker engage because of their own interest in a task. Theorists are agreeing on point that intrinsic motivation is a psychologist level that describes deep participation in a job role. Task enjoyment activities provide employees a sense of engaging instead of just performing organizational operations and it helps employees to gratify their desires for pleasure. Intrinsic motivated employees give more attention to a task for their own mean and to look at substitute ways for solving different problems of business (Cooper & Jayatilaka, 2010, p.159).

Intrinsic motivation helps employees to engage in creativity. For example, when a worker recognizes that her/his job role is significant, employee will spend more time in understanding the organizational challenges and searching a creative solution. When a worker perceives that he has the capability to perform job role effectively, has confident quantity of self willpower over job performance and can resolve business challenges through his/her actions. Intrinsic motivation create creative and engage employees because when an employee are intrinsically engage in their job, they are likely to apply all of their efforts to the business problems they come upon (Zhang, 2010, p.111).

Extrinsic motivation tends to decrease intrinsic motivation. According to Deci (2001)
meta-analysis in which they tested hypothesis and concluded that extrinsic motivation would diminish intrinsic motivation. It concluded further, estimated tangible rewards decrease intrinsic motivation, while unpredictable tangible rewards would not weaken intrinsic motivation (p.3).

It reduces employee’s freedom in terms of their activities that are likely to perform better for gaining instrumental reward. It diminishes employee’s creativity and effectiveness because than employee focus closely to an assignment that is predefined. Nonetheless, there is negative relationship between employee performance and extrinsic rewards. It provides vigor to employees for achieving the effective task when there are lots of hurdles that intrinsic motivation would not satisfy. A good example is the requirement of information technology in any organizational unit; careful employee support is very appropriate and is less intrinsically attractive than interviewing and investigating.

But does this mean extrinsic motivation is unimportant? The answer is no. there were some early researches have been conducted that extrinsic rewards may drive out intrinsic motivation but current research shows two type of rewards maintain each other’s. It can be explain in terms of connection of background and foreground. Extrinsic reward gets near to foreground, when employees are little on benefits & finances and when face major choices. Intrinsic rewards take foreground in daily job. An example explained by the writer is mentioned. I recently interview many army personnel. It was obvious that they consider wage and benefits both important for them during a decision to join force or to become retire. When they decided to join army faced daily with reality of work they had taken on, and their power (energy) for the job depends on intrinsic rewards they got from it. The same example correlates in any job. Job is short form of reward. In long term people require intrinsic rewards to keep going on and to perform their task (Wayne, 2000, p.6-8).

The literature exemplifies the importance of intrinsic and extrinsic motivation for employees. Organizations should develop intrinsic and extrinsic reward system. Some organizations motivate employees intrinsically while others do not build up extrinsically. In case of banking sector, there is need of some refinements. Employees are de motivated due to low motivation and working burden. To make better productivity and performance, extrinsic and intrinsic reward system should be introduced. The operations of banking sector have been expanded due to its branches network. To utilize banking operations, customer satisfaction and making better performance would be possible through improving intrinsic and extrinsic motivation.

When an employee identify that his job requirements are significant and personally important, than employee consider the organizations problem his/her own problem and try to recognize the problem from different angel and penetrating for the solution of the problem with multiple sources of information. When a worker believes that he/she has the ability to handle the particular problem or task has a confident level of self-determination over job completion, resultantly, he/she is likely to focus on the task with determination. Such workers probably like to take risk, open new cognitive way and create new idea for organizational performance (Zhang, 2010, pp.112-113).

The purpose of explaining motivation (extrinsic, intrinsic) is to identify which motivation has a relation with job engagement. Employees consider both an important factors for their job motivation but some employees consider more in line with extrinsic than intrinsic and vice versa. It is obvious that reward sensibleness is a very important
factor for persuading the degree of motivation but it diminishes employee freedom regarding their behavior tends to be limit to actions involved in getting benefits. On the other hand, it diminishes employee creativity because of concentration given to the describe task and rely on what they are educated for a particular task. Some researchers concluded, extrinsic rewards have negative relationship with creativity of employees, because appropriate motivation would reduce degree of social loafing that diminishes group work involvement (Cooper, 2010, p.154-162).

There are different factors in intrinsic & extrinsic motivation that enable employees to be engage in their job. We have taken some of the factors that are discussed. We have discussed it one by one and exemplify the importance concerning the employee engagement.

3.6 Importance of Scientific management and Human Resource Management

The systematization of organization has an important impact on motivation of its workforce. However, the motivation of employees working in participative group structures disagree that workforce in an organization is due to many hierarchical levels and strict rules. Organizational structure has close relationship with employee’s motivation since creation of organizational research.

In nineteen hundred century, a panel of psychologists at Harvard University performed Hawthorne experiment. They determined and concluded that employee good performance can be preserve when only workers satisfaction is keep up. Later on this conclusion was challenged by many researchers. They disagreed and concluded that organization is an association, where employees develop satisfaction through performance of their job roles. This diversifies researchers to put emphasis on intrinsic motivation (Human Resource Management view), but what has happened to extrinsic motivation. Still organizational theories are focusing on intrinsic and extrinsic motivation that shows both motivations (intrinsic and extrinsic) are relevant.

Frederick W. Taylor an engineer was first person to find out the relationship between employee motivation and organizational structure. His scientific management approach was famous around the world and named as Taylorism. He published his book in 1911. He wanted to maximize the efficiency of workers in mechanical operations. He purposes that increase in production could be attained through efficient system of dividing the job role without increasing the work load on individual workers. According to him work is driven through external aspect. There was no role of intrinsic motivation in Taylorism. Employees don’t have any specific needs except earnings they receive. They are only produce products and services. They did not have any other concern in the task they perform (Frey & Osterloh, 2002, pp.21-22). Taylor always emphasized, motivation should be started and ended at monetary incentives (Dzimbiri, 2009, p.46).

Taylor scientific management principles were proper planning for task completion , require training for employee development, proper and suitable division of work, friendly environment for employees, hiring workforce on merit basis, good wages and monetary increments (Yousaf, 2007, p.1).

The component of scientific management and Human resource management is important to discuss in our study because we are trying to investigate relationship between work motivation (intrinsic and extrinsic) and employee engagement in Allied
bank of Pakistan. Big organizations like, Ford and others who were industrial modernize using these approaches. The discussion about scientific management and Human resource management will be helpful in diverting banking organization attention towards extrinsic and intrinsic motivation. Human resource management is often related to give importance to intrinsic motivation whereas; extrinsic motivation is backed by scientific management. Employees are the production factor (providing facilities to clients, maximize innovative and efficient actions) of banks. Therefore it is of great importance for organizations like banks to focus on both intrinsic and extrinsic motivation for maximum and better productivity.

3.7 Intrinsic Motivational Factors

3.7.1 Interesting work:
The importance of interesting work has been considerably increased from previous years. Employees search to work in interesting environment while organizations are searching methods to engage their employees in interesting working environment. It is defined as “a term that describes the experience of employees who are passionate about and energized by their work, find meaning and purpose in their jobs, feel that they can express their complete selves at job and feel connected to those with whom they work and elaborate it, contains physiological arousal, positive effect, a belief that one’s work makes a contribution, a sense of connection to others and a common purpose, a sense of perfection and transcendence”. Interesting work encourage the group, organization and individual feelings towards satisfaction through perfection of goals. Interesting work makes a connection with nonphysical force (interesting working environment) that provides an employee a feeling of happiness. Interesting work is source of connection and social relations with coworkers and fulfillment of the organizational task without any conflict. Organizations those are value-based better able to know their workers mind and know how to build organization and make reach to the aim of mission (Saks, 2011, p.318-323).

The employee engagement and interesting work plays a role in job performance. It is Organizational inspiration towards interesting job, encouraging employees towards performance of job. When employee get interesting working environment that would lead to job engagement means to display their selves in working role they are performing. Similarly, when employees are disengaging because of non-interesting work would lead to disconnection from their job role. Engagement of job through interesting work is a connection between employees, their job and with others. That organization that provides interesting job actually facilitates workers to fully engage in their job role (Saks, 2011, p.323)

The role of interesting work and employee engagement is abandonment in banking sector. Employees working conditions in banks are interpreter of engagement. The banking sector requires engaging all the workers and system, should change working conditions and provide the interesting job. This will enable workers to take beneficial decision and employers to take whatever business operations needed for customer attraction and customer satisfaction.

3.7.2 Job appreciation
The appreciation is an important factor for wellbeing and success of any organization. Job appreciation may help employees feel appreciated and an aspiration to help peers,
clients and management. This would be good for the workers and organizations because it makes the organizational structure according to vision of organization. Appreciation can be defined as “acknowledge the value and meaning of something an event, a person, a behavior, an object and feeling a positive connection to it”. When employees are appreciated, feel good about themselves and they have many things give to others, on the other hand when they are exhausted, less able to perform their job functions properly and performance level become worse (Fagley & Adler, 2012, p.168-171).

Job appreciation has a direct link with job engagement. It promotes development of trust between colleagues; they help each other’s and maintain good relation for the benefits of organizational objectives. Organization can make success business operations through promoting job appreciation. On the opposite side, the employees and organization might be affected negatively because of employee’s negative emotions that can adversely affected workers morale (Fagley 2012, p.180).

Job appreciation in banking sector is very necessary. Dealing with banking customers and operations are a tough job. Banking industry relies on their employees. If employees working attitude is negative towards job, it specifies disengagement of job that may have a direct negative effect on productivity of banks. Therefore, management of banking sector should focus on the employee appreciation and provide the appreciation support according to their demands.

3.7.3 Job satisfaction:
The level of job satisfaction is associated with positive behavior of organization, for example, employee retention and growth in workers performance. Similarly, lower level of job satisfaction is associated with negative organizational behavior, such as downsizing etc. Job satisfy employees would satisfy from job and encourages the mission of the institution. Job satisfaction is individual level feeling that reflects whether employee needs are or not fulfill by the individual job. Organization should organize, arrange and manage job to satisfy workers (Mahfood, 2012, p.311). Job satisfaction is very important relating with employee engagement because it has a connection with good wages, good quality job, job security, promotion & growth and training facilities to employees. Employment in Europe survey in 2002 claimed that employee job satisfaction is positively correlated with job status and job activities (Jones & Sloane, 2007, p.199).

Upper level management and scholars have to give support to employee satisfaction for productivity of organization and for helping employees to do their work according to standards develop by organizations.

Employee satisfaction in banking sector is a significant variable for the employees. Increased turnover of banking employees is due to lack of job satisfaction. Job dissatisfaction is the result of employee disengagement with their job, and disengagement of job can increase turnover of productive banking employees. Therefore, it is highly recommended for specially the banking sector to satisfy employees, because dissatisfaction of job means employee disengagement that would lead to decrease productivity and performance of organizations.

3.7.4 Stress:
The employee stress has been given attention by management scholars because it has effect on organization and individual performance. However, on individual level it is
helpful for workforce to cope with professional challenges. For example, organization increases the salary with responsibilities. On the other hand, it is the hurdle for organizational and employee performance. For example, it cause hurdles for employees, turnover, increase absence, dissatisfaction and disengagement. Stress can be defined as “mentally or emotionally disruptive or upsetting condition occurring in response to adverse external influences” (Rosas, 2011, p.554).

In the job environment, employee has different role demands that are connected with employee’s responsibilities for completion of task. The conflict exists when changeable demands created for the same worker in organization, job expectations are unclear. Today in business organizations, employees are pressurized to do performance with higher level of productivity which pressurizes other workforce to adopt same performance level. When these demands come between employees and organizations would lead to stress and disengagement of employees. Stress effect negatively on performance of employees. The organizations should realize that stress have serious consequences for organization and individual performance. Employee would be suffering with depression, disengagement, fierce attitude etc. absenteeism become increase when stress level rise up and sometimes being dismissed. Thus, employee turnover ratio becomes raise which is very costly and can delay operation of business. Even sometimes, workers lose their motivation and job satisfaction that make complication for them to continue participation with organizations and team. Thus the clear evidence shows for employee engagement with their jobs, stress level should be decrease. It doesn’t mean stress level should be totally eliminated, sometimes little stress require for achievement of task performance (Rosa, 2011, p.555-556). Stress level now a days that faced by employees during working hours in different sectors especially banking organizations is against the productivity of employees and employers.

Banking sector and stress depends on each other. When employees are not satisfied with their job would lead to increase stress level and vice versa. Therefore, the employees should be provided stress free environment, fulfill fix demands for every employees from job, standards for working. Otherwise, they would experience worsen their emotions that cause poor banking operations. Banking job is boring. It should be challenging and motivating. To make better operations and to hire maximum clients, employers have to decrease the stress level.

### 3.8 Extrinsic motivational Factors

#### 3.8.1 Job security:

Job security is a well-known topic that has been discussed by previous researchers. Most of the research has concentrated on individual level view. It is an important factor because it has an influence on workers job attitude. It is defined as “the perceived powerlessness to maintain desired continuity in a threatened job situation”. It is interesting to know that it is related with the emotions of human being. Some studies have used a stress theory attitude for job insecurity and consider it stressful because it is a risk itself. Therefore, it is considered to be a job stressor factor with negative consequences for workers. Job in security has a negative impact on the health and wellbeing of workers. The in-security of job highlights the downsizing factor and is a source of uncertainty. The author illustrates security of job is connected to employees attitude. Further reported, during the short term downsizing period, they noticed the negative reaction of workers but after a longer time period same attitude became better (Sora, et al., 2009, p.126-127).
The security of job is very important for the employee regarding job engagement. Insecurity of job reduces the benefits of job. Insecurity of job is harmful for the productivity of organization. It is a threat to the resources of organizations.

Hobfolls COR theory illustrates “employment is valuable resource people strive to retain, protect, build and what is threatening to them is actual loss of these resources.”(Sora et al., 2009 p.141).

