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## **INVESTIGATING THE ROLE OF ESTABLISHING A SUGGESTION SYSTEM IN MOTIVATING EMPLOYEES OF BANK MELLI OF IRAN (CASE STUDY: WEST TEHRAN BRANCHES)**

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### **ABSTRACT**

*In this research, we have investigated the role of establishing a suggestion system in motivating employees in Bank Mellı of Iran (Case study: Branches in the western regions of Tehran). The method of this research is descriptive-survey; we have used library studies and questionnaire to collect information. The statistical population of the present research is the branches of the western regions of Tehran province. Using the method of "simple random sampling", we distributed 200 questionnaires among the branches of the western regions of Tehran, of which only 175 questionnaires were returned and 5 samples were discarded due to their deficiencies. We entered information of the remaining 170 questionnaires into SPSS for data analysis. According to the results of the present research, we conclude that there is a significant relationship between the establishment of the suggestion system and employee motivation in particular and a significant relationship between the establishment of the suggestion system and career advancement, tendency to creativity, working team, and employees' foresight in general. The correlation is direct and positive; to prove this, we used Spearman correlation coefficient. To rank the components of motivation, we used Freedman nonparametric test. It showed that employees' foresight comes first in importance and attention. The researcher has suggested that managers in Bank Mellı of Iran change the nature of employees' jobs to motivate them. That is, they can increase the scope of responsibilities and the level of authority of employees, anticipate and implement appropriate training courses to enhance their knowledge and awareness and give employees the opportunity to improve skills for increasing employee motivation to work. Managers can also increase employee motivation and increase their participation in generating new ideas and suggestions by defining tasks in a way that inspires a kind of independence to employees. In return, spiritual and material rewards provide employees with greater loyalty and commitment to the bank.*

**Keywords:** Participatory Management - Suggestion System - Employee Motivation - Bank Mellı of Iran.

### **INTRODUCTION**

Human resources are one of the most important factors influencing the success or failure of a social system. Human resources guarantee the survival, the effective factor of a system and the key to its success. The human factor can waste physical resources, destroy, or fertilize them. Some researchers believe that 20% of effort and 80% of motivation are effective in every success. Perhaps we can say boldly that the most important problem of our organizations today and the most challenging crisis that our managers face is low motivation and reduced responsibility of employees (Hazarei and Samadi, 2005).

One of the most important factors for the success of organizations is the rule of proper human relations between the managers and employees of that organization. Involving the employees of

the organization in expressing, deciding and implementing their opinions creates a space in the organization that leads to the development of human resources. Nowadays, organizations need to develop human resources to create cultural, economic and social development (Asadi, 2011). An organization that receives thousands of offers from employees and customers each year, reviews them expertly and implements a percentage of them, will cause the spontaneous development of employees. Because to perform these activities, it is necessary to study, consult with experts, refer to the technical documents of the organization, review the mechanism of the devices, etc. This causes a continuous increase in information and quality of human resources and strengthens the foundations of organizational development (Sadati 2012).

Employees' participation in decision-making is a complex management tool. This has been a subject of researched and study for more than 50 years and it has shown that if this tool is used properly, it will play an effective role in improving performance, productivity and job satisfaction (Hatem et al., 2011).

Because motivation plays an important role in employees' performance and organizational productivity, it is very important to pay attention to the factors that increase employees' motivation. One of these factors can be the implementation of participatory management and employee involvement in various matters of the organization. Participatory management is the change of "I" way of thinking to "we" one and the promotion of group decision-making in the organization (Vijayarani and Radjamanogary, 2014). Participation is a conscious, active, free and responsible movement that is essential for the stability and security of society. In fact, participation is the foundation of sustainable participation. Paying attention to motivation, increasing production, total productivity and optimal use of available resources are the main goals of any organization. One of the main and constant concerns of management is to pay attention to employees' motivation. Because the realization of this thought leads to increased production, increased productivity and improved service quality. Researches over the past two decades have shown a positive relationship between employees' participation in management and their motivation. Participation strengthens motivation because employees feel accepted and involved in the organization. Thus, a sense of ownership is created in them and factors such as: absenteeism, leaving the job and other injuries are reduced and in return, motivation, commitment, job satisfaction and organizational efficiency increase.

