

HUMAN NEEDS AMONG EMPLOYEES OF SELECTED GOVERNMENT FINANCIAL INSTITUTIONS

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ABSTRACT

This study assessed the human needs of employees in selected government financial institutions. Human needs were categorized into three areas such as existence needs, relatedness needs, and growth needs. Using a descriptive-quantitative approach, data were gathered through a researcher-made questionnaire. The survey was conducted among randomly selected employees of four (4) Government Financial Institutions (GFIs).

The results of the survey showed that the human needs as perceived by the employees are 'much met'. As per the employees' responses, meeting their human needs depends on both internal and external factors. Both growth needs and existence needs depend on external factors as perceived by the employees and these are the thrusts and priorities of their employers. On the contrary, their relatedness needs depend primarily on internal factors like their own initiatives. The employees themselves create opportunities to address their social needs and they are good at it.

This paper recommends that employers should create a conducive atmosphere for employees to be able to interact with one another thus maximizing their initiatives and desire to share ideas, skills and expertise in resolving work-related issues and problems

Key words: human needs, government financial institutions, compensation

Introduction

The success of an organization is dependent on several factors such as the climate of the organization, the leadership capability of the managers, and the performance of the employees. Several studies like that of Khan (2005) conclude that employees should be motivated in order to deliver a high level of performance. To motivate employees to work at their best, leaders or managers of organization should see employees as human beings who have needs to be satisfied like physiological, safety, belongingness, and self-esteem needs. Satisfaction and non-satisfaction of these needs can be partly attributed to the employees themselves but more so to the management of the organization. This study looked into the ways on which organizations particularly government financial institutions addressed the needs of the employees as perceived by the employees themselves.

Review of Related Literature

Robbin (2005) states that satisfaction or dissatisfaction of employees can be assessed by how they feel towards their job. There are several factors which influence employees' feelings toward their work. Some of these factors are organizational factors such as compensation, promotions, the nature of the work and work environment; group factors like the role of the supervisor and co-workers; and personal factors such as needs and aspirations of the employees, how are these met, and the employees perceived benefits from their job (Rothman,2008). Clayton Aldefer, an American Psychologist (McShane, et al, 2005) categorizes these factors in terms of existence need, relatedness need and growth needs. Existence need pertains to the need of a person to stay alive and safe not only for the present but in the foreseeable future as well. Once the existence need is satisfied, the employees will feel safe and physically comfortable. Relatedness needs refer to the social needs such as relationships with other people like co-employees and clientele. Once satisfied, the employees will feel a sense of identity and importance in the workplace. On the other hand, growth needs is concerned with the need of the employees to grow in knowledge, expertise, and skills needed in their work. Satisfying these needs renders a sense of wholeness, achievement and fulfillment among the employees. Fulfillment and non-fulfillment of these needs will determine the level of satisfaction of employees.

Hezberg in his Motivation-Hygiene theory implies that fulfillment of human needs determines the level of job satisfaction of employees (Dubrin, 2011). The-factor theory explains how to design jobs to make them motivational. The motivational elements are the intrinsic rewards, or job content-factors that make a job exciting. Motivator factors include achievement, recognition, advancement, responsibility, the work itself, and personal growth possibilities. According to this theory, only the presence of motivator factors leads to a more positive energized behavior.

Nimalathasan (2010), in his study of bank employees concludes that there is a positive relationship between job satisfaction and employees' work performance. Satisfied employees perform better than dissatisfied employees. In another study on job satisfaction by Syptak, Marsland, and Ulmer (1999), satisfied employees tend to be more productive, creative and committed to their employers. The study points out that by building a work environment that promotes job satisfaction, employees become motivated, productive and fulfilled.

In the Philippines, workers are commonly classified into two categories, namely, those who are employed in the private sector and those who work in the government sector. A private institution is run and owned by an individual or a group of individuals while a government-run institution pertains to organizations managed and owned by the local and national government. There is a "perception" that employees of private sectors fare better than those working in government-owned institutions and vice versa.

