Work Motivation Differences between Public and Private Sector

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Abstract
Motivation is complex and multifaceted phenomenon. Work place motivation is an endless struggle for both employers and employees. The aim of this research was to identify and discuss the factors that influence employees’ motivation and major emphasis on the differences between public and private sector employees’ motivational constructs in the Banking Industry. A survey method was designed to collect data from 150 employees of public and private sector banks. Results indicated that employees’ motivation was affected by the several work related factors. Public sector employees were more motivated by work contents and experience more balance between work and family life, whereas, private sector employees are more motivated by financial rewards, career development opportunities, and supportive environment, as shown in the literature cited and proved by our results. Consequent to these results, recommendations to enhance employee work motivation were made.

Key Words: Work motivation, financial rewards, work contents, career development, congenial environment, work-life balance, public and private sector

1. Introduction
In today’s competitive economy, the presence of dedicated and brilliant employees in an organization requires more attention than in the past, owing to the increasingly complex nature of duties. Greater intellectual attainments and innovative approaches are required and management must keep abreast of technological progress and social aspect for development and motivation of its employees to remain ahead of competitors. By effectively utilizing the talented people, organizations may achieve successful results and develop a highly productive work force (Harrington, 2003). Motivating the workforce of an organization to work more effectively towards the organization’s goals is perhaps the most fundamental task of management.

A study was conducted and published in September 2004 about the industries, having the most motivated workers. The various Banks and Insurance industries were studied in this connection. The study revealed that people working in the Banking industry are the ones feeling best at work and are never tired of their job (Storwall, 2004). This article is therefore dealing with people working in the bank industry, since they are said to be the most motivated, it would be interesting to see what motivates them, to work more effectively. The impact of privatization and increased competition has affected work culture of public sector as well as private sector banks. There is a fundamental shift in working attitude and business style due to open market economy now-a-days. Motivation of employees is more concern than ever. One of the things needed to create motivation is the proper design of job, and work so that they embody a challenge, give an opportunity to grow, make sense and provide satisfaction. In such a situation job motivation of the bank officers becomes an important issue that has to be taken care of in order to achieve ultimate goals of the banking sector in Pakistan.

A natural assumption can be made that work culture of public-private sector banks would be different because such banks have different cultural roots. A comparison between public and private sector commercial banks would make a significant contribution to the existing body of knowledge on job satisfaction and workplace motivation.
The present study is designed to examine whether work motivation of the employees working in public and private sector banks is different. Therefore, the purpose of this article is to investigate and identify the specific factors that have greater impact on motivation of the people working in the banks. And, to determine the motivational differences between public and private banking sectors.

2. Literature Review

There is general consensus in the matter that differences between public and private sector employees exist (Goulet & Frank, 2002). Studies on differences and similarities between the public and private sectors have received much attention from both practitioners and scholars in this field in the past, but they have shown mixed results. Perry (2000) stressed on the need for more empirical studies in this field and to include the broader institutional context to understand motivation and organizational behavior in public-private sector organizations. Review of the literature reveals that work motivation among the public sector employees and its management is very different from that of their private sector counterparts (Wright, 2001).

The primary aim of work motivation has been the pragmatic one of learning how to energize employees to perform their duties and responsibilities within an organization. Review of the literature (Conway & Biner, 2002; Coyle-Shapiro, 2002) shows that five dimensions are prevalent in many operationalizations of the job contents. First, financial rewards refer to the provision of just and appropriate rewards. Second, Job Content refers to the provision of right job i.e. job for which one has the best aptitude and attitude, challenging, varied and interesting work. Third, career development opportunities refer to opportunities for promotion and development within the organization or field of work. Fourth, supportive & social atmosphere refers to the congenial and cooperative working environment and, fifth, respect for private life refers to the employer’s respect and understanding for the employee’s personal situation. Some authors have used these content areas for examining differences between public and private sector employees’ since they are closely related to the dimensions of work motivations for which differences between private and public sector employees are found (De Vos, Buyens & Schalk, 2003).

There is evidence that public servants are less motivated by financial rewards than private sector employees (Khojasteh, 1993). It is presumed that people who give high importance to pay will seek employment in the private sector, which is generally perceived to pay more than the public or para-public sectors for comparable jobs (Lewis & Frank 2002). Burgess and Ratto (2003) show that money is not the only motivating factor for public servants because civil servants are motivated by other benefits and incentives than private sector workers. This is also confirmed in a study conducted on public sector workers of Italy (Borzaga & Tortia, 2006).