Job security is very important for the workers of banking sector. Banking sector is the backbone of any country. Insecurity of job means dissatisfaction of job and would have a negative relation with social relations. Social relation is a part of job of banking sector and most of the banking operations run on the basis of coordination and relations with clients. Therefore, it is very necessary to secure the banking employees. It directly effects negatively to employee attitude because he/she suffer in case of job insecurity. Therefore, it is very necessary for employee job engagement to be secure. The organization can prevent a negative perception through share by employees by using clear informative policy of employment and can diminishes negative effects on negative and un-satisfactory reactions (Sora et al., 2009 p.141).

3.8.3 Good wages

Good wages are one of the significant factors for employee motivation. Organizations need to offer their workers a wage rate that should be more than market rate. This would increase workers efficiency, responsibility, trustworthiness and decrease shirking. Wage rate that is below than market rate leads to workers dissatisfaction. Organization should maximize the employee effort and reduce the production cost of their business by increasing the salary rate more than market rate. This is what Efficiency model conclude. Workforce positive performance and low wages cannot continue together. Maximization of employee wage leads to increase in the efficiency (Taylor & Taylor, 2010, p.69). Wages and employee satisfaction is correlated factors. Employee’s satisfaction level becomes increase when organizations increase monetary benefits for their employees (Miller, 1980, p.363)

According to Marginson (1991), a report commissioned by Common wealth Department of employment education and training and illuminate, Australian Flinders university National institute of labor studies experiencing problems of shortages of qualified personnel. The shortage of qualified personnel was due to the lower salary (Marginson, 1991, p.9).

Employee’s engagement is directly connected with good wages. “Employee engagement means energy, involvement and efficacy”. Workforce perform their functions creatively, involvement in task and show efficiency when they would get good salaries. Good salaries would engage workforce to make an effective link towards job related operation and they consider themselves capable to handle comfortably job demands (Selmer, 2013, p.97).

Banking sector should maintain good wages for employees. Banking sector is the backbone of any society and banking operations rely on their employees. If employers do not consider good wages as an important factor for employees, would be harmful for employee job engagement. Consequently, workers would be disengaged and quit their jobs. Therefore, to increase the productivity and better performance, good wages should be maximize.
3.8.2 Promotion and Growth:
One of the most important benefits of any organization is the opportunity for internally promotion and growth of workers. Promotion and growth factor can make a positive contribution to the development of any organization. Setlzer (2010) described in general as “a man of ability who applies himself conscientiously to his duties and studies may be reasonably assured of reaching a position of responsibility” (p.748). The subject of promotion and growth is a scholarly discussion now days. Organizations do not consider it important that is why many studies provide evidence of decline in promotion and growth. Sometimes the expansion of business networks create a hurdle in promotion of employees, because expansion of business with limited number of high level or low level positions would have restricted for many capable and deserve workers. It is important to know organizations become productive and efficient due to workforce. Organizations that do not give importance to their employees would not be efficient and productive.

Employee engagement exists when workers are involved with, loyal to and enthusiastic about their job. The promotion of employees would change the job place to employee positive engagement. Those employees who are properly motivated have higher engagement levels in their job than those who have not.

Regarding the banking sector, promotion and Growth has direct relationship with employee engagement. Number of staff members is increasing day by day in banking sector due to expansion of bank branches network. The fact is that it is very difficult for employees to get promotion and growth because of higher no. of employees. On the other hand, employee’s positive engagement relates with promotion and growth. According to Attridge (2009) employee’s positive engagement has a direct relationship with the overall financial success of the organization (p.389). Therefore, it is require for organizations to develop plans and policies that would help employee’s promotion and growth.

3.8.4 Recognition:
It is a positive importance given to workers for a positive behavior. It can be greeting, approval, appreciation, financial reward etc. The organizational rewards given to employees due to desire attitude. It is normally given to worker when they accomplish a specific goal and complete the specific task. The recognition can be formal (years of award), informal (sincere thanks, pass around trophy), financial incentives etc. The aim of recognition is to satisfy workforce. Profitable organization knows achieving their mission requires creativity, good business plan and action and these operation can come from their workforce. According to the Ash and Kay (2012) employees supposed to be recognized when they perform good job. Workers, who recognized are likely to be feel more valued and committed to their organizations (p.74).

Recognition is appropriate factor of worker engagement. It motivates employees that satisfy customers, trustworthiness and effectiveness of organization. Organizations with engage workers feel better productivity than disengage employees, minimize turnover risk, and diminishes stress and increase confidence. Researchers found that through engagement, recognition is one of the main methods for employee motivation (Ash & Kay, 2012, p.75).

Employers of banking sector should reflect that recognition is an important strategy for performance towards profitable operations. Banking employees want something new
with tough working hour’s schedule. Banks can maximize their operations and customers due to improvement of job performance and can be probable to improve recognition system.

3.9 Importance of intrinsic and extrinsic motivation:

Motivation is always consider important by researchers because it has a direct relationship with the organizational productivity. After analyzing motivation literatures, we concluded there are thousands of books, journal articles that have been written on motivation. Researcher’s aim of deep study is to describe importance of motivation. Intrinsic and extrinsic motivation is already discussed above. According to Yoo (2012) employees have different kinds of motivation i.e. intrinsic and extrinsic motivation (p. 944). Moreover, the connection between intrinsic & extrinsic motivation is interconnected and employee consider them most important factors during their job performance. Environmental and social factors can enable or exemplify intrinsic motivation when employees meet particular conditions that lead to express their feelings. For example, intrinsic motivation can be develop by satisfy desires of relatedness, control and competencies. Similarly, employees can be capable, competent and intrinsically motivated when they use to perform in autonomous environment. The features of self-determination, such as creativity, self-regulation are connected with employees behavior and quality of work task in the working environment. Therefore, it is essential to make all workers to perform their job towards intrinsic motivation. On the other hand, extrinsic motivation is significant for influencing behavior. For example, being motivated in performance for completion of task is impor-nt. The extrinsic motivation is an appropriate factor that makes an employee performance in learning development. Employers should provide opportunities to employees to allow workers to choose behavior according to their motivation preferences (intrinsic & extrinsic) that would have a positive effect on organization productivity.

As noted, employee engagement depends upon motivation. Every job is motivated when it has a connection with motivation. Motivated employees are more engage with their jobs than non-motivated. Both extrinsic and intrinsic motivations are related to employee engagement. Motivated employees always perform better, loyal and satisfy. Disengage employees cannot perform better.

Unfortunately, most of the organizations don’t consider it important for employees. They should need to have a discussion with workforce about motivational factor. It is noted that, employees are the organizational value and without motivating (intrinsic & extrinsic) them, it is unable to make business operations better.

Banking operations are growing progressively and previous rules no longer apply. Due to globalization, competition is growing around world. Banks are needed to motivate their workforce. Bank is a social sector that performs decision making, cash inflow & out flow, dealing with clients on daily basis, handling IT network of different branches. Banking sector perform operations on behalf of employees. According to khan et al (2011) employees can improve performance of organization when being gratified and vice versa. Therefore, it is important for engagement of employees to be motivated (intrinsically & extrinsically) otherwise, it would lead to discouragement, dissatisfaction and increase turnover.
3.10 Types of Motivation and Linked theories
Intrinsic and extrinsic motivational factors are considered for this study and their link has been made with motivational theories as shown in table 1.

Table 1: Types of motivation and linked theories

<table>
<thead>
<tr>
<th>Types of Motivation</th>
<th>Factors</th>
<th>Theories</th>
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<tbody>
<tr>
<td>Intrinsic</td>
<td>Interesting work</td>
<td>Maslow’s Need Theory</td>
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<td></td>
<td></td>
<td>Alderfer ERG Theory</td>
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<td></td>
<td>Herzberg’s two factor Theory</td>
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<td></td>
<td>Four-Drive Theory</td>
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<td></td>
<td>Appreciation</td>
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<td></td>
<td>Satisfaction</td>
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<td></td>
<td>Stress</td>
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<tr>
<td>Extrinsic</td>
<td>Job Security</td>
<td>Maslow’s Need Theory</td>
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<tr>
<td></td>
<td>Promotion &amp; Growth</td>
<td>Alderfer ERG Theory</td>
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<tr>
<td></td>
<td>Rewards</td>
<td>Herzberg’s two factor Theory</td>
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<tr>
<td></td>
<td>Recognition</td>
<td>Four-Drive Theory</td>
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</tbody>
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Source: Author

Link between intrinsic motivational factors and motivational theories
The similarities among Maslow’s need theory, Alderfer ERG theory and Herzberg’s two factor theory have already mentioned in this chapter. From these similarities we conclude that, Self-actualization need in Maslow’s need theory, growth need in Alderfer ERG theory, motivators in Herzberg’s two factor theory represent intrinsic motivational factors. All these needs are intrinsic in nature or unique to each individual in his or her own way like interesting work, appreciation, satisfaction, stress, achievement and so on. Swinton (2006) and Bloisi et al (2007) also found relationship between motivational theories and associated these needs with intrinsic motivational factors. Self determination theory (SDT) fully support intrinsic motivation, employee self determination will only be insure if they feel autonomous and competence. These factors satisfy inner feeling of employees.

Link between extrinsic motivational factors and motivational theories
Psychological needs, safety needs, belongingness need in Maslow’s need theory, existence need in Alderfer ERG theory, hygiene factors in Herzberg’s two factor theory represent extrinsic motivational factors (Swinton, 2006, pp.1-2; Bloisi et al., 2007, pp.199-205). All these needs are extrinsic in nature and are necessary to fulfill like job security, promotion and growth, good wages, recognition in the form of physical rewards and benefits etcetera.

3.11 Employee engagement:
Employee engagement is the area of interest of many scholars for a long time. It has relationship with organization and employees. Before deeply discussion about employment engagement and related studies, we consider it appropriate to discuss the importance of human resource management to measure workers performance and manage human assets. Workers should be considering an essential asset of organization.
Employers just make strategies but they are the one who distinguishes factors in making a develop strategy, for maximization of profits accumulating importance to their clients and perform differently than opponents. In fact, employee’s contributions and actions make organization profited.

Employee engagement is defined as “harnessing of organizational members selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performance”. In other words “individual involvement and satisfaction as well as enthusiasm for work” (Andrew & Sofian, 2012, p.499). Therefore, according to definition, engagement is employee level of obligation and participation for organizational sake and its value.

Job disengagement is the “uncoupling of selves from work roles; in disengagement, employees withdraw and defend themselves physically, cognitively and emotionally during role performances”. According to Kahn (1990, 1992, cited in Saks, 2006, p.601) job engagement means worker should be psychologically available during performance of organizational role. Schaufeli et al, 2002, discussed employee engagement as” a positive, fulfilling, work related state of mind that is characterized by vigor, enthusiasm and absorption, they further discussed that engagement is not a momentary and specific state but it is more persistent and pervasive affective cognitive state that is not focused on any particular event, object, individual or attitude” (p.74).

Different researchers defined employee engagement differently but most of them consider it a different and distinctive concept that entails behavior, emotion and understanding that are connected with employee as an individual role performance (Saks, 2006, p.602).

According to International survey research (2003), it is a practice by which an organization improves the contribution of their employees to achieve higher productivity. It is the combination of understanding, behavior and emotional enthusiasm to employee organization. Employee engagement leads to have a positive effect on employee services that generate more investment in form of more clients and customers maximization and loyalty. A high number of loyal customers are clue to purchase more services and products from same organizations, make a good relation and gives response that results organization a huge profitability and growth (Andrew, 2012, p.500).

Employee positive engagement is a win-win approach because employees know how to identify organizational success and become successful in their contribution. Many scholars conclude, that it is an important factor for employee’s positive contribution towards organizational success and works as a facilitator to improve employee’s attitude, performance and objective to develop way of performance (Andrew, 2012, p.507). In general, when workforce is engage with their jobs, they invest their efforts in the form of hands, heart, head and emotionally occurrence in performing organizational work. When employees are psychologically presence in their jobs would lead to make them concentrating, associating, participating and focusing in their job roles. Kahn (1990, cited in Saks, p.321) used a term “self-in-role” means when employees engage in their jobs, they possess themselves in the task role they performs. According to Xanthopoulou et al (2009) employee engagement stimulates success in organization (p.197). They further mentioned that the analyses to know are engage workers more creative and productive? The results specify individual level of engagement effect on team performance result. Similarly, if workers strongly identify about the group
objectives, they are enthusiastic to keep effort that develop group performance. Their findings further stated organizational financial returns become better through employee engagement.

Schaufeli (2002, cited in Saks, p.321) stated that engagement is a “positive fulfilling, work related state of mind that is characterized by vigor, dedication and absorption”. Term vigor means more energy and psychological resilience during job performance, dedication means deeply involvement of job and contribution of interest, while absorption is concentration on job.

Many annual engagement surveys show that competitive advantage in any work place depends on discretionary efforts, innovation and creative thinking of their employees (Blessing, 2011, pp.5-7).

High number of engage workers help an organization attracting more creative employees, whereas, disengage employees can lead to worsen production, higher turnover, recruitment and training cost. Disengagement decrease productivity and profitability ratio. According to Andrew (2012, p.498), Americas half workforce are extricate that lead to country business a loss of production estimate of 300 hundred billion annually. Similarly, Australia loses 31 billion dollars annually due to disengagement of workers. Many literature claims that for high level of organizational productivity and growth, employees should be engaged. According to Andrew (2012, p.499) engagement is a significant factor for organizational achievement and good performance because it is significant prospective that effect on workers retention, loyalty and efficiency and has a relation to satisfy customers, organizational status and stake holder value. Employee engagement is a broad concept that has a direct connection with all HRM aspects. If every component of human resource management is not managed properly, workers would not be engage in their job roles. Researcher further concludes that, employee engagement is a serious business issue that can be a threat as an economic recession. For example, employees are the assets of any organizations; institutions are now turning towards human resource to make considered agenda for development of engagement. Organization should know about the demands of employees for stability of changing relation between workers and employers. Otherwise, it would have a negative effect for organizations performance and productivity.