Frank (2004) enumerates three areas of concern when comparing the working conditions of workers from the government and private sectors, namely, (1) government and business sector may offer different extrinsic and intrinsic rewards; (2) public and private workers may seek different rewards; 3) public and private employees may differ in personal characteristics than can be used as basis in predicting work effort. The Social Survey Report of 1998 came out with the following findings with regard to the working conditions of government and private

organizations: (1) government employees reported slightly higher work effort than those in the private sector; (2) public- and private sector workers differ in the value they place on extrinsic and intrinsic motivators, and in the rewards their jobs offer, and (3) some personal characteristics.

One type of government institution which operates in the same manner as private institutions is the Government Financial Institutions (GFIs). GFIs are institutions of which the Government directly or indirectly owns majority of the capital stock and which are either registered with or directly supervised by the Bangko Sentral ng Pilipinas. Some of the GFIs in the Philippines are the: the Development Bank of the Philippines (DBP), Land Bank of the Philippines and the Social Service System. These GFIs were created through Republic Act No. 8523. DBP is the country's most progressive development banking institution. Through the years, DBP has been a key player in nation-building by assisting critical industries and sectors, promoting entrepreneurship particularly in the countryside, helping build more productive communities, advancing environmental protection and contributing to the improvement of lives of Filipino across the nation. The Land Bank of the Philippines focuses on serving the needs of farmers and fishermen. While it provides the services of a universal bank, it is officially classified as a "specialized government bank" with a universal banking license. It is the fourth largest bank in the Philippines in terms of assets and is the largest government-owned bank. The Social Security System (SSS) was created through Section 2, RA 8282 aimed to extend social security protection to workers and their beneficiaries.

This study was undertaken to assess the human needs, of employees of government-owned institutions specifically the government financial institutions. Assessment of these factors among employees of selected GFIs will serve as a benchmark on which non-government employees as well as other government employees can compare their status and at the same time aid in the standardization of working condition in the Philippines.

Methods and Procedures

The researcher used the descriptive quantitative approach to determine the human needs of employees of selected GFI. The main tool in collecting data was a researcher-made-survey-questionnaire. The instrument was validated by experts on human resource and management. To test the reliability, Cronbach alpha was determined with a coefficient of 0.80 which means that the statements were consistent, valid and reliable. A dry run was conducted to a sample group of population to test the applicability of the instrument.

A total of 376 employees were randomly selected as respondents of the study. They were employees of selected Government Financial Institutions (GFIs). In accordance with the ethics of research, the identity of the respondents as well as the organizations where they belong to were withheld to maintain anonymity.

The researcher selected Government Financial Institutions with the mandate of uplifting the conditions of the less fortunate people who are in dire need of assistance. The personnel who are working in these government financial institutions are the ones who are in direct contact

with the people they are serving, and therefore, it is but just fitting that their human needs must be studied so as to determine how motivated they are in providing service to their respective clientele.

Results and Discussion

Human needs pertain to the necessities and essentials of human life. In the work environment, human needs cover material gains, socialization opportunities and room for growth. In this study, the human needs of the employees were categorized in terms of existence needs, relatedness needs and growth needs.

1. Existence Needs

Existence needs refer to resources which are needed by a person to live a decent life. This means that the person possesses sufficient resources like food, shelter and resources for security. From the perspective of the employees, these needs had been categorized into wage and non-wage benefits. Table 1 shows how the employees of selected GFIs feel about the wage and non-wage benefits given by their employers.

Table 1
Mean Scores, Verbal Interpretations and Ranks of the Benefits

Benefits	Mean Score	Verbal Interpretation	Rank
1. Compensation for overtime	3.79	Much met	3
2. Competitive Salary	4.16	Much met	2
3. Performance and other bonuses and incentives: cash gifts, Christmas bonus, medical allowance	4.27	Much met	1
4. Vacation leave, emergency leave, sick leave, maternity/paternity leave	3.67	Much met	4
Average Mean	3.97	Much met	

Legend:

- 4.21-5.00 Very Much Met (VMM)
- 3.41-4.20 Much Met (MM)
- 2.61-3.40 Met (M)
- 1.81-2.60 Barely Met (BM)
- 1.00-1.80 Not Met (NM)