Monetary rewards, pay-for-performance or bonuses will be less influential on the motivation of public sector workers than private sector employees. Rewards and benefits that people receive from their employer/organization are expected to vary differently between public and private sector organizations (Boyne, 2002). Previous research has revealed that private sector employee, infact value high salaries significantly more than the public sector employees (Frank & Lewis, 2004). Public organizations are habitually perceived as offering lower salaries and fewer pay raises than the private sector (Hansen, et al., 2003). Jurkiewicz et al. (1998) find that public sector people place a stable and secure future on the top, while private sector people put high salary on the top of the rank order in terms of motivational factors.

*Hypothesis H1:* Compared to private sector employees, public sector employees are less motivated by ‘financial rewards’

Motivation by job/work contents refer to the “what a person does at work— that is, the design of job or the collection of tasks that comprise the job” (Perry & Porter, 1982) and are the primary determinants of employee motivation at workplace. It is found that higher internal work motivation and satisfaction is experienced, when an employee is engaged in a variety of activities that challenges his/her skills and abilities (Ellis & Bernhardt, 1992). Work contents of public sector are basically different from organizations in the private sector (Baldwin & Farley, 1991).

The literature on motivational differences between private and public sector employees seems to accept that public sector employees are motivated by responsibility, growth, feedback or recognition and opportunities to the high levels of performance, more so than simply earning a good salary (Nel et al., 2001).
Lyons et al. (2006) recent study shows that public servants value challenging work more than private sector employees. In contradiction, the study of Khojasteh (1993) and Ayree (1992) reports that quality of work contents of the public sector employees is not satisfactory and thus less motivating. Public sectors workers experience less job autonomy and independence, while private sector employees enjoy great autonomy and freedom because of lower level of restraint that they experience. Public sector jobs are judged to be deficient in job independence, involvement and participation in decision-making, interesting and variety of work, task significance and quality social relations (Graham & Hays, 1993). Government sector attracts too many risk-averse who are more interested in secured jobs and less in innovation and challenging work (Norris, 2004).

Hypothesis H₂: Compared to private sector employees, public sector employees are less motivated by ‘Work/Job contents’.

An important factor to create motivation is advancement opportunity for employees in that organization. A study by Crewson (1997) report high motivational potential of promotion and development for private-sector employees. Based on the past studies and literature, Houston (2000) predicted that private employees stress more on job stature, eminence, prestige and advancement opportunities. Jurkiewics et al. (1998) reveal that public sector employees value less to prestige and social status and somewhat less importance to opportunity for advancement in their jobs, compared to private sector workers, but both groups of employees are equally dissatisfied about the extent to which they get status, prestige and advancement opportunities from their employer.

Literature reviewed tends to suggest that public sector employees value career development opportunities less than their private sector counterparts; however, there is a lack of pragmatic evidence to decide on whether or not this is true. Herzberg (1966) proposes that an opportunity for job advancement is a key motivator, and there is evidence from different levels of government that advancement opportunities are positively related with job satisfaction (Wright & Kim, 2004). If employees’ donot see advancement opportunities materialize, they will not solicit work involvement and ultimately this effect will be lost with passage of time. In spite of the fact that Organizations in both sectors are concerned about the career development of employees, the policies that enhance career development will be more prevalent in the private sector than in the public sector (Moore, 1979).

Hypothesis H₃: Compared to private sector employees, public sector employees are less motivated by ‘career development opportunities’.

Van Der Westhuizen (1991) regards strong and positive interrelationship as strengthening motivation. Both private and public sector workers want good conditions, friendly coworkers, and task rotation (Wright, 2001). Jurkiewicz et al. (1998) report results suggesting that public sector employees and supervisors are friendly and congenial associates than the private sector employees. However, Lyons et al. (2006) did not find evidence for this difference in their study and Gabris & Simo (1995) present evidence that public sector and private sector employees do not differ on the need for affiliation.

Peterson, Puia & Suess (2003) revealed that friendly supervision and coworker relationships are amongst the factors that are predictive of overall increased work motivation, that is, if employees are happy with the quality of supervision or relations with fellow workers, one can predict that they will be happy at work; if employees are not happy with the quality of supervision or relations with fellow workers, one can predict that they will not be happy at work. Public Sector jobs are also characterized by poor quality of friendship, and helpfulness and concern among subordinates, co-workers and bureaucratic superiors (Smith & Nock, 1980). Rawls, Ulrich & Nelson (1975) found that both public sector employees place greater importance on social and personal relations than did private sector employees. In a study of Khojasteh (1993) found no significant difference between public sector employees and private sector employees with respect to the importance they place on interpersonal relationship.