The reason to discuss the importance of employee engagement is to show its significance in banking industry. The banking sector is totally dependent on their employees; therefore, they need to be engaged in their jobs. Engagement in banking jobs enables employees to make business operations successful, as it runs with the mutual commitment of organizations and employees. When banking employees will engage, they will use their potential to drive high performance (provide better services and attract maximum customers). Engage employees are more dedicated and helping to maximize banking productivity. They are more likely to consider themselves as an employer. Therefore, organizations should pay attention to employee engagement concept. Otherwise, it can be the biggest threat for the organization productivity especially in Asia where the banking industry is still not fully recovered from the late recession. Banking sector, where creativity, innovation and empowerment require for facilitating customers and fulfilling their desires are likely to be accomplishing, when employees would engage with their jobs. Otherwise, if bank management is not interested in engaging employees, resultantly it would lead to unsatisfactory production.
and lose their customers.

3.12 Difference between employee engagement, employee commitment and employee involvement

Human resource management has supported the inspiration that persuading workers engagement, commitment and involvement can engender significant and fruitful effect for the organization. However, it is important to understand employee engagement, employee involvement and employee commitment and examine how does it manipulate on employee attitude (Battistelli et al., 2013, p.17). The first thing is to scrutinize, is there any difference between these terms or are they like old wine in a new bottle? (Albrecht, 2010, p.644).

Organizations always try to get more benefits in less effort. Management should not imagine only that employees will attached with organization forever and continue to be efficient and effective. According to Thomas Britt, professor of industrial psychology at Clemson University says that employee can be engage with job but not committed. He further argued, “There is a distinction between employee engagement and employee commitment. Engage worker is the one who invest his/her self for superior performance while organizational committed worker is one who is emotionally/ psychological attached to his/her organization. Britt’s research stated that it is not essential that engage employee is committed to organization. When organization faces a general decline or slump, and if employees find an opportunity to change their positions, they will. Britt further said, organizations who fail to assist workers position to be efficient in their job and give organizational support can lose their effective and enthusiastic personnel (Britt, 2009, p.1).

On the other hand, Commitment is one of the important ideas that have been studied to know the employee-organization connection. The reason of relationship between employee-organization is larger number of studies sustaining the positive influence on both employee and organizational result, for example, turnover, inspiration and extra performance etcetera. “Commitment is defined as employee attitude and a force connecting the individual to a course of action of relevance to a target.” There are many theories in different literatures that focused on employee commitment towards organization. An employee can be loyally acquainted to his/her occupation/job/career. That is why the definition “Commitment is defined as employee attitude and a force connecting the individual to a course of action of relevance to a target suits here” (Battistelli et al., 2012, p.18). In other words, employee commitment inspires employee to sell their selves for organization which enable them to show higher performance. Commitment is the phenomena of “winning worker hearts rather than imposing management sanction”. It means employee relationship and trust is more than an economic exchange where workers get financial benefits for task they perform. It is like an emotional connection of mutual goal, shared and a sense of belongingness (Bloisi, Cook & Hunsaker, 2009, p.172). In other words, employee commitment inspires employee to sell their selves for organization which enable them to show higher performance. Commitment is the phenomena of “winning worker hearts rather than imposing management sanction”. It means employee relationship and trust is more than an economic exchange where workers get financial benefits for task they perform. It is like an emotional connection of mutual goal, shared and a sense of belongingness (Bloisi, Cook & Hunsaker, 2009, p.173).
Commitment is a multi-dimensional conception. Meyer and Allen (1991, 1997 cited in Battistelli et al., 2012, p.19) made a model that comprise affective commitment, normative commitment and continuance commitment. Affective commitment indicates participation and identification with organization, its goals and objectives. However, normative commitment signifies the employee ethical or moral commitment to stay with organization with deep faithfulness. Whereas, continuance commitment is the view of cost occupy in leaving job/organization due to lack of work substitute for an employee. Actually, commitment concept identifies the individual organization relationship, its possibility and perspective of turnover. Employees with strong affective commitment select not to quit their job because they desire so, employees with strong normative commitment feel appreciative to stay in their organization and employees with continuance commitment stay in organization because they require job (Battistelli et al., 2012, p.22). Lee and Olshfski (2002) illustrated employee commitment with the help of their research done on firefighters who were working on September 11, 2001 in America. During their research they ask that was it employee commitment or their jobs? In fact, firefighters were committed with their jobs and the role. They took their jobs actively, sincerely and their actions reflected that. Researcher’s further find out and explains commitment of job is extra ordinary exertion (p 111).

In relation to banking sector, employees would be committed, when their behavior includes providing services to customers including welfare of clients. Example indicates employee commitment offers considerable promise more than motivation and illustrate positive attitude of employee (Lee & Olshfski, 2002, p.112).

Employee involvement is stated as, “an organizational means that provides structure opportunities for employees to have meaningful involvement in fulfilling the mission and values of the organization by applying ideas, effort and expertise to help the organization solve problems and make decision.” Employee involvement helps in organizational issues, challenges and decision making power that lead to maximize job satisfaction. In short we can say employee involvement (EI) is when employees participate in organization matters to fulfill its objectives concern their own skills and efforts for solving challenges. However, EI approach improves organization decision making skills. The most important thing is how EI would be effective in organization? The answer is authority should be given to employees to participate in decision making process. Training need to be given and experience personnel should share their experiences with employees for suitable decision making abilities. Provide incentives to participate in any form for purpose of involvement (Bullock and Powell, 2011, p.1).

3.13 Employee engagement theories and Models
There is a limited literature available on theory development of engagement. There are two researches that provide models for employee engagement. Kahn1990 in his qualitative study interviewed organizational participants of a firm about engagement and disengagement of employees during working environment. He found three psychological conditions that are related with engagement and disengagement during job. By name they are Meaningfulness, safety and availability (May, 2004) tested Kahn 1990 model and mentioned meaningfulness, safety and availability that were related to employee engagement (Saks, 2006, p.602-603). He discussed, employees asked themselves three basic questions in each role status. 1) How important and meaningful is it for me to put myself according to this performance. 2) Is it safe to do so and 3) how accessible/available I am to do so. He further found, employees become more
participate and involve in working environment that provide more psychological meaningfulness and psychological safety and more psychologically availability. May et al., 2004 cited in Kular et al., 2008, p.5) found this point that safety, meaningfulness and psychological safety are very important for employee engagement and are connected to engagement. They also mentioned that job upgrading and role fit according to employees are optimistic predictors of meaningfulness, rewarding workfellows and positive supervisor relations were constructive predictors of safety while availability of resources were a positive predictor.

Another model of employee engagement comes from burnout literature which explains “it is the positive antithesis of burnout while burnout involves erosion of engagement with one’s job.” (Maslach & Leiter, 2000). They further explained six areas of work life that are clue to engagement and burnout. Workload, control, rewards and recognition, community and social support, perceived fairness and values. They explained further job engagement is connected with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice and meaningful and valued work. May et al (2004, cited in Kular et al., p.5) supports Maslach (2001) and stated that, the concept of meaningful and valued work is connected with employee engagement and therefore, it is necessary to study the idea of meaning. Employees view about meaning regarding job place are connected to their engagement level and performance. Normally employees seek meaning from their job and until employees attempt to give them a meaningful environment. According to the research outcomes many employees practice a greater search of meaning in their jobs than in their daily life. The reasons might be because they spend more time in jobs than other activities of their lives. According to (Kular et al., 2008, p.5) for higher level of employee engagement with their jobs, there should be some purpose that associates employees to an passionate and expressive level so they can promote their particular and individual objective (Kular et al., 2008, p.5) However both Kans and Maslach both models indicates psychological conditions just that these are important for employee engagement but not fully explicated why employees will reply to these conditions with changing degree of engagement.

One of the most famous theories related to employee engagement is Social exchange theory (SET). SET explains responsibilities are created through interactions and between parties who are in state of collective interdependence. Basic principle of SET is relationship develop overtime in to expectation, trustworthy and mutual commitment as long as both parties accepted by some rules of exchange. The rules of exchange involve mutuality rules so that the movements of one party would lead to reaction by the second party. Let’s suppose, when employees are given by economic and other resources from their employers, they feel appreciative to respond in kind and recompense employers. This is identifying as employee engagement of two way relationship between employee and employers. One way is from the side of employees to repay their employers through level of job engagement. That is employees will engage in their jobs according to organization objectives and in response they will get benefits or resources from employers. Organizations should bring employees fully in to their job characters or roles and allocate higher amount of physical, cognition and emotional resources. It is a philosophical method for employees to reply to employer actions. It is most difficult for employees to change their level of performance; therefore, employees would exchange their engagement for benefits and resources given by organization.
Social exchange theory shows why employees become engage and disengage with their jobs and employers. When organization provides resources to their employees, they feel appreciative to repay the employers with excessive level of engagement. According to Kahn’s definition, employee feels thankful and keeps themselves more intensely in to job role performance as compensation they receive from their employers (Saks, 2006, p.602-603). It increases the trustworthiness and trusting relationship. Consequently, employees with higher level of engagement are likely to be in good quality relations with their organizations and would likely to report positive behavior and objectives towards employers. On the other hand, when employers become unsuccessful to provide these benefits or resources to workforce, they are more likely to disengage to their job roles. Consequently, the extent to cognitive, emotional and physical resources that an employee need for performance is contingent on economic and socio-emotional resources received from employers (Saks, 2006, p.603).

The literature explained the importance of employee job engagement. The organizational productivity depends upon employee happiness or wellbeing. When wellbeing is positive and operationalize, it would have a positive impact on employee engagement that enable employee to perform according to organizational standards and objectives (Xanthopoulou et al, 2009, p.985).

3.14 Relationship between Motivation and Employee engagement (Hypotheses Development)

After thoroughly reviewing the previous literature, we did not find any study on a direct relationship between intrinsic motivation and employee engagement, extrinsic motivation and employee engagement. Previous studies investigated these relationships separately with different variables. In this part we will try to make a link between motivation and employee engagement and develop hypothesis for the study.

Kahn (1990) and May, Gilson and Harter (2004) models of engagement argue that people need both self-expression and self-employment in their working lives. Moreover, they identified three psychological conditions for engagement i.e. psychological meaningfulness, safety and availability. Lee (2013) explained self determination theory and relates its three psychological desires of human behavior i.e. autonomy, competences and relatedness with employee engagement (Deci and Ryan 1985, 1991, cited in lapointe, 2013; Lee, 2013, p.729). When these three desires are accomplished, employee considers themselves self determined motivated. Furthermore, these desires keep employees in job role as happy employee. When these desires are not accomplished, their motivation is called non self determined (lapointe, 2013, p.2). Kahn (1990) and May, Gilson and Harter (2004) model of engagement shows some relationship with self determination theory. Both explains psychological conditions, if fulfill can work as motivation (through autonomy, competences and relatedness) and employee engagement (through psychological meaningfulness, safety and availability).

Maskach and Leiter (2008) associated burnout to both positive and negative responses to the job. The positive responses are in the form of engagement (motivation) and negatives are in the form of job dissatisfaction, absenteeism, intention to leave the job, turnover, stress (p.499). They also identify few factors that can show the way towards employee engagement i.e. reward and recognition etcetera. These factors can be used to motivate employees and results in employee positive responses (engagement).
Social exchange theory (SET) of employee engagement normally based on reciprocity or repayment principal, where action of one party becomes the response or action of another party. If employees are getting resources and benefits from their organizations they in exchange will engage their selves in a way to contribute to organization. Employees can be benefited through motivational factors (intrinsic & extrinsic) and in exchange they will engage their self in order to benefit organization. SET can be used to insure both motivation (through benefits) and employee engagement (through exchange response).

Christain, Ghaza and Slaughter (2011), Kahn (1990) and May, Gilson and Harter (2004) linked motivation and employee engagement. Many studies found indirect relationship between motivation and employee engagement. Motivation and employee engagement result in increased firm productivity and employee performance, most scholars have linked motivation and engagement to high profit and employee performance. Intrinsic motivation has also been linked with employee engagement from organizational and contextual factors, but little empirical evidence support this statement (Deci & Ryan, 1985; Chalofsky & Krishna, 2009, p.189-190).

After thorough literature review and linkage between motivation and employee engagement, we concluded, the relationship between motivation (intrinsic & extrinsic) and employee engagement especially in banking sector is an ignore topic. Therefore, our study will try to investigate this relationship assuming two hypotheses.

Hypothesis 1: There is a significant relationship between intrinsic motivation and employee engagement.

Hypothesis 2: There is a significant relationship between extrinsic motivation and employee engagement.

3.15 Conceptual Frame Work
After discussing the relevant concepts and theories of motivation, intrinsic, extrinsic and employee engagement, conceptual frame work of the study has been developed as shown in figure 9.
The conceptual framework of the study is basically aspired from motivational theories discussed in this chapter. A link has been made between intrinsic motivational factors and motivational theories, and extrinsic motivational factors and motivational theories. Later on, interesting work, appreciation, satisfaction and stress are considered as intrinsic factors, while job security, promotion and growth, good wages and recognition are considered as extrinsic factors. Finally, the model depicts the relationship between these factors and employee engagement, which is the main focus of the study.

**Independent and Dependent Variables**

![Diagram of independent and dependent variables]

**Figure 9: Dependant and independent variable of the study**

Source: Authors

**Theoretical and empirical planes of the study**

![Diagram of theoretical and empirical planes]

**Figure 10: Theoretical and empirical planes of the study**

Source: Authors
CHAPTER NO 4

METHODOLOGICAL POINT OF DEPARTURE

PRACTICAL METHODOLOGY

The main aim of this chapter is to find appropriate choices for the selection of data collection methods and respondents. The chapter starts with questionnaires developing, its advantages and disadvantages. Later in the chapter pilot testing, organization selection, respondent’s selection criteria is explained in detail. Towards the end ethical consideration, reliability and validity is discussed.