Based on the ranking of the means of the itemized benefits, the employees felt that the benefits were ‘much met’ by their respective organizations. The employees observed that their employers consider monetary non-wage benefits as very important in motivating employees to

perform highly in delivering the tasks or services expected of them. The GFIs usually give monetary rewards whenever there are significant events such as founding anniversaries or garnering awards in competitions. Monetary rewards given to exemplary performance are seen as important by employees because this implies equity in the organization -- a feeling among employees that if one performs well, then one is duly recognized and rewarded. In inculcating this attitude, the GFIs put premium on performance bonuses. These non-wage monetary benefits including Christmas bonus and medical allowance are perceived as “extra” money by the employees.

Salary was ranked second which demonstrates that employees in any organization work for the purpose of being compensated. Although the employees claimed that the provision of this benefit has been ‘much met’, their tendency was to ask for more. It is a common fact that employees are never fully satisfied with the salary they receive. This may be explained by Maslow (1943):

For our chronically and extremely hungry man, Utopia can be defined very simply as a place where there is plenty of food. He tends to think that, if only he is guaranteed food for the rest of his life, he will be perfectly happy and will never want anything more. Life itself tends to be defined in terms of eating.(Basic need section, ¶ 7)

The same theory may also explain why overtime pay is ranked third. Employees tend to ask for a higher overtime pay. Lastly, the leave benefits such as vacation leave, emergency leave, sick leave and maternity/paternity leave were ranked lowest by the employees.

The total existence needs of the employees were ‘much met’. This may be explained by the compensation system of the GFIs. These institutions have the authority to determine the salary scale for their employees without external interference because they have their own charters which allow them flexibility in giving compensation to their employees. For example, in the charter of one of the GIFs the following section states:

The Board of Directors shall provide for an organization and staff of officers and employees of the X and upon recommendation of the President of the Bank, fix their remunerations and other emoluments. All positions in the X shall be governed by the compensation, position classification system and qualification standards approved by the Board of Directors based on a comprehensive job analysis of actual duties and responsibilities. The compensation plan shall be comparable with the prevailing compensation plans in the private sector and shall be subject to periodic review by the Board of Directors once every two (2) years, without prejudice to yearly merit or increases based on the X productivity and probability. The X shall, therefore, be exempt from existing laws, rules, and

regulations on compensation, position classification and qualification standard. The X shall however, endeavor to make its system conform as possible with the principles under Compensation...

This clause implies that the governing body of the GFI concerned has the sole authority to decide on the system of compensation for its employees. GFI administrators can decide independently on the compensation scheme for their respective employees. The administrative body can increase or add to the compensation package of their employees. This may be the reason why the leave benefits were ranked as the lowest by the employees. The leave benefits are fixed by law and the administrative bodies of the GFIs cannot change the number of days specified on a given leave.

President Benigno Aquino in his bid to check and stop corruption in government offices issued Executive Order No. 7 which states: *Directing the Rationalization of the Compensation and Position Classification System in Government-Owned and -Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs), and for other Purposes.* EO 7 was formulated by the Office of the President of the Philippines to ensure that there is transparency, accountability and prudence in government spending specifically in the schedule of increases in the compensation of personnel of GFIs. Under EO 7, there is a moratorium on increases in salaries, allowances, incentives and other benefits of employees among selected GFIs.

Section 9. Moratorium on Increases in Salaries, Allowances, Incentives and Other Benefits. Moratorium on increases in the rates of salaries, and the grant of new increases in the rates of allowances, incentives and other benefits, except salary adjustments pursuant to EO No. 8011 dated June 17, 2009 and EO No. 999 dated June 23, 2010, are hereby imposed until specifically authorized by the President.

This means that for the time being, there will be no increases or add-ons in the monetary benefits of the employees of GFIs. It should be noted that the existence needs of the employees prior to EO7 was only rated as 'much met', the 'very much met' level has not yet been attained. Though how interested the employers may be in still raising the level at which the existence needs of their employees are met, their efforts are curtailed. This moratorium would certainly create an impact on the existence needs of the employees and may also affect the other needs.