Nowadays, the suggestion system is one of the methods of participation; the formation of it is possible through the efforts and consensus of individual and group members of an organization. It is one of the methods welcomed by the managers of economic and industrial organizations. With the help of this management method, all employees participate in the process of improving all the affairs of a unit and increase their abilities and capacities by creating a more pleasant environment. In this way, in achieving the goals and aspirations of the unit, they help to implement policies and better circulation of the organization (Timas and Shahi 2013).

One of the techniques of participatory management is the suggestion system, according to which all employees can submit their suggestions, comments and initiatives to overcome problems and shortcomings in the process of the organization. The purpose of using this system is to promote the spirit of cooperation and collaboration of employees and to create a sense of responsibility in them to participate in the fate of the organization (Zarei, 1999).

The purpose of implementing the suggestion system is improvement of work, human relations between management and employees, and employees' motivation. It causes creativity, reduction



of waste, increase in productivity, reduced production and administrative costs. It improves safety conditions and the quality of products and services, reduction of Administrative operations and troubles caused by unnecessary bureaucracy, improvement of the system of repair and maintenance of tools and machines, the methods of distribution and sale of goods, increase in customer satisfaction and gaining more market share, etc (Ajdari, 2010).

The system of suggestions is an effective factor in changing working conditions and creating a suitable environment for employee participation. It is a tool for establishing a lively, healthy and continuous communication between senior and middle management and employees. Because it is voluntarily, it creates a sense of responsibility among employees (Bajulvand and Mohammad Hashemi, 2012).

The system of suggestions is a technique through which we can achieve the mental findings of human capitals in solving problems and creating new questions and optimal solutions, in line with the culture of change and continuous improvement of the organization. In this system, obedience to wisdom is the circulation of thought, through which the organization is ready to enter the period of maturity and promote the spirit of participation. In fact, it allows employees to become fertile through thinking and the organization to achieve amazing progress. Studies in the thematic literature of this research indicate that other relatively similar research projects have been conducted in line with this research. American writers first proposed the idea of participatory management and first Japan used it; the American and European business organizations adopted it from there. In fact, the researches of Argyris, McGregor, and Likert became the source of participatory management thinking around the world. Yashar Asadi Ahranjani (Azad University of Tehran, 2011-2011) conducted a research on evaluation of the effectiveness of the suggestion system in the Iranian Customs Organization. Seyed Shahabuddin Sadati (Islamic Azad University, Sari Branch, 2012) carried out another study entitled *role of participatory management in increasing the motivation of Bank Melli employees in Sari*. Similar scientific and promotional researches conducted by the National Bank of Iran and most of the researches on the mentioned subject indicate that the ideal goal and in fact the philosophy of its application in the suggestion system is to increase the organization's capacity (company) in response to the changing demands of consumers of services or products of that company. It leads to respecting the virtues and abilities of human beings and aligning the goals of employees with the goals of the organization and ultimately using their experience, thoughts, opinions and ideas in every job and in every organizational department. Therefore, the establishment of such a system is vital. Organizations should know that its establishment increases the motivation of the organization's employees. Therefore, in this research, we tried to examine the role of establishing a system of suggestions in increasing the motivation of employees of Bank Melli of Iran, so that we can discover these factors and their impact to provide solutions to the improvement of the current situation.

## RESEARCH METHOD

The present research is an applied survey. Our statistical population is all employees working in Bank Melli branches in the west of Tehran. We used "simple random sampling" method for sampling. We determined the sample size by the Cochran's formula. We distributed 200 questionnaires among the employees, managers and deputies of Bank Melli of Iran, branches of west Tehran. Out of this number, only 175 questionnaires were returned, out of which, 5



questionnaires were discarded due to their deficiencies, and the information of the remaining 170 questionnaires was entered in SPSS for data analysis.