4.1 Questionnaires developing

Questionnaire is a research instrument that consist of set of questions propose to collect response of respondents in a standardize way (Bhattacherjee 2012, p.75). Data can be collected through questionnaires in different ways i.e. structure, semi structure and un-structure interviews (Saunders et al. 2009, p. 320). We decided to use structure questionnaires for the collection of primary data because of the nature of our research question. In structure interview questions are asked from respondents from a given certain options. The respondent’s response on certain questions on a structure questionnaire is mostly collected for statistical analysis (Bhattacherjee 2012 p.75). In our research, the questionnaire that depends on close ended questions/forced ended questions that let employees of banking sector to answer in our way. Close questions/close ended question refer to questions in which respondents have given different options in which they choose the suitable one (Saunders et al., 2007. P.368). It is easy for employees to answer our questionnaires without any problem while choose one option instead of writing many lines. Our questionnaires also dependent on rating questions in which we used Likert-Style rating scale in order to know how strongly they are agree/disagree about motivational factors and employee engagement provided by management in banking sector. We have considered five Likert scale related with our eight variables in order to know relationship between work motivation (intrinsic & extrinsic) and employee engagement.

After the selection of questionnaires as our data collection technique we developed questionnaires to fulfill our research objective. Questions were developed on the basis of independent variables (intrinsic & extrinsic) and dependant variable (employee engagement). Both positive and negative statements (questionnaires) were made certain that respondents read every question carefully, think deeply and then answer which option to mark. The distance factor and in-accessibility enable us to send questions electronically (internet mediated self-completion questions). According to Sue and Ritter, (2007), online questionnaire is the most convenient and suitable method for data collection. (p-12). Internet questionnaires do not need any cost and easy and quick to get responses. Google docs were used to develop online self-completion questionnaires. Survey tool of Google docs were used to developed questionnaires, link was posted on the case firm website (Allied Bank of Pakistan) and responses were automatically
collected into spread sheet. This survey tool also allows researchers to produce graphs and charts.

There were few employees who did not response due to their busy schedule, this lead us to ask telephonic questionnaires from them. Doing so provided us an opportunity to cover up all aspects related with our research topic and problem. Our questionnaires allow us to ask important questions that are likely to save time contrast with unstructure interviews. Structure interview give us opportunity to get response from a large sample of banking employees. It was easy for employees to answer because questionnaires were fully understood, proper sequence and in simple language. Based on these characteristics, we consider structure interviews is the best way for getting response from respondents for empirical evidence on the issue concerns with intrinsic and extrinsic motivation and their factors, employee engagement and relationship in Allied Bank of Pakistan.

### 4.2 Advantages and disadvantages of primary data collection

Before starting our research, we had two options. Either use primary data or secondary data for data collection. There were few reasons that enable us to approach primary data (quantitative study). Initially, we collected data for specific objective to know the relationship between employee engagement and work motivation. We intended to collect data from Allied Bank of Pakistan. That is why, we undertake sample from banking employees to know their engagement and work motivation preferences in each department. Collection of primary data assists us to get accurate results. Our research study depends upon collection of data through questionnaires from employees of Allied Bank of Pakistan. The data gathered from banking employees are still in original condition and are open to public study. The primary data collection through questionnaire enables us to gather responses according to our research objectives, purpose and research question. The questionnaires designed are dependent on our research study and employee responses help us in understanding the relationship of different variables used in our study. Primary data helped us in getting insight view about the sample we intend to research. The questionnaires we arranged for banking employees facilitate us to control bias in our study.

On the other hand, there were some questionnaires, which were not filled properly by employees that lead us not to include for analysis section. In our research study, we face little difficulties during primary data process. Questionnaire design, editing, pilot study and checking was time consuming and a lengthy process. Unhurried respondents response was one of the main problems we face that enable us to contact them telephonically and electronically (Rogo and Srivastava, 2011, P. 64).

### 4.3 Pilot testing

Before sending questionnaires to employees of banking organization, researchers applied pilot testing method. Pilot testing method is use to refine the questionnaires so that respondents have had no problem in understanding and answering questionnaire and follow all instructions according to the options given (Saunders, 2012, p.386). In order to get reliable data and accurate results, researchers used pilot study method. The main purpose for using pilot testing is to make better understandable questionnaires that enable employees to response back easily and quickly. In our case, we send questionnaires to some of our friends who are studying Masters Program in Business
Administration to make sure; do our questionnaires appear to make sense? We also send
10 questionnaires to some of our friends who are working in banking industry of
Pakistan. They all answered and made confirmed that it is easily understandable.

4.4 Sample technique
Sampling is the group of people, companies/ household indentified in the population.
Group of employees or companies are then contacted with telephone, face to face sur-
veys or postal surveys to gather data that can be used to take out definite conclusion
about whole population (Wild & Digness, 2009, p.34).

Non probability sampling has been adopted in this research. “Non probability sampling
is a technique in which some units of population have zero chance of selection or where
the probability of selection cannot be accurately determined” (Bhattacherjee, 2012,
p.71). In other words, a technique in which chance of selection of every aspect from
entire population is not known (Saunders et al., 2012, p.220).

Non probability sampling is easy and quick in collection of data from banking organiza-
tion as compared to probability sampling. Our research does not depend on large scale
study so it was appropriate to use non-probability sampling. Allied Bank of Pakistan is a
strongest banking network in Pakistan and has many branches. It was difficult to ap-
proch all the branches therefore limited branches were approached. We use Snowball
technique, it is a type of non- probability sampling. In snow ball sampling, researchers
recognizing few respondents and then approached to recommend others they know, who
meet your research selection criteria. While “convenience sampling is a technique in
which sample is drawn from that part of population that is close to hand, convenient or
readily available” (Bhattacherjee, 2012, p.71). The reason for choosing snowball sam-
pling technique is due to lack of physical access on Allied bank of Pakistan. One of the
researchers has some family and personal relations in ABL who are working as high
level ranks that help us in data collection. Filling up online questionnaires were not an
easy task for employees because of busy schedule but personal relation made it easy.
The problem we face during data collection was slow response rate that enable us to
contact them again and again. Similarly, there were many branches of Allied bank and
we approached few branches because we were interested in achieving a sample size of
216 employees who were agreed to take part in our research. We continued to collect
data until our sample size was achieved.

The questionnaires were sent to the head office of Allied Bank of Pakistan, which were
uploaded to their web site. The reasons of uploading questionnaires on their website are
because we could not have approach all employees directly. Secondly, we have not
email addresses of Allied banking employees. To get response directly, we collected
total of 187 responses, while 33 questionnaires either uncompleted or filled with biased
intentions. The responsive questionnaires were sufficient for analysis part and later we
tested results in SPSS. The questionnaire response was enough and we got sufficient
response rate from employees.

4.5 Organization selection
We have selected banking organization for our research problem and objectives. Allied
bank of Pakistan is a private limited bank and has a bigger network in all over the country. However it performs banking operations in different part of world. Unfortunately, it does not have any branch in Sweden. We have chosen banking organization to investigate the relationship between work motivational (intrinsic and extrinsic) and employee engagement. As we have mentioned above about our internship experience in banking organization. During our internship in bank, we observe banking employees are not motivated by employers that lead them to disengage from their jobs. This observation enables us to analyze a topic that relates with motivation and employee engagement in banking organization. We draw near to Allied bank through our personal relation and recommendation of our family members. Due to busy job schedule, it was difficult to coordinate with banking employees, but our family relations help us that lead them (management) agree to provide details and help us in every stage.

Both researchers have internship experience in banking organization which enabled them to approach banking organization. We know a bank normally works on the basis of different employees who performs operations and are categorized in manager level, middle level and lower level management. During coordination with Allied bank officials, we made sure employees are enough for sample size because we observe 13 employees per banking branch would be better for research sample size. When we were hundred percent sure from all perspectives, we decided to choose Allied bank of Pakistan as our case study.

4.6 Selection criteria of respondents: There were different reasons for selection criteria of respondents from banking organization. Before sending questionnaires, we made sure through bank management that questionnaire would be filling by those employees who have complete knowledge about work motivation (intrinsic & extrinsic) and employee engagement. When we coordinated with banking official and aware them about our purpose of study and questionnaire, it was made sure that all the employees fully understand the terminologies used in our questionnaire. Another criterion was respondent should know English language, so that he/she can respond in a way we are asking. There were some questionnaires that were not filled by respondents that enable us to contact them on telephone. When we coordinated them, they were unable to fully understand some questionnaires. This enables us to contact them and explained in detail about questions that made them confuse.

4.7 Ethical consideration
Data collection and ethical consideration are interconnected. Ethical consideration is principles that should be followed during data collection (Saunder et al., 2007, p 187). To follow ethical principles, we tried our best to not included plagiarized material. The data gathered from different medium is cited properly with appropriate reference style. During data collection for analysis part, we tried to maintain rights of employees. We did not enforce them to participate in our research study. The data collection for analysis is kept confidential and not to be disclosed. We did not identify the name of any respondent during and after collection of data, because it would have harmful effects for disclosing respondent information there were some respondents who were unable to understand some questions that lead us to call them. However, we tried to not make longer our discussion due to their busy schedule and working hours. The data gathered through questionnaires was not changed and modified at all. The data result shows the clear picture of data accuracy analyze by SPSS.
4.8 Source criticism

As researchers, we consider it important to assess the source that has been used in this study in order to assurance the importance, consistency and relevancy of secondary data. We consider secondary data collection is relevant to our research topic. Our topic was related with case study of Allied bank of Pakistan. Therefore, it was irrelevant to use data other than banking organization. In the beginning, we used to explore the terms like intrinsic and extrinsic motivation, job engagement, relationship between job engagement and motivation etc. Concerning Pakistani banking organization. Initially, we got very few relevant articles because most of them were irrelevant with our study. This reason facilitates us to search relevant material in general and we find out relevant studies that were conducted in different countries. This does not mean this factor would critically affect on our research study because we used secondary material from different part of world. As far as we analyze and studied different sources, there are not so many differences in employee engagement and motivational factors across different countries. They have different preferences in motivational factors that lead them to job engage. Many studies show positive relationship between employee engagement and motivational factors and vice versa. We have used different books, articles and authentic material throughout our literature study.

4.9 Data Management and Analysis

This study is conducted in order to find relationship between work motivation (intrinsic & extrinsic) and employee engagement. The study is also looking for impact of intrinsic and extrinsic motivation on employee engagement. The data was collected into spreadsheet by using Google survey tool. The collected data was uploaded to SPSS, and normality of data was calculated. When the data was transformed and got normal, then different statistical tests were applied, on the data for analysis. SPSS stands for statistical package for the social science, it is widely used computer program that manage and analyze quantitative data (Bryman, 2012, p.716).

Before applying required statistical tests on the data, data from respondents were sort out. Some of the respondents agreed for all of the questionnaires that show that they were not interested in survey, with the help of outliers test applied in SPSS we sort out those invalid data. After getting our data normal we decided to apply the related SPSS tests to answer our research question and fulfill our research purpose.
CHAPTER NO 5
INTRODUCTION TO CASE FIRM

This chapter presents basic facts about the case firm (i.e. Allied Bank of Pakistan. The main aim is to provide useful information to readers about the case firm. The first part discussed background, objectives and vision of Allied Bank of Pakistan. Later on information about mission statement, core values and management of Allied Bank of Pakistan has been enclosed. Towards the end role of Allied Bank of Pakistan in Pakistan bank industry and employee engagement has been discussed.

Organization financial assets have always engage fundamental importance and banks are the part of financial organizations that take care of that perspective. Nevertheless, world recent drop into financial crunch has increased the significance to critical position. Principally, this has put direct effects on financial region. One of the reasons that organizations cannot occupy their exterior environment in the present period of financial downturn has direct effect on internal environment management of financial organizations. Therefore, it is necessary to take such actions and steps that would be beneficial for banking institutions and for economy. Banking sector is not an organization for itself; in fact it put direct effects on the Economy as a whole. The success of banking sector has competitive advantage that put positive influence on productivity and performance that dissemble threats that comes from external environment (Tahir et al., 2010, pp.1.2).

Bank is a cluster, organization, firm that involves with monetary aspect, domestic, foreign and receives deposit of money and lend money to the third party. However, there are many other functions of banking organization. There are many banks in Pakistan that are performing their functions, by name they are National bank of Pakistan, Muslim commercial bank, Allied bank and many other banks. Allied bank is one of the most powerful and strong financial group that have many sub-branches in Pakistan and in foreign regions. Bank does business operations on behalf of their employees because they deal with customers and provide services that lead bank to perform better and grow (Shafiq et al., 2011, p.166).

5.1 Background of Allied bank limited

ABL (abbreviation of Allied bank limited) was established in December 1942 as Australasia bank at Lahore Pakistan with a share paid up capital of 0.12 million. Good reputation, increased profit rate and successful strategies of bank lead customers to deposit 0.431 million Pakistani rupees in its first 2 years. Today ABL is one of the stronger banks of Pakistan having million of customers all over the Pakistan. The total assets of ABL have been reached up to 170 Billion Pakistani rupees.

In 1970, it had one hundred and one branches. However, Bangladesh was the part of Pakistan at that time. Regrettably, during separation of East Pakistan (Bangladesh), we lost fifty one branches which were a great loss for Pakistan. This separation had lead Pakistan to loss lot of their possessions. In the end of 1973, ABL had one hundred and eighty six branches. In the beginning of 1974, the board of directors of Australasia bank was liquefied and same bank was given a new name as Allied bank of Pakistan. The
first year after change of name was successful and got a profit of ten million rupees.
Investment ratio was rose by seventy two percent and advances rose of one thousand
and eighty million. During 1974, one hundred and sixteen new branches of network
were opened. There were three hundred and fifty three branches in the end of 1974 while
in 1991; it reached up to seven hundred and forty eight branches. In the same time,
deposits increase to 1.46 billion and investments exceeded from 1.34 billion to 22
billion during the same time. ABL got more growth in the same era and open three
network branches in United Kingdom (Allied bank, 2013, p.2).