2. Relatedness Needs

Relatedness needs refer to the social needs of the employees. The need pertains to the relationships developed by the employees in the workplace.

Table 2 indicates the mean scores of the parameters pertaining to relatedness needs of the employees.

Table 2

Mean Scores, Verbal Interpretations and Ranks of the Items on Relatedness Needs

Item	Mean Score	Verbal Interpretation	Rank
1. Getting along well with each other at work	4.23	Very much met	1
2. Pool experiences and knowledge to help co-workers	4.16	Much Met	3
3. Free expression of feelings on issues during meetings	4.21	Very Much Met	2
4. Supervisor acts as friend and adviser in both personal and professional matters	3.77	Much Met	4
Average Mean	4.09	Much Met	

The parameters used in assessing whether the organization has met the relatedness needs of the employees were categorized into (1) relationship with peers and (2) relationship with superior. Items 1, 2, and 3 pertain to relationships between peers while Item 4 is on the relationships of the employees with the head of the organization. The results of the survey disclose that the employees were given opportunities to bond together. There is a free expression of ideas; they are allowed to articulate their opinions. The high rating accorded by the employees on Items 1,2 and 3 indicate that their social needs were given importance by the organization because the organization promotes a fluid working environment. However, further analysis shows that the fulfillment of the social needs of the employees does not entirely depend on the opportunities provided by the supervisors. Employees themselves seek out ways to socialize and interact with the other members of the organization. Crawford (2009) states that every member of an organization needs to feel that “he/she belongs to at least one sentient group or a group of people working together who are able to respond to each other emotionally and intellectually” (p. 79). In an organization, a climate that allows interaction and sharing of ideas is vital in meeting the relatedness needs, however, whether the organization promotes or do not promote socialization among the employees, the people within the organization will seek ways to interact with the other members of the organization. Employees need not be dictated upon by the administration to motivate themselves to interact with other members of the organization. On their own, employees seek out other employees to share ideas, debate on issues and work together to solve problems related to their work. The only burden for the employer is to create an environment that allows employees to collaborate and learn from each other without fear of censure.

Of the four identified parameters, Item 4 which is on the relationship of employees with the supervisor received the lowest rating. This implies that the employees do not experience the

liberty that they had with their co-employees when they were with their supervisors. Supervisors have the power to direct their employees to obey them (Sinha, 1995) and this may have prevented the employees to seek out the advise of the supervisor in either personal or professional matter. Likewise, supervisors by virtue of their authority may be wary of being close with their subordinates.

In summary, the relatedness needs of the employees were ‘much met’. This may have been facilitated by the willingness of the heads of the institutions to create an organizational climate that allows employees to share skills and expertise in resolving their problem but most importantly, the initiative of the employees to seek out ways to bond with each other. Such implies that addressing the relatedness needs of the employees primarily depends on themselves rather than on their employers.

3. Growth Needs

Growth needs focus on the measures taken by the employers to ensure that the members of the organization were given the opportunity to develop personally and professionally. Table 3 lists the mean scores of the different indicators on growth needs.

Table 3
Mean Scores, Verbal Interpretations and Ranks on Growth Needs

Parameters	Mean Score	Verbal Interpretation	Rank
1. Supervisors ensure that employees are given sufficient in-service trainings.	3.83	Much met	5
2. There are development opportunities for the staff	3.96	Much met	3
3. Supervisors ensure that outstanding employees are given merit increase	4.06	Much met	1
4. Recognition of employee’s contribution to the organization	3.92	Much met	4
5. Seminars and trainings are designed based on the needs of the employees	3.98	Much met	2
Average Mean	3.95	Much met	

The average mean score shows that the growth needs of the employees were ‘much met’. This means that the employees were given opportunities to gain more knowledge and polish their skills. Of the four parameters, the item on performance merit was given the highest rating by the respondents while the item on sufficient in-service trainings marked the lowest. This reinforces

an earlier finding on existence needs which is the importance of monetary benefits to the employees.