### *Methods and tools of data collection*

In this research, we used library and field methods to collect information and the data collection tool was questionnaire.

- *Questionnaire*

In research questions, we have used two categories of questions. The first part is about demographic information. The second part of the questionnaire questions the role of establishing a suggestion system in the parameters of employee motivation; they include tendency to creativity, working team and foresight. We set the questions of questionnaire in Likert scale and five options (very low, low, moderate, high, very high); it includes the scores of 1, 2, 3, 4, 5, respectively. We collected Data of the questionnaire in person.

- *Test validity*

In the present research, we used the content validity of the test to evaluate the validity.

- *Test reliability*

We used Cronbach's alpha to determine the reliability of the questionnaire. Cronbach's alpha of the whole questionnaire was 0.77, which indicates acceptable reliability for the questionnaire.

### *Data analysis method*

To analyze the data, we used the indices of descriptive statistics such as: "frequency, frequency percentage, frequency distribution tables" and inferential statistics including correlation coefficient test, Smirnov-Kolmogorov test and Friedman nonparametric test. We performed statistical analysis of research data using SPSS statistical software.

## RESULTS

### *Descriptive Analyses*

**Table 1- Frequency distribution of age and organizational position of employees (respondents to the questionnaire) of Bank Melli, western branches of Tehran province**

Age	Frequency	Frequency percentage	Cumulative Frequency percentage
29-20	67	39/4	39.4
39-30	61	35/9	75.3
40 and above	42	24/7	100
Total	170	100	
organizational position	Frequency	Frequency percentage	Cumulative Frequency percentage
Senior Responsible for Banking	24	14/1	14.1
Responsible for Banking	83	48/8	62.9
Head of Branch	17	10	72.9
Branch Deputy	46	36.1	100
Sum total	170	100	

As can be seen in Table 1, 39.4% of the respondents were in the age range of 20-29, 35.9% were in the age range of 30-39 years and 24.7% of the respondents were in the age range of 40 years and above. 14.1% of the employees of the western branches of Tehran have been working in the position of senior responsible for banking. 48.8% have been in charge of banking affairs, 10% in the position of branch head and 36.1% in the position of branch deputy.

**Table 2- Statistical characteristics of variables**

Variables	Mean	Standard deviation	Number
Establishment of the suggestion system	58.2280	5.5107	170
Employees' tendency to creativity	18.5571	4.0079	170
Employees' working team	18.5221	3.1212	170
Employees' foresight	20.1174	4.1741	170

### *Inferential Analysis*

#### *Testing the normality of data*

**Table 3-Smirnov-Kolmogorov test**

	Establishment of the suggestion system	Motivation	Tendency to creativity	Working team	Foresight
N	170	170	170		
Mean	58.2280	30.6969	27.1166		
Standard deviation	5.51078	3.23115	2.72161		
Absolute value	.125	.127	.138		
Positive	.125	.087	.090		
Negative	-.104	-.127	-.138		
Smirnov-Kolmogorov statistic	.125	.127	.138		
Significance level	.000 <sup>c</sup>	.000 <sup>c</sup>	.000 <sup>c</sup>		

Table 3 shows that the significance level of the collected data belonged to all research variables has been less than  $\alpha = 0.05$ . Accordingly, at the 95% confidence level, the hypothesis  $H_0$  is rejected, indicating that all variables have abnormal distribution.

### *Testing Hypotheses*

#### *Calculation of Spearman correlation coefficient*

In order to investigate the relationship between the components of the establishment of the suggestion system and the behavioral components of motivation, including the tendency to creativity, working team and foresight of employees and human force of Bank Melli of West Tehran branches, we used Spearman correlation coefficient test. We should note that if the level of significance obtained in each hypothesis is less than 0.05, it indicates that the components under study at the level of 0.95% have a significant relationship with each other and in fact means the rejection of the hypothesis  $H_0$  and acceptance of the hypothesis  $H_1$ .