In September 1991, Allied bank was privatized and it entered in new phase. It was the
first bank owned by its employees. Customer trust, good strategies and more deposits
enable Allied bank one of the major bank of Pakistan. Today, ABL has the largest
online branches in Pakistan that offer various facilities and services to its clients through
a biggest network including more than seven hundred branches. It is important to
discuss about the statistics of ABL. The bank total customers include 4,605,000 with
having 6747 employees (Allied bank, 2013, p.2).

5.2 Objectives
Objective of any organization is very important. ABL objective is to provide loan to
clients, take deposits and provide innovative and efficient services. Bank provides
effectual and efficient services. ABL introduced many services and new projects for
customers that make them easy many problems. It provides loan to customers for
starting a business on small, medium and large level. Deposit money from employees
and invest in different sectors including trade, industries, agriculture, property,
infrastructure etc (Allied bank, 2013, p.2).

5.3 Vision
To become leading bank, provide effective solutions, services and build a trust to make
ABL first and final choice for customers (Allied bank, 2013, p.3).

5.3.1 ABL Assignment
The mission statement of ABL is to

- Provide value added services.
- Innovative and new solutions
- Provide a stimulating work atmosphere and reward employees according to
  their capabilities and presentation(Allied bank, 2013, p.3)

5.3.2 Core values of ABL
The core values of ABL includes integrity, excellence in providing services to their customers, employees should
perform better and start innovative solution and ways to
reach to growth stage(Allied bank, 2013, p.3).

Management pyramid
The hierarchy shows the reporting order in ABL. President
of ABL is controlling the operations of banking organization with the help of other executive’s country wise. However, other higher officials discussed in diagram fulfill banking operations region wise. Nonetheless, Allied bank has distributed Pakistan in different regions that make easy for management to control business operations. On the other hand, these positions are not fixed (Allied bank, 2013, p.3).

5.4 ABL role in banking industry

ABL is one of the developed and progressive banks of Pakistan. This is due to its remarkable growth which it achieved during last sixty years. The bank is one of the principal banks of Pakistan due to trust of customers on ABL. The bank services include better working environment, latest banking policy, organize savings through attracting different ways, Foreign trade, interest free banking, using latest computer technology for dealing customers issues, utility booths and many more. These services enable employees to select ABL. One of the successive steps of ABL is to focus on its clients across target business, make easy banking operations for them and support them on every step. These factors enable Allied bank financial position make better (Allied bank, 2013, p.6).

5.5 ABL and employee engagement

As we already discussed above the importance of employee engagement in any organization. Especially in banking organization, it has a great importance. Customer trust, customer loyalty, deposit maximization, employee and bank performance all depends upon employee engagement. In our case, ABL should motivate its employees according to their motivational level. Employee disengagement can lead to make poor performance for banking organization. However, recently ABL has reconstructed its banking structure and system to make engage their employees in their jobs. Banking operations require more effort to perform bank duties and the effort would be fruitful when employees become engage. Allied bank is one of the powerful financial institutions of Pakistan that can maintain its position as a strong competitor on behalf of their employees. Below is the diagram that shows a clear picture of employee engagement that put a positive effect on organizational performance. It clear shows customer engagement (customer trust on ABL), sales growth (maximum use of ABL services, high deposits in Allied bank, use different services like Visa card, Credit card, Gold card, silver card), profitability (maximum account holders of Allied bank would generate profit, get return through loans, car leasing and many other projects) and efficiency and innovation (provide better services, introduce new technologies and schemes for dealing customers problems, for example internet banking services and latest communication technologies for dealing customers. In short, Allied bank limited can maximize its profit and customers in a competitive environment (competition of many strong financial groups) through employee engagement (Allied bank, 2013, p.7).
CHAPTER NO 6
EMPIRICAL FINDINGS

The main aim of this chapter is to present the data collected through online self-completion questionnaires. Google survey was used for the development of questionnaires and collection of responses. The results indicate the data collected from variables of the study. Results from independent variables i.e. intrinsic and extrinsic motivation and dependant variable i.e. employee engagement are presented with the help of pie chart.

We are investigating relationship between work motivation (intrinsic & extrinsic) and employee engagement. The data were collected from employees of Allied Bank of Pakistan. The link for self-completion questionnaires were emailed and shared on the bank website. Since all respondents are fully aware of internet usage, therefore the responses were gathered easily and quickly. Google survey tool helped us to collect data automatically into spreadsheet along with full summary of our desired pie chart diagrams for each question. Pie chart can be used to show the percentage of particular item or variable in data series. Pie chart is useful if,

- You have only one data series
- No value is equal to zero
- No negative value
- Not more than seven categories
- Categories represents part of the whole pie

We used pie chart because our data fulfilled all its characteristics. We used single data series, no value of the data is zero and negative. We are using five scales for each of questions; therefore the categories are also less than seven and all categories are part of the whole chart. As our study adopts a quantitative research method that’s why pie chart is a suitable choice, this chart is also easy for readers to understand as it shows the particular category in percentage.

Table 2: Questionnaires distribution

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Number in Questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intrinsic Motivation</strong></td>
<td></td>
</tr>
<tr>
<td>Interesting Work (IW)</td>
<td>1 and 2</td>
</tr>
<tr>
<td>Job Appreciation (JA)</td>
<td>3 and 4</td>
</tr>
<tr>
<td>Job Satisfaction (JS)</td>
<td>5 and 6</td>
</tr>
<tr>
<td>Stress (ST)</td>
<td>7 and 8</td>
</tr>
<tr>
<td><strong>Extrinsic Motivation</strong></td>
<td></td>
</tr>
<tr>
<td>Job Security (JS)</td>
<td>9 and 10</td>
</tr>
<tr>
<td>Good Wages (GW)</td>
<td>11 and 12</td>
</tr>
<tr>
<td>Promotion &amp; Growth (PG)</td>
<td>13 and 14</td>
</tr>
<tr>
<td>Recognition (RG)</td>
<td>15 and 16</td>
</tr>
</tbody>
</table>
The tale shows each variable number in questionnaires, starting from interesting work, proceeding to job appreciation, job satisfaction, stress, job security, good wages, promotion and growth, recognition and ending with employee engagement. Findings of results also presented in the same sequence.

### 6.1 Age

One of the aims of our research was to know which age group has the greater participation in banking industry. After knowing the particular age group it will be easy for management to concentrate on them and provide them opportunities to motivate and engage them in their work. The results of survey show that 43% (80 respondents) of bank employees are between 29 and 39 years of age. Followed by 40% (74 respondents) of employees are between 18 and 28 and only 18% (33 respondents) of employees are 40 or above 40. These results indicate that most of the bank employees are young. More than 60% population of Pakistan is between 18 to 25 years of age, as the result also shows that most of the respondents are young therefore, bank management should concentrate on this age group to increase their motivation as well as engagement level. Banking industry in Pakistan is famous for offering high salaries along with other benefits that’s why they are attracted towards banking sector as compared to other sector.

![Figure 12: Age of respondents](image)

### 6.2 Gender

Gender is used to know the contribution of male and female in service industry like banks. This information will help management to consider the importance of gender participation in motivation and engagement. The number of respondents in our survey were 187, 67% (125 males) represent were male bank employees whereas; only 33% (62 females) were female bank employees. The number of male employees is more as compared to female. Pakistani society is male dominated society but the percentage of female is more as compared to what we were thinking. Surprisingly female participation in services industry is increasing which will increase competition for male in banking industry. As the result indicates more male participation than female therefore, management should work more on male employee motivation and engagement. But as the number of female is also increasing therefore their importance in banking industry
should not be ignored.

Figure 13: Gender of respondents

6.3 Marital Status
The purpose of using marital status in our research is to know how much respondents are supporting their families and how much not. In Pakistan, people are living in joint family system, where elder son of the family bear all the financial expenses. Therefore, most people first try to get good job, secure it and then get marry. The results show that 129 (58 percent) employees were single and 129 (69%) married. These figures indicate that most employees support their families, therefore they need permanent job and more probably they will prefer to retain same job rather than looking for other jobs. From the results it is shown that most employees are married and supporting their families, therefore management should provide opportunities to all those employees to retain them for long through motivation and engagement.

Figure 14: Marital Status of respondents

6.4 Qualification
The requirements for jobs in terms of qualification are increasing day by day especially in banking sector of Pakistan. Therefore we decided to know what the qualification of most of bank employees is. Our survey results indicate that 139 of bank employees are master (74%). 29 (16 %) are bachelor and 19 (10%) are Ms or PhD. For young graduates banking sector is an attractive job industry that’s why most of young graduates adopt banks as their carrier. As most of respondents are masters therefore bank’s management should concentrate on these employees for better outcomes which could only be possible through work motivation and employee engagement.
6.5 Intrinsic Motivation

Individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work (Amabile, 1993). For this study we considered four intrinsic factors i.e. interesting work, job appreciation, satisfaction and stress as mentioned in literature review chapter in detail. Questions were designed on each of these variables. In the following part the results of survey regarding these factors are discussed with the help of pie chart.

6.5.1 Interesting work

Interesting work can be defined as “a term that describes the experience of employees who are passionate about and energized by their work, find meaning and purpose in their jobs, feel that they can express their complete selves at job and feel connected to those with whom they work and elaborate it, contains physiological arousal, positive effect, a belief that one’s work makes a contribution, a sense of connection to others and a common purpose, a sense of perfection and transcendence” (Saks, 2011, p.318).

It is the first independent variable followed by first two questions. The first question was about interest of employees in their work. In total sample of 186 respondents, 43% agreed that they are interested in their work while only 11% disagreed with this statement. The second question was about management interest in making the job content unique, 42% agreed that management is making work interesting by introducing unique job contents, whereas, 20% disagreed with this statement as shown in chart below. The results indicate that most of employees in Allied Bank of Pakistan take interest in their work and most of them also believe that management is also making their job interesting through unique job contents.

6.5.2 Job Appreciation

Appreciation can be defined as “acknowledge the value and meaning of something an event, a person, a behavior, an object and feeling a positive connection to it” (Fagley, 2012, p.168).
Two questions were designed to measure job appreciation in Allied Bank of Pakistan. First question asked that how often they get appreciation from organization for good work, 39% respondents (employees) agreed that they often receive appreciation for good work and 14% disagreed with the statement. However, 34% of respondents were neutral in answering this question. The second question was asked to know that whether management feedback on job performance persuade them for hard work or not. 51% of employees agreed that management feedback persuade them for more hard work only 3% disagreed with this statement. These results show that most bank employees get appreciation for good work and most of them also believe that feedback would increase their interest for more hard work.

![Figure 17: Job appreciation](image_url)

6.5.3 Job Satisfaction

Job satisfaction is individual level feeling that reflects whether employee needs are or not fulfill by the individual job. Organization should organize, arrange and manage job to satisfy workers (Mahfood, 2012, p.311).

In order to check job satisfaction two questions were asked as shown in the figure. First question was asked to know whether the employees are satisfied working for banking sector. The pie chart shows that 46% of respondents agreed that they are satisfied working in banking sector, only 13% disagreed and 29% were neutral while recording their responses. In the second question response were collected to find out the satisfaction of respondents (banking employees). According to results 41% agreed that they are satisfied with their job, only 14% disagreed and 36% respondent s recorded neutral response for the question. Our survey results pointed out that most bank employees are satisfied with their job.

![Figure 18: Job satisfaction](image_url)

6.5.4 Stress

Stress can be defined as “mentally or emotionally disruptive or upsetting condition occurring in response to adverse external influences” (Rosas, 2011, p.554).

The purpose of these questions is to find out the stress level of banking employees. The employees were asked to record their responses regarding work load and longing working hours. The pie chart indicated that 49% respondents strongly agreed that heavy
work load and long working hours increase their stress and only 5% disagreed with the statement. It is seen that employees working below their competences cause stress, when employees from Allied Bank of Pakistan was asked if they can work below their level of competences. Our results shows that 40% respondents disagreed and only 26% agreed that they work below their competences. It is concluded from the results that large number of employees consider heavy work load and long working hours as a cause of stress, whereas, most of them also claim that they are not working below their level of competences.

Figure 19: Stress

6.6 Extrinsic Motivation

Individuals are extrinsically motivated when they engage in the work in order to obtain some goal that is apart from the work itself (Amabile, 1993). This survey is conducted with the help of four extrinsic motivational factors i.e. job security, good wages, promotion & growth, and recognition. Questions were designed on each of these variables, in the following part we will discussed each of these factors according to the survey results with the help of pie chart.

6.6.1 Job Security

It is defined as “the perceived powerlessness to maintain desired continuity in a threatened job situation” (Sora, et al., 2009, p.126).

Job security is considering one of the important factors in banking sector that affect both employee motivation and engagement. Two questions were asked about job security, in the first questions respondents were asked to whether they feel engaged or not when getting job security from organization. The pie chart shows that 48% respondents agreed that job security give them a sense of engagement in their job, whereas, only 4% disagreed with the statement. Other question was asked to know whether job insecurity will decrease the quality of work or not. 45% respondents agreed that insecurity of job will decrease the quality of their work and only 9% disagreed with this statement. We concluded from our survey results that most bank employees consider job security an important factor for their engagement and if their job is not secure it may add low quality to the job. There are few employees (4% and 9%) who do not consider job security as important factor, most of them are either 40 or above 40 of age. They are the most experienced employees of the organization and they can get the job opportunities from other bank, that’s why they don’t consider job security that important.
6.6.2 Good Wages

Good wages can be defined as “the monetary compensation an employee gets for offering his or her services to organization” (Authors).