Hypothesis H₄: Compared to private sector employees, public sector employees are more motivated by a ‘supportive working & social environment’.

The vast array of literature is available on work-family balance in public sector environment (Saltztein & Ting, 2001). Comparative studies however are extremely scarce. A study shows that public servants are more strongly motivated by work-family balance than private sector managers; however, when home and work conflict occur the government executives will choose more for their work (Posner & Schmidt, 1996).
Another study reports less work-family conflicts in public sector organizations than the private sector counterparts (Buelens & Van den Broeck, 2007). Long paid working hours limit the amount of time an individual can spend with family members. The shortage of time may make it difficult for employees to perform family duties and maintain family relationships satisfactorily. Previous research has revealed consistent positive relationships between paid work hours and work-to-family conflict (Klein, & Ehrhart, 2002).

**Hypothesis H₅**: Compared to private sector workers, public sector workers experience less ‘work–family conflict’.

### 3. Methodology

#### 3.1 Data Collection Method

Since this was a descriptive study, therefore, survey and secondary data methods were used to collect the requisite information. Our surveys aimed to determine what factors are influencing the motivation of employees of the public and private banks and do these motivational factors differ in terms of sector of employment. In this connection a self-administered questionnaire was circulated amongst the 150 employees of public and private banks of Khyber Pakhtun-khawa(N.W.F.P) province of Pakistan. The first part of the questionnaire was designed to collect biographical information that includes gender, age, marital status, qualification and job grade. The second part consists of five major motivational scales to be measured regarding the Banking Industry in the questionnaire on a five point Likert-scale ranging from 1=strongly disagree to 5=strongly agree. A convenient sampling technique was used for data collection.

#### 3.2 Data Analysis

The statistical program used for the data analyses and presentation of data in this research is Statistical Package for Social Sciences (SPSS), version 15.0. The descriptive statistics utilized are based on frequency tables to provide information on key demographic variables in this study. This is followed with presentation of the inferential statistics based on examination of each hypothesis formulated for the research. In all cases alpha (significance value) is set at 0.05, to test at the 5% level. The dependent variables consist of the average ranking of each of the five job factors (financial rewards, work contents, career development opportunities, supportive work & social environment, and work-life balance). These variables are labeled as “scale”. The independent variables used for the hypothesis testing are factual background data consisting of sector of employment (Public/Private). They are type of “categorical” variable.

### 4. Results and Findings

#### 4.1 Biographical characteristics of respondents

Out of One hundred Fifty (150) professional Bankers, namely, Public and Private sector employees in the Banks KPK Province of Pakistan the biographical information of the eighty (80) civil respondents of Public sector banks and seventy (70) respondents of private sector banks was collected. Majority of the public sector sample was consisting of male i.e. 84%, while the remaining 16% was comprised of female respondents. Similarly majority of the private sector employees were comprised of male members i.e. 87% and female were 13% only. Most of respondents in the public sector sample were between the age of 31 years to 40 years i.e. 34 percent. Respondents below the age of 30 years constituted 21% of the sample while 30% are in age group of 41 years to 50 years. Only 15% respondents were above the age of 51 years. Whereas, in Private sector banks 36% respondents fall in the category of 31 to 40 years age and 31% of respondents are in the range of 20-30 years. Similarly, 21% are in 41 to 50 years age and only 11% are above the age of 51 years. The most commonly reported academic qualification is Masters cited by 56% of the public sector sample while 53% of the private sector sample. This is followed by Bachelors degree held by 39% and 40% of the public sector sample and private sector respectively. However, Diploma holders were only 5% in Public Sector and 7% in private sector organizations.

#### 4.2 Hypothesis testing

**Hypothesis 1**: Compared to private sector employees, public sector employees are less motivated by extrinsic financial/monetary rewards (FR)
The results shown in Table 1 regarding the category of financial rewards, the t-test for independent samples had a p-value of 0.000, and that is less than the established significance level of 0.05. Resultantly, the null hypothesis is rejected and research hypothesis is supported and it can therefore be concluded that there is a significant difference between the motivation of public and private sector, \( t (120) = 27.030, p = 0.000 \) with respect to financial rewards. That is, the average motivational mean score of monetary rewards of public sector (\( M=2.2375 \); \( SD=0.26066 \)) is statistically lower than that of private sector employees (\( M=3.6986; \) \( SD=0.38088 \)), see table 6. In other words public servants are significantly less motivated by the monetary rewards as compared to Private sector employees.