Main Hypothesis: The establishment of the suggestion system has a significant effect on the motivation of employees working in Bank Melli branches in the west of Tehran.

In order to measure the main hypothesis of the research, we analyzed the tests of the sub-hypothesis of the research.



1. Establishment of the suggestion system has a significant effect on the tendency to creativity of employees working in Bank Melli of West Tehran Branches.

**Table 4- Spearman correlation test between the establishment of the suggestion system and the employees' tendency to creativity**

		Establishment of the suggestion system	Employees' tendency to creativity
Establishment of the suggestion system	Spearman coefficient	1	**625.
	Sig		000.
	N	170	170
Employees' tendency to creativity	Spearman coefficient	**625.	1
	Sig	000.	
	N	170	170
Names of variables	Correlation coefficient	Significance number	Significance relation
Establishment of the suggestion system & tendency to creativity	0.625	0.000	-

According to SPSS output (Table 4), Spearman correlation coefficient for these two variables is 0.625. The value of the observed significance number (sig) is equal to 0.000 (sig = 0.000) which is lower than the standard significance level ( $\alpha=5\%$ ). Therefore, the hypothesis  $H_0$  is not confirmed at the 95% confidence level. That is, there is a significant relationship between these two variables and the establishment of the suggestion system has a significant effect on the tendency to creativity of employees working in the National Bank of West Tehran.

2. Establishment of the suggestion system has a significant effect on the working team of employees working in Bank Melli of West Tehran Branches.

**Table 5- Spearman correlation test between the establishment of the suggestion system and the employees' working team**

		Establishment of the suggestion system	Employees' working team
Establishment of the suggestion system	Spearman coefficient	1	**690.
	Sig		000.
	N	170	170
Employees' working team	Spearman coefficient	**690.	1
	Sig	000.	
	N	170	170
Names of variables	Correlation coefficient	Significance number	Significance relation
Establishment of the suggestion system & working team	0.690	0.000	-

According to SPSS output (Table 5), Spearman correlation coefficient for these two variables is 0.690. The value of the observed significance number (sig) is equal to 0.000 (sig = 0.000) which is less than the standard significance level ( $\alpha= 5\%$ ). Therefore, the hypothesis  $H_0$  is not confirmed at the 95% confidence level. That is, there is a significant relationship between these

two variables and the establishment of the suggestion system has a significant effect on the working team of employees working in Bank Melli of West Tehran Branches.

3. Establishment of the suggestion system has a significant effect on the foresight of employees working in Bank Melli of West Tehran Branches.

**Table 6- Spearman correlation test between the establishment of the suggestion system and employees' foresight**

		Establishment of the suggestion system	Employees' foresight
Establishment of the suggestion system	Spearman coefficient	1	**706.
	Sig		000.
	N	170	170
Employees' foresight	Spearman coefficient	**706.	1
	Sig	000.	
	N	170	170
Names of variables	Correlation coefficient	Significance number	Significance relation
Establishment of the suggestion system & foresight	0.706	0.000	~

According to the SPSS output (Table 4-20), the Spearman correlation coefficient for these two variables is 0.706. The value of the observed significance number (sig) is equal to 0.000 (sig = 0.000) which is lower than the standard significance level ( $\alpha=5\%$ ). Therefore, the hypothesis  $H_0$  is not confirmed at the 95% confidence level. That is, there is a significant relationship between these two variables and the establishment of the suggestion system has a significant effect on the foresight of employees working in the Bank Melli of West Tehran Branches.



#### ***Friedman test***

According to the obtained results, we found that all hypotheses were confirmed and there was a significant relationship between all components related to the establishment of the suggestion system and the components of motivation of the employees of Bank Melli of Iran. Due to the positive sign of the correlation coefficient between the components under study, we found that the relationships between all these components were direct (positive).