One of the most important factors among other motivational factor is the salary that employees get after performing their duties. Fluctuation in wages may change employee’s motivation level because it is serve to fulfill their basic needs. Keeping in mind this importance employees are asked whether they are satisfied with the wages they get from their organization or not. The results of pie chart show that 46% respondents agreed that their salary is satisfactory in relation to their duties, 16% recorded disagreement with this statement. In the second questions respondents were asked whether they earn the same as compared to other people on same job. 39% agreed that they got the same salary as compared to other people on the similar job; only 18% disagreed with the statement. The results confirm that most employees in Allied Bank of Pakistan are happy with their salary. As mentioned earlier banks in Pakistan is the most attractive industry for employees regarding their salaries.

6.6.3 Promotion and Growth

Promotion and growth can be explained in general term as “a man of ability who applies himself conscientiously to his duties and studies may be reasonably assured of reaching a position of responsibility” (Setlzer, 2010, p.748).

Due to the advancement of technology, employees are also forced to learn new things to work more effectively for the organization. Employees of Allied Bank of Pakistan were asked are they getting promotion on fairly basis or not, 33% agreed, 27% disagreed and 26% were neither agreed nor disagreed with the statement. When employees were asked about training development, 39% respondents agreed that their organization provide training, 16% disagreed whereas 33% were neutral. From the results it is concluded that most of employees are getting promotion and training from their organization.
6.6.4 Recognition
Recognition can be defined as “the positive importance given to workers for a positive behavior. It can be greeting, approval, appreciation, financial reward etc. it is the organizational rewards given to employees due to desire attitude” (Authors).

For our study we considered recognition as extrinsic motivational factors, the reasons was to know that how often employees get recognition in the form of rewards in their organization. Employees of Allied Bank of Pakistan were first asked about their opinion on recognition, 46% respondents strongly agreed that recognition is an effective method for employee motivation and only 3% disagreed with this question. Secondly employees were asked that how often they get bonuses for good work, 41% agreed that they often get bonuses for their good work, whereas, 18% disagreed with this statement. The overall results of the survey shows that most employees consider recognition important for their motivation and most of them get bonuses for their good works.

6.7 Employee Engagement
Employee engagement refers to “the employee willingness and ability to contribute to company success, through putting extra time, brainpower and energy to their work” (Towers Perrin, 2003, p.1). Employee engagement is the dependant variable of the study, four questions were asked from respondents regarding employee engagement as shown below in pie chart.

In order to find out employees engagement level, they were first asked whether they got any opportunities at work to learn and grow. 50% of the respondents agreed that their organization provide them opportunities to learn and grow, only 9% disagreed with this statement. In the second questions employees were asked concerning their feeling about their organization. 40% respondents agreed that they are proud to be a part of their organization. Only 10% respondents disagreed and 36% were neutral while recording their response. Results of both of these questions show that most of bank employees are happy from their organization. These results are surprisingly different from what we were thinking; it shows that employees are now engaged in their duties.
Another question was asked to know about employees’ involvement in designing job duties for them. The percentages of survey results indicate that 32% respondents were neutral regarding their involvement in designing duties, 29% agreed and 23% disagree with the statement. The last question was asked to know whether bank employees feel engaged or not while performing their duties. The results show that 34% respondents agree that they are engaged when they perform their duties whereas, 15% respondents disagree and 30% were neutral about the statement. From these results it is concluded that most of employees neither agreed nor disagreed about their involvement in designing duties. The percentages of agreement and disagreement are also very high as compared to other questions. These results also indicate that most employees feel that they engaged while performing their duties.

Figure 24: Employee engagement

Figure 25: Employee engagement
CHAPTER NO 7

ANALYSIS

The main purpose of this chapter is to test the hypotheses and answer the research question. This chapter is divided into two parts; in the first part few tests will be applied on data with the help of SPSS while in the second part we will discuss the results of these tests. Furthermore, these empirical results will also be linked with conceptual framework of the study.

7.1 Statistical Test

After getting the responses into spreadsheet, data was transferred into SPSS and the following statistical tests were decided to use:
1. Descriptive statistics (Frequency)
2. Reliability analysis (Cronbach’s Alpha)
3. Bivariate Correlation
4. ANOVA Test

Note: There are some terms that will be use frequently in this chapter therefore they are listed below:

Intrinsic Motivation = IM, Extrinsic Motivation = EM, Employee Engagement = EE

Section A: Statistical Tests

7.2 Descriptive statistics

Descriptive statistics have a number of uses for the researchers to interpret the results of output. It is useful to human subjects like employees of Allied Bank of Pakistan. Descriptive statistics is helpful to collect information on the number people in the sample, the number and percentages of females and males in the sample, education level and other relevant background. We used descriptive statistics because it is useful to describe the characteristics of the sample, to check the violation of assumptions in variables, to address specific research question (Pallant, 2005, p.49). To obtain descriptive statistics we will use frequencies about respondent’s age, gender, qualification and marital status is given.

7.2.1 Age of Respondents

From the output shown below we come to know that 80 respondents (39.6 per cent) were between 29 and 39 of age, 74 respondents (39.6 per cent) were between 18 and 28, and 33 respondents (17.6 per cent) were 40 and above 40, giving a total of 187 respondents.
Table 3: Frequency Distribution Table of Age

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>18-28</td>
<td>74</td>
<td>39.6</td>
<td>39.6</td>
</tr>
<tr>
<td></td>
<td>29-39</td>
<td>80</td>
<td>42.8</td>
<td>82.4</td>
</tr>
<tr>
<td></td>
<td>40 and 40+</td>
<td>33</td>
<td>17.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>187</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 26: Age of Respondents

Description

The above bar chart shows that age of employees of Allied Bank of Pakistan. The chart clearly indicates that most of bank employees were in the age of 29 to 39 and 18 to 28. Most of the respondents were young.

7.2.2 Gender of Respondents

The output table presented below shows the frequency distribution for respondent’s gender. There were 125 males (66.8 per cent) and 62 females (33.2) in the sample giving a total of 187 respondents. It was also seen that the number of males were more as compared to female. The data was collected from that part of Pakistan where there are strong cultural beliefs of male dominancy. That’s why the number of male is more than female.

Table 4: Frequency Distribution Table of respondent’s gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Male</td>
<td>125</td>
<td>66.8</td>
<td>56.8</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>62</td>
<td>33.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>187</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Description

The above bar chart indicates that the responses of male bank employees to motivation and employee engagement survey were more as compared to female employees.

7.2.3 Marital Status of Respondents

The output table for marital status of the respondents’ shows that 129 employees were married (69 per cent) and 58 employees (31 per cent) were single in the sample, giving a total of 187 respondents. It is the trend in Pakistan to first find a job and secure it and then get marry. The large number of married respondents indicates that most of them have secured their jobs; therefore they will work for the same organization for long because they have to support their families.

Table 5: Frequency distribution of respondent’s marital status

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Single</td>
<td>58</td>
<td>31,0</td>
<td>31,0</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>129</td>
<td>69,0</td>
<td>100,0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>187</td>
<td>100,0</td>
<td></td>
</tr>
</tbody>
</table>
Description

The bar chart clearly shows that the number of married employees was more than unmarried. It also indicates that more married employees responded to questionnaires of the study.

7.2.4 Qualification of Respondents

The following frequency table for qualification of respondents indicates there were 139 employees (74.3 percent) holding master degree, 29 (15.5 percent) bachelor and 19 (10.2 percent) MS or PhD degree holders. Most of bank employees were master degree holders; it is because master is now considered minimum qualification requirement for jobs in banking sector of Pakistan. People with PhD degrees prefer to teach in universities rather than working for banks. Most of senior employees go for PhD to get promotion on higher position because different qualifications holds more promotional and bonuses packages.

Table 6: Frequency Distribution of respondent’s qualification

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Bachelor</td>
<td>29</td>
<td>15.5</td>
<td>15.5</td>
<td>15.5</td>
</tr>
<tr>
<td>Master</td>
<td>139</td>
<td>74.3</td>
<td>74.3</td>
<td>89.8</td>
</tr>
<tr>
<td>MS or PhD</td>
<td>19</td>
<td>10.2</td>
<td>10.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>187</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Figure 29: Qualification of respondents

Description

The graph presented above suggests that most employees in Allied Bank of Pakistan had higher scores values for master degree as compared to bachelor and Ms or PhD.

7.3 Reliability Analysis

The reliability of scale shows that how free the data is from random error. Therefore, it is always advisable to select that scale that is reliable. One of the most commonly used scales of reliability is internal consistency. Internal consistency refers to “the degree to which the items that make up the scales are all measuring the same underlying attributes (i.e. the extent to which the items ‘hang together’)” (Pallant, 2005, p.6). There are number of ways in which internal consistency can be measured, the most commonly used statistics is Cronbach’s coefficient alpha. Cronbach’s coefficient gives indication about the average correlation among all of the items in the scale. Cronbach’s coefficient alpha value lies between 0 and 1 (Pallant, 2005, p.6). According to George and Mallery (2003) if the value of Cronbach’s coefficient alpha is greater than 0.9 it propose an outstanding internal reliability, if this value is greater than 0.8 than it is considered good, 0.7 is satisfactory, 0.5 is consider poor and less than 0.5 is unacceptable. To do reliability analysis Cronbach’s alpha test would be carry find out how strong or weak the internal reliability is.

Table 7: Cronbach’s coefficient alpha

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic Motivation</td>
<td>8</td>
<td>0.535</td>
</tr>
<tr>
<td>Extrinsic Motivation</td>
<td>8</td>
<td>0.691</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>4</td>
<td>0.798</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>0.820</td>
</tr>
</tbody>
</table>
Description

Inter reliability was tested for each individual variables as well as total of all variables of the study. Intrinsic motivation has 8 items, and its Cronbach’s alpha value is 0.535, which is more than 5 therefore it is statistically acceptable. The number of items of extrinsic motivation is also 8 and the value of its Cronbach’s alpha is 0.691, since it is more than 6 and near to 7 therefore it also statistically acceptable. The last variable is employee engagement which has only 4 items, and its Cronbach’s alpha value is 0.798, more than 7 and near to 8 therefore its inter reliability is between good and satisfactory. When the sum of all three variables was tested, it turned out 20 items with the highest Cronbach’s alpha value 0.820 in the table. The Cronbach’s alpha value for all 20 items suggested that the data collected through questionnaires is reliable and can be used for further statistical analysis.

7.4 Bivariate Correlation Analysis

Correlation analysis is normally used to describe the strength and direction of the linear relationship between two variables. SPSS provides number of statistics to find relationship between variables, according to our study and variables we will use only bivariate correlation (also known as zero-order correlation) (Pallant, 2005, p.121). Bivariate correlation is used to find relationship between two variables; we are also investigating a relationship between work motivation (intrinsic & extrinsic) and employee engagement that’s why we selected bivariate correlation for our study.

The strength of relationship between variables is obtained through Pearson product-moment correlation coefficient (r). The value of Pearson product-moment correlation coefficient (r) normally varies between -1 to +1. The sign indicates whether there is a positive correlation (as one variable increase, other also increase) or negative correlation (as one variable increase, other decrease). The strength of relationship is indicated by the size of the absolute value (ignoring the sign). +1 or -1 shows a perfect correlation, it also indicates that the value of one variable can be determined exactly by knowing the value on the other variable. If a scatter plot is form for this perfect correlation it will be a straight line. Similarly a correlation of 0 shows that there is no relationship between two variables, it also indicates that knowing the value of one variable provides no assistance in predicting the value of other variable. A scatter plot would show a circle of points, with no pattern evidence (Pallant. 2005, p121). In the next part correlation between intrinsic motivation and employee engagement, and correlation between extrinsic motivation and employee engagement will be calculated with the help of bivariate Pearson correlation coefficient.
7.4.1 Intrinsic Motivation and Employee Engagement
The relationship between employee engagement and intrinsic motivation was investigating using Pearson product-moment correlation coefficient. There was a strong, positive correlation between employee engagement and intrinsic motivation \( r = .499, n=187, p<.001 \).

7.4.2 Extrinsic Motivation and Employee Engagement
The relationship between employee engagement and extrinsic motivation was investigating using Pearson product-moment correlation coefficient. There was a strong, positive correlation between employee engagement and extrinsic motivation \( r = .597, n=187, p<.001 \).

7.4.2.1 Interpretation of output from correlation table
There are five different aspects of the correlation table that should be considered while interpreting the results, it is explained below

1. **Information about the sample:** The important aspect of correlation table is the N (number of cases). The final questionnaires for IM, EM and EE we got after performing the required normality test for data were 187, which is also shown in correlation table. There was no missing value therefore when we get confirm about our sample size then correlation analysis were performed.

2. **Determining the direction of the relationship:** The positive and negative sign in front of correlation coefficient \( r \) value shows the direction of the relationship between variables. The value of correlation coefficient \( r \) is positive in both cases, showing positive relationship between IM and EE, and EM and EE. This positive relationship mean that increase in IM or EM will also increase EE or in other words if IM and EM is provided to employees they will feel engaged in their work.

3. **Determining the strength of the relationship:** As mentioned earlier the strength of relationship is shown by correlation coefficient value. As correlation coefficient \( r \) value for IM and EE is \( r = .499 \) large therefore, showing strong relationship. The correlation coefficient \( r \) value for EM and EE is \( r = .597 \) large therefore, showing more strong relationship as compared to IM.

4. **Calculating coefficient of determination:** Coefficient of determination is refers to calculate how much variance two variables share. The correlation between IM
and EE is .499 (.499 x .499 = 24.90%). The square of r value indicates that 24.90 percent variance is shared between IM and EE or in other words we can say that IM helps to explain nearly 24.90 percent variance in respondent’s scores on EE. Similarly the correlation between EM and EE is .597 (.597 x .597 = 35.64%). The square of r value indicates that 35.64 percent variance is shared between EM and EE or in other words we can say that EM helps to explain nearly 35.64 percent variance in respondent’s scores on EE.