<table>
<thead>
<tr>
<th>Table 1: Independent T-test for Financial Rewards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levene’s Test for Equal of Variances</td>
</tr>
<tr>
<td>( F )</td>
</tr>
<tr>
<td>FinancialRewards</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
</tr>
</tbody>
</table>

4.2.2 Hypothesis 2: Compared to private sector employees, the public sector employees are less motivated by intrinsic factor that is ‘Work/Job contents’. (WC)

According to the results shown in Table 2, for the category of work/job contents the t-test for independent samples had a p-value of 0.304, which is greater than the established significance level of 0.05. Based on the result, we retain the null hypothesis and therefore conclude that there is no significant difference between the motivation of public and private sector with respect to Job contents \( t (133)=1.032, p = 0.304 \). The mean score of job contents for public sector employees (\( M=3.5900; \) \( SD=0.92114 \)) is statistically higher than that of private sector employees (\( M=3.4629; \) \( SD=0.56624 \)), see table 6. Therefore, Hypothesis 2 is not confirmed hence, we conclude that Public Servants are more motivated by Work/Job Contents.

<table>
<thead>
<tr>
<th>Table 2: Independent t-test for work contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levene’s Test for Equal of Variances</td>
</tr>
<tr>
<td>( F )</td>
</tr>
<tr>
<td>WorkContents</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
</tr>
</tbody>
</table>

4.2.3 Hypothesis 3: Compared to private sector employees, public sector employees are less motivated by Career development Opportunities. (CD)

As per results indicated in Table 3, for motivational factor of career development opportunities, the t-test for independent samples had a p-value of 0.000 (unequal variances assumed), which is less than the established significance level of 0.05. Resultantly, the null hypothesis is rejected and it can therefore be concluded that there is a significant difference between the motivation level of public and private sector by advancement opportunities \( t (145)=6.977; \) \( p=0.000 \). That is, the average mean score of motivation by advancement opportunities is statistically lower in public sector (\( M=3.1163; \) \( SD=0.67382 \)) as compared to private sector (\( M=3.7914; \) \( SD=0.50812 \)), see table 6. The data confirms the hypothesis and thus we conclude that Public Servants are less motivated by Career Development Opportunities.
Table 3: Independent t-test for Career development opportunities

<table>
<thead>
<tr>
<th>CareerDevelopment Opportunities</th>
<th>Levene's Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal variances assumed</td>
<td>F 15.788</td>
<td>Sig. .000</td>
<td>t -6.850</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td>F -6.977</td>
<td>Sig. 144.954</td>
<td>t .000</td>
</tr>
</tbody>
</table>

4.2.4 **Hypothesis 4**: Compared to private sector employees, public sector employees are more motivated by a supportive working environment. (SE)

According to the results given in Table 4, for the category of supportive environment, the t-test for independent samples had a p-value of 0.000 (equal variances assumed), which is less than the established significance level of 0.05. As a result, the null hypothesis is rejected and it can be concluded that there is a significant difference between the motivation level of public and private sector by supportive work & social environment t(148)=6.300; p=0.000. The average mean score of motivation by supportive environment in public sector employees (M=2.9087; SD=0.45093) is statistically lower than the private sector employees (M=3.4157; SD=0.53450), see table 6. Therefore, the results indicate that Public servants are more strongly motivated by the desire to work in supportive environment than private sector employees.

Table 4: Independent t-test for supportive environment

<table>
<thead>
<tr>
<th>SupportiveEnvironment</th>
<th>Levene's Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal variances assumed</td>
<td>F 1.282</td>
<td>Sig. .259</td>
<td>t -6.300</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td>F -6.229</td>
<td>Sig. 135.727</td>
<td>t .000</td>
</tr>
</tbody>
</table>

4.2.5 **Hypothesis 5**: Compared to private sector workers, public sector workers experience less work–family conflict