After studying and assessing the status of research hypotheses, it is necessary to rank the effectiveness of the relationship between these components in the National Bank of Iran. For this purpose, we will use non-parametric Friedman test to obtain a ranking of these factors. The results of the Friedman test are as shown in Table 7:

**Table 7- Friedman test among the components under study**

Ranking	
Components of motivation	Significant rank
Tendency to creativity	6.60
Taking risk	3.06
Working team	6.46

According to the results of Friedman test, we found that at the error level of 5%, the components of employees' motivation with a degree of freedom of 7 had a significance level of 0.000. This number was less than the level  $\alpha = 0.05$ . Therefore, these components have a significant relationship with each other and their ranking is significant. According to the obtained results, the ranking of the components affected by the components of the establishment of the suggestion system is as follows:

1. Foresight
2. Tendency to creativity
3. Working team

## CONCLUSION

The purpose of this research was to investigate the role of establishing a suggestion system in employee motivation in Bank Melli of Iran.

According to the results of testing the hypotheses and based on the correlation coefficient test of the main hypothesis and Friedman test, dealing with the ranking of the effectiveness of relationship between employees' motivation components and the establishment of the suggestion system in Bank Melli of Iran in the western branches of Tehran province (studied in the fourth chapter), the main hypothesis of the research has been confirmed. In other words, indicators (components) of employees' motivation are effective on the establishment of the suggestion system and its effect is direct and positive. According to the results of Friedman test for each hypothesis, we found that at the error level of 5%, the motivational components of employees with a degree of freedom of 7 had a significance level of 0.000. This number was less than the level of  $\alpha = 0.05$ . Therefore, these components have a significant relationship with each other and their ranking is significant. Therefore, the ranking of the components is as follows: Employees' foresight ranked first in influencing the establishment of the suggestion system.

Explaining these findings, we can say that the suggestion system in the United States placed more emphasis on financial effects, and in Japan, financial incentives gave way to group tendencies and employees' participation. Meanwhile, in Bank Melli of Iran, both of these factors along with other motivational indicators has attracted attention. With the establishment and implementation of the suggestion system in the National Bank of Iran, collective thinking had taken precedence over individual thinking. This allowed the employees to share in their destiny and in that of the bank and achieve growth and excellence, and the National Bank to achieve its long-term goals and economic benefits. Therefore, all these factors, along with the establishment of the suggestion system, have provided more motivation and loyalty of employees and customers to the National Bank of Iran.

According to the results obtained from Hypothesis 1 oriented to the effect of employees' creativity tendency on the establishment of the suggestion system in Bank Melli of Iran: The strategies that managers take to increase employees' creativity and motivation in Bank Melli of Iran are:

- Involvement of bank employees in decisions related to their field of work
- Creating a sense of satisfaction in employees and subsequently creating a sense of satisfaction in Bank Melli customers
- Improving the quality of work of the employees of Bank Melli branches



- Establishing self-confidence in Bank Melli employees
- Creating a spirit of cooperation among employees and managers

According to the results obtained from Hypothesis 2 oriented to the effect of employees' working team on the establishment of the suggestion system in the National Bank of Iran, we suggest: Bank managers should try to create a good work environment as well as a positive work environment to help calm the entire working team so that employees are much easier to perform activities and responsibilities.

Bank Melli managers must set work priorities for their employees. A working team will definitely try to achieve the goal. Therefore, the goals of Bank Melli should be achievable when managers consider the goals at work and set them for their team. Larger goals usually require more time and energy, so managers can break these goals down into smaller goals to achieve in a shorter amount of time.

Bank Melli managers can help improve their performance by evaluating their employees. Working team in Bank Melli has strengthened the spirit of cooperation, partnership and empathy among employees and has made them coordinated and successful in achieving the main goals of the bank.

According to the results obtained from Hypothesis 3 oriented to the effect of employees' foresight on the establishment of the suggestion system in Bank Melli of Iran, we suggest: Foresight in Bank Melli is a systematic effort to study the long-term future of science, technology, economy, environment and society for identifying emerging phenomena and the underlying areas of strategic research. It has the greatest economic and social benefits. Therefore, in today's world, futurology and foresight in banks is a necessity.



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