5. **Assessing the significance level**: Significance level is strongly influenced by the size of sample (Pallant, 2005, p.127). As the significance level both for IM and EM is less than .001 and sample size is also large therefore it also confirms positive strong relationship between IM and EE, and EM and EE.

**Concluding remarks of the test:**
From the results of correlation table it is concluded that there is strong relationship between IM and EE, and EM and EE. EM shows more strong relationship with EE as compared to IM.

### 7.5 ANOVA
ANOVA analysis is normally used to compare the mean scores of more than two groups or variables. It is also called analysis of variance because it compares the variance between groups (Pallant, 2005, p.214). The F ratio or F statistic represents the variance. If the F ratio is large and probability is less than 0.05 then it is termed statistically significant (Saunders et al., 2012, p.520). A significant F test indicates that we can reject the null hypothesis and accept alternate hypothesis, stating that the population means are equal (Pallant, 2005, p.214). We will use ANOVA to check the acceptance or rejection of hypotheses of the study.

#### 7.5.1 Intrinsic Motivation and Employee Engagement
The first hypothesis of the study infers that there is significant relationship between intrinsic motivation and employee engagement as shown below.

**Alternate Hypothesis**  
Hypothesis 1: There is a significant relationship between intrinsic motivation and employee engagement.

**Null Hypothesis**  
Hypothesis 0: There is no significant relationship between intrinsic motivation and employee engagement.

**Table 9: ANOVA table for IM & EE**

<table>
<thead>
<tr>
<th>ANOVA</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>Sum of Squares</td>
</tr>
<tr>
<td>Regression</td>
<td>460,812</td>
</tr>
<tr>
<td>Residual</td>
<td>1367,349</td>
</tr>
<tr>
<td>Total</td>
<td>1848,160</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Intrinsic Motivation
b. Dependent Variable: Employee Engagement

description:
From the above ANOVA table it can be seen that F ratio is 61.448 and the significance level is less than .05. The decision rule is that we reject the null hypothesis (H0) if the significance level is less than 0.05 or 5% and accept the alternate hypothesis (H1). The large value of F ratio and less value of significance level \(F = 61.448, p<.0005\) indicates that we have to reject the null hypothesis and accept alternate hypothesis i.e. There is a significant relationship between intrinsic motivation and employee engagement. It also states that the population means are equal.

### 7.5.2 Extrinsic Motivation and Employee Engagement

The second hypothesis of the study infers that there is significant relationship between extrinsic motivation and employee engagement as shown below.

**Alternate Hypothesis**  
Hypothesis 2: There is a significant relationship between extrinsic motivation and employee engagement.

**Null Hypothesis**  
Hypothesis 0: There is no significant relationship between extrinsic motivation and employee engagement.

**Table 10: ANOVA table for EM & EE**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>659,302</td>
<td>1</td>
<td>659,302</td>
<td>102.595</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>1138,859</td>
<td>185</td>
<td>6,426</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1848,161</td>
<td>186</td>
<td>102.595</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Extrinsic Motivation  

b. Dependent Variable: Employee Engagement

**Description:**

From the above ANOVA table it can be seen that F ratio is 102.595 and the significance level is less than .05. The decision rule is that we reject the null hypothesis (H0) if the significance level is less than 0.05 or 5% and accept the alternate hypothesis (H2). The large value of F ratio and less value of significance level \(F = 102.595, p<.0005\) indicates that we have to reject the null hypothesis and accept alternate hypothesis i.e. There is a significant relationship between extrinsic motivation and employee engagement. It also states that the population means are equal.

**Concluding remarks of the test:**

From the ANOVA test as performed above, it is concluded that the alternate hypotheses of the study are accepted. Hence proved that, there is strong positive relationship between IM and EE, and EM and EE.

### 7.6 Multiple Regression Analysis

Multiple regression analysis is used to explore the relationship between one dependant variable and a number of independent variables or predictors (Pallant, 2005, p.140). Multiple regression also tells that how much of the variance in dependant variable can be explained by independent variables. It also determines the statistical significance of the results, both in terms of model and the individual independent variables (Pallant, 2005, p.145). One of the purpose of our study is to find the impact of intrinsic and
extrinsic motivation on employee engagement. We are using multiple regression because we want to find the impact of two independent variables (IM & EM) on one dependant variable (EE). Multiple regression allows us to use our independent variables as a predictor for dependant variable therefore it is appropriate for this kind of study. The regression model of the study is:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \ldots + \iota \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots (1) \]

Where

- \( Y \) = dependent variable
- \( \alpha \) = Constant
- \( \beta \) = regression coefficient.
- \( \iota \) = residual factors

\[ Y_{EE} = \alpha + \beta_{IM} + \beta_{EM} + \iota \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots (2) \]

Where

- \( Y \) = Employee Engagement (dependent variable)
- \( IM \) = Intrinsic Motivation (independent variable)
- \( EM \) = Extrinsic Motivation (independent variable).
- \( \beta \) = Regression Coefficient
- \( \iota \) = residual factors

The strength of relationship between one dependant variable and one or more independent variables is determined by coefficient of determination \( r^2 \) (also called regression coefficient). The regression coefficient varies between -1 and +1. -1 represents complete negative relationship while +1 represents perfect relationship (Saunders et al., 2012, p.523).

**Table 11: Summary of regression model**

<table>
<thead>
<tr>
<th>Model Summary(^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

\* a. Predictors: (Constant), Extrinsic Motivation, Intrinsic Motivation
\* b. Dependent Variable: Employee Engagement

**Description:**

The value of \( r \) square (regression coefficient) is 0.418 (.418x100=41.8 percent) indicating that how much of the variance in the dependant variable (EE) is explained by the model (which includes IM and EM). This also means that our model (which includes IM and EM) explains 41.8 percent of the variance in employee engagement or in other words IM and EM explains 41.8 percent variation in employee engagement.

**Table 12: ANOVA table for regression model**
Description:

The higher F value and less significance value (p<.0005) indicate that the model reaches statistical significance and this tests the null hypothesis that multiple R in the population is equal to zero.

Table 13: Coefficients table of regression model

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>734,123</td>
<td>2</td>
<td>392,061</td>
<td>67.798</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>1,064,038</td>
<td>134</td>
<td>5,793</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,848,160</td>
<td>136</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Extrinsic Motivation, Intrinsic Motivation  
b. Dependent Variable: Employee Engagement

Description:

In order to find the contributions of each independent variable to dependent variable included in the model we have to notice the value of standardized coefficient (Beta). The greater value of beta and less value of significance level (p<.05) of each independent variable will show the strongest contribution to dependant variable (Pallant, 2005, p.153). The largest beta coefficient for EM is .468 at significance level 0.000 (p<.05), meaning that extrinsic motivation (independent variable) makes the strongest unique contribution to explaining employee engagement (dependant variable) as compared to intrinsic motivation.

Concluding remarks of the test:

The table of model summary indicates that both intrinsic and extrinsic motivation have some impact on employee engagement. The ANOVA table indicates that the model of the study is statistically significant and valid. Furthermore, the coefficients table indicated that extrinsic motivation has more impact on employee engagement as compared to intrinsic motivation. The purpose of the study is fulfilled by getting these results.
Description:
The Normal Probability Plot is normally used to check whether the assumptions made in the study is correct or not. If the points lie in a reasonable straight diagonal line from bottom left to top right, this would suggest no deviation from normality (Pallant, 2005, p.151). The above Normal Probability Plot shows straight line from bottom left to top right, meaning that no deviation is made from normality and no assumption of the study is violated.

Final Model of the study

Figure 30: Normal P-P Plot of regression Standardized Residual

Figure 31: Final model of the study
Section B: Discussion

The research gap was found after scrutinizing previous literature on work motivation (intrinsic & extrinsic) and employee engagement. No study was found that investigated a direct relationship between work motivation (intrinsic & extrinsic) and employee engagement especially in banking sector of Pakistan, therefore we took the initiative of investigating relationship between work motivation (intrinsic & extrinsic) and employee engagement in Allied Bank of Pakistan. The research question was formulated as “To what extent work motivation (intrinsic & extrinsic) is related to employee engagement?” The main aim of the study was to find any positive, negative, neutral or no relationship between work motivation (Intrinsic & Extrinsic) and employee engagement. The study also investigated the impact of intrinsic and extrinsic motivation on employee engagement. Two hypotheses were generated in the study i.e. “There is a significant relationship between intrinsic motivation and employee engagement” and “There is a significant relationship between extrinsic motivation and employee engagement”.

Data was collected in the form of questionnaires from employees of Allied Bank of Pakistan. In the following part discussion will be making on the results obtained from the different tests.

7.7 Intrinsic Motivation and Employee Engagement

In order to answer our research question and meet our research purpose, first of all the relationship between intrinsic motivation and employee engagement was found. The results of bivariate correlation conformed strong positive relationship between intrinsic motivation and employee engagement. The hypothesis was tested using ANOVA test, the results of the test confirmed the acceptance of the hypothesis i.e. “There is a significant relationship between intrinsic motivation and employee engagement”. Furthermore, regression analysis was used to find out the impact of intrinsic motivation on employee engagement. The results also confirmed that intrinsic motivation have some impacts on employee engagement. By doing so we answered our research question and meet our research purpose.

Our results suggest strong positive relationship between intrinsic motivation and employee engagement. Therefore, if intrinsic motivation for the employees is increased it will also increase their engagement level. This is also confirmed by the impact of intrinsic motivation on employee engagement results. Lower employee intrinsic motivation will also lower their engagement level. Therefore, the results proved that to engage employees in their job, management have to provide intrinsic motivation. More specifically management has to consider interesting work, job appreciation, satisfaction and stress in consideration while making any intrinsic compensation plan for their employees. According to the results most of employees wants to find their work interesting, most of them wants to be appreciated for their work, and most of them wants to be satisfied working for banks. Stress was considered the big de-motivator and it is increased when employees face heavy work load and long working hours. Maskach and Leiter (2008) also associated burnout negative responses to the job in the form of
job dissatisfaction and stress while working on engagement. Many Gallup surveys used interesting work, job appreciation, and satisfaction as engagement drives as well. Therefore, management needs to consider these factors to engage their employees in their work.

Intrinsic motivation was measured by considering four factors that were, interesting work, job appreciation, satisfaction and stress. Most of the employees of Allied Bank of Pakistan agreed that they are being motivated by interesting work, job appreciation and satisfaction while most of them also agreed that stress cause de-motivation working in banks. It is also confirmed by the study of Aworemi et al., (2011) they also suggests that interesting work, job appreciation and satisfaction are the important factors for employee motivation (p.228). Spector, (1997) also suggested that among 16 factors of worker motivation, respondents chose interesting work, job appreciation and satisfaction as engaging factors (pp.7-9). In a study on banks of Pakistan, Tahir et al (2010) argued that intrinsic motivation is considered important for motivation of employees in National Bank of Pakistan (pp. 8-9).

7.8 Extrinsic Motivation and Employee Engagement

In order to answer our research question and meet out research purpose, first of all the relationship between extrinsic motivation and employee engagement was found. The results of bivariate correlation conformed strong positive relationship between extrinsic motivation and employee engagement. Extrinsic motivation has shown more strong relationship to employee engagement as compared to intrinsic motivation. The hypothesis was tested using ANOVA test, the results of the test confirmed the acceptance of the hypothesis i.e. “There is a significant relationship between extrinsic motivation and employee engagement”. Furthermore, regression analysis was done to find out the impact of extrinsic motivation on employee engagement. The results also confirmed that extrinsic motivation have more impact on employee engagement as compared to intrinsic motivation. By doing so we answered our research question and meet our purpose.

Our results suggest very strong positive relationship between extrinsic motivation and employee engagement. Therefore, if extrinsic motivation for the employees is increased it will make significant changes in employee engagement as compared to intrinsic motivation. This is also confirmed by greater impact of extrinsic motivation on employee engagement results. By lowering employee extrinsic motivation, employee engagement will also be lower. Therefore, the results proved that to engage employees in their job, management need to pay more attention to extrinsic motivation as compared to intrinsic motivation. More specifically management has to take job security, good wages, promotion and growth, and recognition in consideration while making any extrinsic compensation plan for their employees. Management needs to pay more attention towards extrinsic motivation as compared to intrinsic motivation. According to results of our study most of employees wants to attain job security at their first place, most of them are attracted by good wages, most of them wanted to get promoted and trained to perform more better, and most of them expect recognition in the form of rewards, bonuses etc. Maskach and Leiter (2008, p.499) also identified six factors of work-life that can lead to engagement; one of them is reward and recognition. Gallup surveys also used job security, good wages and promotion and growth as employee engagement drivers. Therefore, management needs to consider these issues to engage their employees in their work. As the results of the study considered extrinsic
motivation more strong predictor of employee engagement, therefore more consideration should be given to its factor as compared to intrinsic motivational factors.

Extrinsic motivation was measured through four factors that were, job security, good wages, promotion and growth, and recognition. Most of the respondents of our survey considered job security, good wages, promotion and growth, and recognition as important extrinsic motivational factors for their engagement in the job. Kuhner and Palmer (1991) suggested that job security is an important factor for both intrinsic as well as extrinsic motivation of employees (p.178). Leete (1999, p.423) and Islam & Ismail (2008, p.447) also considered good wages as strong extrinsic motivational factor. A survey conducted on sales and banking employees also proved that good wages was the most preferred factor for extrinsic motivation (Bristow et al., 2011; Jenica, 2007). Ali and Ahmad (2008) conducted a research on Unilever companies of Pakistan, reward and recognition was considered the important factor for employee satisfaction (p.1). A study on public and private banks of Pakistan argued that recognition was the important factor for employee extrinsic motivation (Tausif, 2012, p.40). Another study on commercial banks of Pakistan stated that good wages, promotion and recognition explained 71% variance in employee’s extrinsic motivation (Khan et al., 2010, p.181-182). A study on National Bank of Pakistan also stated that extrinsic motivation is considered more significant contributor of motivation as compared to intrinsic motivation factor (Tahir et al., 2010, p.8-9).