Based on the results indicated in Table 5, for the category of work-life balance, the t-test for independent samples had a p-value of 0.001 (unequal variances assumed), which is less than the established significance level of 0.05. As a result, the null hypothesis is rejected and it can be concluded that there is a significant difference between the motivation of public and private sector by work-life balance t (114) =3.458 p=0.001. The average mean score of motivation by work-life balance in public sector employees (M=3.5375; SD=0.44845) is statistically higher than the private sector employees (M=3.2000; SD=0.70059), see table 6. Therefore, results indicate that civil servants experience less work family conflicts as compared to their private sector counterparts.
Table 5: Independent t-test for work-life balance

<table>
<thead>
<tr>
<th>Levene's Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>WorkLifeBalance</td>
<td>Equal variances assumed</td>
<td>F  21.903  Sig. .000  t  3.557  df  148  Sig. (2-tailed) .001  Mean Difference .33750  Std. Error Difference .09489  Lower .14998  Upper .52502</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td></td>
<td>3.458  114.491  .001  .33750  .09760  .14417  .53083</td>
</tr>
</tbody>
</table>

Table 6: Descriptive statistics for the dimensions of work motivation

<table>
<thead>
<tr>
<th>Sector</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>FR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>2.2375</td>
<td>.26066</td>
<td>80</td>
</tr>
<tr>
<td>Private</td>
<td>3.6986</td>
<td>.38088</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>2.9193</td>
<td>.79880</td>
<td>150</td>
</tr>
<tr>
<td>WC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>3.5900</td>
<td>.92114</td>
<td>80</td>
</tr>
<tr>
<td>Private</td>
<td>3.4629</td>
<td>.56624</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>3.5307</td>
<td>.77615</td>
<td>150</td>
</tr>
<tr>
<td>CD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>3.1162</td>
<td>.67382</td>
<td>80</td>
</tr>
<tr>
<td>Private</td>
<td>3.7914</td>
<td>.50812</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>3.4313</td>
<td>.68885</td>
<td>150</td>
</tr>
<tr>
<td>SE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>2.9088</td>
<td>.45093</td>
<td>80</td>
</tr>
<tr>
<td>Private</td>
<td>3.4157</td>
<td>.53450</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>3.1453</td>
<td>.55182</td>
<td>150</td>
</tr>
<tr>
<td>WLB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public</td>
<td>3.5375</td>
<td>.44845</td>
<td>80</td>
</tr>
<tr>
<td>Private</td>
<td>3.2000</td>
<td>.70059</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>3.3800</td>
<td>.60205</td>
<td>150</td>
</tr>
</tbody>
</table>

5. Conclusion

From the research study, we have reached to the conclusion that public sector employees and private sector employees were ranking the motivational dimensions in the different order. The results of study have confirmed that work motivation of bank officers is significantly dependent upon their salary, fringe benefit, efficiency in work, quality supervision, and co-worker relationship. Bank type (sector of choice or employment) is found to be the most relevant to bank employees’ job motivation. Private banks employees are found comparatively more satisfied than those from public sector banks as they enjoy better salary, better fringe benefits, quality supervision, good co-worker relationship, advancement opportunities and yield higher efficiency in work. On the other hand, public sector bank employees have inadequate benefits and facilities, which result in comparatively, lower level of workplace motivation.

Research data has confirmed hypotheses one and three that comparatively public sector employees attach somewhat less importance to the inclusion of financial rewards and career development opportunities in their work motivation than private sector employees. They are not considered much problem in view of the fact that employees in public sector organizations found these dimensions less important compared to their private sector colleagues for work place motivation. Hypothesis 2 is not confirmed because the public sector employees do not attach a different level of importance to work/job content comparatively. Many studies report that public sector employees are more motivated by job content, self-development, recognition, autonomy, interesting work, and the chance to learn new things than private sector employees. Hypothesis 4 on the importance of social atmosphere is also confirmed.
T-tests revealed that public sector employees attached more importance to work in supportive environment as compared to private sector employees. Hypotheses 5 on the motivational dimension “work-life balance” is confirmed i.e. there is a significant difference in importance of work-life balance between public and private sector employees. T-tests prove that there is lesser work-family conflicts in public sector organizations.

6. Limitations

There is a limitation in our empirical study that might limit the external validity of our results and findings cannot be generalized due to the fact of convenience sampling. The survey population is not sufficient to draw precise conclusions for other organizations in Pakistan. As, population in the sample comes from a specific type of industry (i.e. banking industry), it may not be truly representative of population in other industries and therefore would be problematic to generalize the results of the study. However, the study is relevant in understanding the situation of both public and private sector organizations in Pakistan with regards to the effectiveness of motivational factors.

References