An analysis of the parameters on growth needs reveal that unlike the relatedness needs, growth needs wholly depend on the thrust and priorities of the governing bodies of the organizations concerned.

Table 4

Summary Table of Human Needs

Human Needs	Mean	Verbal Interpretation	Rank
Existence Needs	3.97	Much Met	2
Relatedness Needs	4.09	Much Met	1
Growth Needs	3.95	Much Met	3
Grand Mean	4.00	Much Met	

The grand mean of the human needs is 4.00 which shows that human needs as a whole is 'much met'. The table reveals that among the three need categories, the relatedness needs was perceived by the employees as the best addressed. As shown in this study, the employees themselves sought ways to satisfy this need. They were resourceful and creative in seeking opportunities to develop socially by developing sound personal and working relationships. They knew exactly what they wanted and how they could get it as well.

The said finding implies that employees do not entirely depend on the initiative of the employer. They rely on their own capabilities and use their own resources in addressing these needs. The other two needs, existence and growth needs which were ranked second and third respectively, were dependent on the initiative of their employers as expressed in their thrusts and priorities.

Conclusions

1. The human needs which were categorized into three areas, namely, existence needs, relatedness needs and growth needs were perceived by the employees as 'much met'.
2. Relatedness needs does not primarily rely on the initiative of the heads of the organizations but more on the employees. This indicates that the social needs of the employees can be managed by the employees as long as the administration establishes a climate where employees can freely interact with their fellow employees.

3. Just like the existence needs, growth needs depends on the initiative of the administering body. However, growth needs are more appreciated when merits are translated into monetary rewards.
4. The fulfillment of the needs of the employees is dependent on the thrust and priorities of the employer.
5. The compensation system of selected GFIs ensures that the employees are satisfied with the financial remuneration and other non-wage benefit. The compensation program was devised and facilitated by people within the company and were structured to cater to the need of the employees of a particular GFI. As a result the employees felt that their needs were much met. However, recent developments in the Philippine political arena have resulted to the imposition of Executive Order number 7 which transferred the overseeing of the compensation packages of GFI employees to a task force created by the President which at the same time included a moratorium on increase of salary and benefits. This indicates that there will be a change in the compensation scheme of GFI employees.

Recommendations

1. Organizations should conduct learning sessions facilitated by experts wherein employees will be given the opportunity to interact with other employees. On their own, employees seek out their colleagues for assistance and sharing of ideas, however creating an appropriate and conducive venue for interaction would maximize employee potentials and productivity.
2. Employers should continuously monitor the conditions of their employees so that they would know what needs to be addressed to ensure a high level of productivity among their employees.
3. There should be a periodic review of the compensation scheme of the employees. A regular assessment would help authorities concerned in coming up with ways and means of uplifting the well-being of the employees.
4. The national government should look into the compensation scheme of its employees and assess as to who should have control over the compensation of the employees- the government or the governing body of each office.
5. To address the human needs of employees of government financial institutions, managers should help create an atmosphere conducive to good management-employee relationship and improve employee welfare and morale through the conduct of socio-cultural activities and other activities that will exhibit and manifest employee solidarity and provide opportunities for camaraderie, rapport, team building and togetherness; the managers of GFIs should develop and implement a comprehensive work-life program that will increase balance within and beyond the workplace and that will allow a sense of growth and fulfillment at home, at work, and in the community; the Human Resource

Department of GFIs should source out training and development opportunities to upgrade the knowledge, skills, attitudes and values of the employees in their present jobs.

6. There should be continuing lectures, seminars and workshops related to values development among employees of Government Financial Institutions to have a clear understanding of their own character, to have a vision of where they want to be, to be aware of their strengths and weaknesses, to be able to identify their values, and to know what motivates them in their work. The conduct of seminars will help the organization determine the things employees value and help them align their personal values with the values of the organization.
7. The national government should review the different provisions of Executive Order no. 7 that will be detrimental to the welfare of the employees. The Office of the President should take into consideration that EO 7 affects not only the higher level officials of the GFIs but the rank and file employees as well.

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