7.9 Previous literature on indirect relationship between Intrinsic and Extrinsic motivation and employee engagement

**Link of Intrinsic Motivation & Extrinsic motivation with performance**
According to Locke (1969) intrinsic and extrinsic motivation not only affect employee productivity and performance, but it have huge impact on organization performance (p.310-311). Aworemi et al., (2011) in their research studied motivational factors of employees in Nigeria. Data was collected from 15 companies, the results suggested that interesting work, good wages, promotion and growth, job appreciation were considered key factors to higher employee motivation (p.228). Akanbi (2002) conducted a research on influence of intrinsic and extrinsic motivation on employee performance. The findings revealed positive relationship between intrinsic motivation and employee performance (pp.1-14). Many studies (i.e.Tahir et al., 2011, pp.204-205; 2010, pp.8-9) conducted on motivation of employees in banking sector of Asia, the finding suggests positive relationship between intrinsic and extrinsic motivation and employee performance.

**Link of Employee Engagement with performance**
A study conducted by Dalal et al., (2012) suggests that employee engagement is the best predictors of overall employee performance (p.295). Many studies have examined the antecedent, predictors and outcome variables of employee engagement. These studies confirm that employee engagement shares an important relation with organization out comes and overall performance (for example. Shuck, Reio & Rocco, 2011; Saks, 2006; Schaufeli & Bakker’s 2004; Menguc et al., 2012). Xanthopoulou et al (2009) linked employee engagement with firm high level of profits, overall revenue and growth (p.184). Credit Union Checking Survey (2103) also shows that organizations having engaged employees reported increased profit (p.1-2).
All of the above studies linked intrinsic and extrinsic motivation to performance, and few studies linked employee engagement with performance. The link between IM and EM and EE is made through performance. After searching previous literature we found no study that made a direct relationship between intrinsic motivation and employee engagement, and, extrinsic motivation and employee engagement in banking sector of Pakistan. The results of our study confirmed that there is direct relationship between intrinsic motivation and employee engagement, and extrinsic motivation and employee engagement. The research question of the study is answered and the research purpose is fulfilled.

**Concluding remarks:**

As mentioned in the literature chapter, the study of Christian, Garza and Slaughter (2011, p.142) and Chalofsky and Krishna (2009, p.191) suggested that there is link between work engagement and motivational factors (contextual as well as individual factors). Kahn (1990, p.694) and May et al., (2004, p.11) also relate employee engagement to motivation. Fairlie (2011, p.520) and Macey and Schneider (2008, pp.3-4) pointed out that an investigation is required to find the link between work motivation and employee engagement. The results of our study are also supported by all the above studies. Thus it is proved that there is strong positive direct relationship between work motivation (intrinsic and extrinsic) and employee engagement.
CHAPTER NO 8

CONCLUSION

The chapter seeks to answer the research question, meet research objectives and validate the research hypothesis. The chapter starts with answering the research question and describing the fulfillment of research purpose. Later on theoretical contribution and practical implications of the study are discussed. Towards the end future recommendations and quality criteria is explained.

The finding of the research finally lead us to answer our research question discussed in chapter one i.e. to what extent work motivation (intrinsic & extrinsic) is related to employee engagement? The research purpose of the study was to investigate any positive, negative, neutral or no relationship between intrinsic and employee engagement, and extrinsic motivation and employee engagement. The study also examined the impact of intrinsic and extrinsic motivation on employee engagement. Two hypotheses were tested to answer the research question and fulfilled the research purpose i.e. there is a significant relationship between intrinsic motivation and employee engagement and there is a significant relationship between extrinsic motivation and employee engagement.

Work motivation has its importance in any organization settings, that’s why every organization goes for different kind of motivation strategies to engage their employees for better outcomes. Intrinsic and extrinsic motivation is considered the most influential factors used by organizations for motivation of their employees. We also used intrinsic and extrinsic motivational factors in our study to find its relationship with employee engagement. The data was collected from Allied Bank of Pakistan in the form of questionnaires. Questions were designed on the basis of literature used for dependant (employee engagement) and independent (intrinsic & extrinsic motivation) variables in literature chapter. The results of the findings suggested that employees of Allied Bank of Pakistan prefer both intrinsic and extrinsic motivation for their engagement. The hypotheses were tested using statistical tests (ANOVA); both hypotheses were accepted i.e. there is significant relationship between intrinsic and extrinsic motivation and employee engagement. Another statistical test was carried out (multi regression) to find the impact of intrinsic and extrinsic motivation on employee engagement. The results of the tests proved that intrinsic and extrinsic motivation both have positive impact on employee engagement. The tests also proved that extrinsic motivation had more strong relationship with employee engagement as compared to intrinsic motivation. Likewise, the impact of extrinsic motivation on employee engagement was more as compared to intrinsic motivation.

Therefore, it is concluded that there is strong positive relationship between work motivation (intrinsic & extrinsic) and employee engagement. Both intrinsic and extrinsic motivation has some impact on employee engagement. Since intrinsic motivation was measured with its fours factors i.e. interesting work, job appreciation, satisfaction and stress. Therefore, management of bank should consider these factors while working employee engagement. Similarly, extrinsic motivation was measured
through job security, good wages, promotion and growth and recognition. As compared to intrinsic motivational factors extrinsic motivational factors were considered more important by bank employees. Therefore, management of the bank is required to concentrate more on these factors for employee engagement as compared to intrinsic motivational factors. This study proved that both intrinsic and extrinsic motivation is to the greater extent relate to employee engagement. Any changes in intrinsic and extrinsic motivation will occur changes in employee engagement, therefore, bank management needs to formulate such polices that can make balance between intrinsic and extrinsic motivation factors for employee engagement. As a concluding remarks we can say that we have clearly answered our research question, meet our research purpose and accepted our hypothesis. The summary is shown in the figure.

Figure 32: Conclusion of the study

8.1 Theoretical Contribution
This research study enriches the presented literature in different ways. First of all it helps new researchers to study and analyze new literature on relationship between work
motivation (intrinsic and extrinsic) and employee engagement. Second, this study filled a gap and showed a strong positive relationship between work motivation (intrinsic and extrinsic) and employee engagement in banking sector (Allied bank of Pakistan), which is a new study and would be helpful for not only Pakistan but also other region of the world. This is the first study that draws attention to the relationship between intrinsic and extrinsic motivation and employee engagement and showed the impact of work motivation (intrinsic and extrinsic) and employee engagement in banking organization. Thirdly, it contributes to existing literature of employee work motivation and engagement. Fourthly and most important contribution is to divert management attention towards employees work disengagement and enable management to think how motivational factors (intrinsic and extrinsic) would be utilize for employee engagement in banking organization. This literature also contributes that employee work engagement makes a difference that enable workers to give excellent performance and make banking organization towards productivity that comes from (intrinsic and extrinsic motivation). In short, this study contributes a roadmap for creating returns, optimizing performance and maximizing loyalty among employees.

8.2 Practical Implications

Findings of this study provide instruction to employers who are concerned about customer satisfaction and maximize banking operations efficiently and effectively. Customer satisfaction and productivity are increasing by providing motivation (intrinsic and extrinsic). Employees should be skill full, energetic with having great abilities to deal with customers and to maximize bank good will. Organization should need to motivate employees intrinsically and extrinsically to be engage in their jobs, so that they can start hard work, loyal and honest with their job responsibilities. Banks should invest in their employees for successful operation. Otherwise, employees would be disengaged with their job, which cost them in sense of increased turnover. It is very clear that bank grows through financial reliability and maximization of their investments; therefore, employee work motivation is very appropriate for the excellence of banking operations and productivity.

This study will also help employers to conduct further surveys for management implications. Banking sector will be equipped with useful information regarding motivation and engagement, which will help to formulate policies accordingly. Both organizations and employees could use the findings of the study for better outcomes. However, this study would be helpful not only for Allied bank but for the entire private banking sectors in Pakistan. All private banks in Pakistan are controlled by State bank of Pakistan. State bank make policies for all banks in Pakistan and they strictly follow. The results of this study could also be applicable to other private banks in Pakistan because all of them have similar structure and function.
The above diagram illustrates the relationship of employee work engagement with motivation. Employers motivational support (intrinsic and extrinsic) enable employees to be engage in their job roles that leads them to become more productive and proficient. This proficiency would facilitate them to work with overall management for the benefits of organizations.

8.3 Future Recommendations

- We found direct relationship between work motivation (intrinsic and extrinsic) and employee engagement, an indirect relationship could also be investigated with the help of mediator variable i.e. employee performance. For example

  Hypothesis 1: Motivation has significant direct relationship with employee performance.
  Hypothesis 2: Employee performance has significant direct relationship with employee engagement.
  Hypothesis 3: Employee engagement has significant indirect relationship with Motivation.

- We conducted our research from employee’s perspective by using employee engagement. It would be interesting to consider management perspective by using organizational engagement.
- Similar study should also be conducted in banks of developed countries like Sweden.
We conducted quantitative study; qualitative study could also be adopted to validate the results of this study.

8.4 Quality Criteria

8.4.1 Reliability

It refers the consistency of data findings. It illustrates whether the data collection methods and methodological procedures for data collection generate the same experiment under the same situation and produces under same results, if it were reproduce by another researcher. (Saund et al., 2012, p.192). Our data analysis is connected with theoretical frame work with research question and objective. The data gathered from banking organization was possible due to family relations of researchers. Analysis part shows the relationship between motivational factors (intrinsic and extrinsic) with employee engagement in Allied banking organization. The internal reliability shows the relationship between variables used in our research and the reason to evaluate internal reliability is the consistency and dependability of variables that generated from analysis section.

Our study depends on quantitative study and data collection technique was questionnaires. This lead us to asking those questionnaires that respondent may know about the answers and avoid any unclear items or questions in our research study. Let us illustrate, clearly questioning whether you consider motivation to good wages or promotion and growth. Are you engage or disengage with your job? We use very simple and clear language that made easy our questionnaires so that employees not misunderstood. Moreover, it was discussed above there were some respondents who did not response that lead us to call them. They did not respond to questionnaires because of misinterpretation. We talked them and tell them in detail what we mean and what is our purpose of study? These strategies helped us in our research to make better our reliability measurement. Our study is dependent on eight variables and our study depends on the relationship between intrinsic & extrinsic motivational variables and job engagement. We are relatively sure that reliability test that was done in analysis section is reliable. This makes certain the study done by us can be used by any researcher in future without facing any inaccuracy and problem.

8.4.2 Validity

Validity refers to research study that is base on accuracy of findings and explains whether the factors that are included in study are properly evaluate and explain in a way that it is suppose to measure (Saunders et al., 2009, p.157). For example, in our research we tried our best to focus on our variables and show a relationship between motivational factors and employee engagement. We have used different motivational theories in our research and relate it with empirical part that leads us to know the relationship between employee motivation and employee engagement. The correlation analysis is used in our research that shows the relationship between variables that are used in our research. The analysis measurement done by us behaves the way as it should be due to motivation (intrinsic and extrinsic) and employee engagement relationship with each others. The correlation is use for the relationship of variables that how strongly variables are connected with each other and it is what the purpose of our study. The analysis result depends on the relation of variables with each other. Our research validity shows there is correlation between variables that shows great understanding of
our research data.
References


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Appendix

Employee Motivation and Employee Engagement Survey

The main purpose of this study is to investigate the phenomena of motivation (intrinsic and extrinsic) and its effect on employee engagement. We assure that this is purely an academic research and that the participation is voluntary and data is anonymous and confidential.

**Age** *
- 18-28
- 28-39
- 40 and above 40

**Gender** *
- Male
- Female

**Marital Status** *
- Single
- Married

**Qualification** *
- Bachelor
- Master
- MS or PhD

1. *I am interested in my work*
- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

2. *Bank management is making the work interesting by introducing unique job contents.*
- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

3. *I often receive appreciation for good work.*
- Strongly Agree
- Agree
- Neutral
- Disagree
4. Feedback on my job performance from the organization persuades me for more hard work. □ Strongly Agree □ Agree □ Neutral □ Disagree □ Strongly Disagree

5. Working for a banking industry give me a sense of satisfaction. □ Strongly Agree □ Agree □ Neutral □ Disagree □ Strongly Disagree

6. Considering everything I am satisfied with my job. □ Strongly Agree □ Agree □ Neutral □ Disagree □ Strongly Disagree

7. Heavy work load and long working hours make me exhausted. □ Strongly Agree □ Agree □ Neutral □ Disagree □ Strongly Disagree

8. I work below the level of my competences. □ Strongly Agree □ Agree □ Neutral □ Disagree □ Strongly Disagree

9. Job security will give me a sense of engagement in my job. □ Strongly Agree □ Agree □ Neutral □ Disagree □ Strongly Disagree
10. Insecurity of job may add low quality to my work.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

11. My salary is satisfactory in relation to what I do.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

12. I earn the same as or more than other people in a similar job.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

13. I am getting promotion on fairly basis.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

14. My organization provides me training that enable me to learn new things.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

15. Recognition is an effective method for employee motivation.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

16. I often get bonuses for good work.
<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<tbody>
<tr>
<td>17. <strong>In my organization I have had opportunities at work to learn and grow.</strong></td>
<td></td>
<td></td>
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<tr>
<td>18. <strong>I feel proud to be a part of my organization.</strong></td>
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<tr>
<td>19. <strong>My organization involves me while designing job duties for me.</strong></td>
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<tr>
<td>20. <strong>I feel engaged while performing my duties.</strong></td>
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