

## **Staff Motivation and Organisational Performance: An Empirical Approach**

**Patrick A. Omoile, PhD**

Department of Business Administration  
College of Management and Social Sciences  
Novena University, Ogume, Delta State, Nigeria  
omoilepatrick@yahoo.com; +2348033947967

### **Abstract**

This study is an examination of staff motivation and organisational performance with particular reference to select banks and insurance companies in Benin City. The main objective of the study was to determine if (any) there is a relationship between staff motivation and organisational performance. The research design adopted for the study is the survey design. To guide the study, three research hypotheses were formulated and each was tested, using the spearman ranked order correlation, coefficient at 0.05 level of significance. The population of study consists of all staff of the organisations used for the study, which stood at 180. The Taro Yamane formula was used to select a sample size of 83. The result revealed that staff motivation has positive relationship with organisational performance. Arising from the above, it was recommended that salary and other fringe benefits used as motivational tools be reviewed periodically to achieve desired goals.

**Keywords:** Staff Motivation, Organisational Performance, Salary, Fringe Benefits, Firms

### **Introduction**

Management is a process that cuts across every segment of an organisation (Awujo, 2016). As a process, it involves such activities as planning, organising, co-ordinating, motivating, directing, communicating. The person who co-ordinate all these activities is called a manager. A manager, therefore, can be defined as a person who works through others to achieve organisational goals and or objectives. The foregoing definition according to Obisi (2014), highlights the basic fact that management is a comprehensive activity that cannot be carried out by a single individual. The primary objective of any management is to achieve desired goals and objectives. One way of doing that is through motivation of staff to enhance their performance.

When a staff is motivated through various motivational tools, such motivation translates into higher performance for the individual and does affect the overall organisational performance or productivity. Realising the importance of motivation as a tool of enhancing organisational performance, managers at various levels have devised various methods of implementing it. Today, some organisations pay their staff an extra month salary at the end of the year. That extra salary is what is referred to as the 13<sup>th</sup> Month. Some other organisations have also introduced what is known as long-service awards while some others have introduced monetary awards. All these are intended to shore-up workers' performance that will on the aggregate, enhance organisational performance, but to what extent do they relate to organisational performance? The answer to the above becomes the main focus of this paper.

### **Statement of Problem**

Motivation as a general concept can be examined in the context of its relationship with employees' job performance and organisational productivity and or performance. Most organisations spend huge sums of money attempting to encourage employees to perform better. Some adopt training techniques to enhance performance while others provide incentive to stimulate greater performance. However, despite all these efforts resulting into huge sums of money, staff performance remains low. Management remains worried, wondering if its numerous efforts are not enough to encourage greater performance from its staff. Previous studies seem not to have addressed this gap. This study was, therefore, motivated by the need to determine the relationship between staff motivation and organisational performance, which has in essence addressed the identified gap.

### **Research Hypotheses**

The following hypotheses were formulated to guide the study:

H<sub>01</sub>: There is no relationship between staff promotion and organisational performance.

H<sub>02</sub>: There is no relationship between staff training and organisational performance.

H<sub>03</sub>: Staff reward and fringe benefits do not enhance organisational performance.

### **Conceptual Review**

Motivation as a concept is an age-long phenomenon that has existed from time immemorial. The practice of motivation has also been carried out both in the traditional African society and the modern day Nigerian society. According to Anyasi (2016), there are oral evidence to show that traditional African leaders use motivation to enhance performance. For instance, rewards, gifts and even cash were offered to employees/workers to stimulate performance. However, modern day managers practise the use of motivation to enhance performance and to increase productivity.

Akinrele (2018, p. 48) defines motivation as “an inner driving force that leads to a goal directed behaviour.” The above definition further revealed that motivation is internalised and cannot be seen but can be felt. Besides, Omoile (2018) believes that motivation is an urge which cannot be controlled until a certain goal or objective is achieved. Since it is internalised, motivation is subject to certain variables which are external. For example, monetary rewards can play a major role in stimulating an individual to behave in a particular way. The above notwithstanding, the manager of an organisation has a major role to play in using motivation to stimulate greater performance among his staff. An employee can be motivated either internally or externally.

According to Muogbo (2013), employee performance is fundamentally dependent on many factors like performance appraisal, employee training, motivation, job security, organisational structure and job satisfaction among others. Motivation is about giving your staff the right mixture of guidance, direction, resources and rewards so that they are inspired and keen to work in the way that you want them to. Curvin (2014) opines that motivation is directly proportional to productivity. According to him, there are different forms of motivation and each influences behaviour in its own unique way; no single type of motivation is applicable to all individuals and that people's personality varies and so do their motivational desires. Staff motivation is an important core area that managers

have to focus their personnel policies on, as a way of stimulating increased organisational performance.

Staff promotion is a key function of management, which every personnel manager is expected to formulate policies geared towards its implementation. Promotion as a concept is one of the tools that a manager is supposed to use as a motivational technique. It gives the beneficiary who is a staff of the organisation a sense of belonging and a feeling of satisfaction that his/her efforts have been recognised. Promotion, according to Omoile (2018, p. 60) is “an upward movement along the hierarchy of authority, that goes with increased recognition and responsibility.” A staff of an organisation that is promoted goes with increased pay packet, increased status and enhanced public and social recognition. According to the civil service rules, an employee is to be promoted at the end of every third year of satisfactory service and subject to existing vacancy for that position. Management should, therefore, apply promotion as a way to reward hard working staff and by so doing, stimulating increased staff performance vis a vis increased organisational productivity. It must be stated here, however, that every organisation has its own policies that guide promotion of staff. For example, the Delta State Civil Service rule (2012) outlined the following as the guidelines to be followed in promoting any staff under the services of the state government:

- a. Three years residency on that particular position
- b. The employee must have completed three appraisal forms duly signed and certified by his/her Head of department or unit.
- c. No disciplinary action; for example, query, suspension or warning, has been taken against the staff in question within the period under review.
- d. Vacancy exists in the organisation for the position.
- e. The staff possesses the required educational and professional qualification for that position.
- f. Depending on the position of the staff, a pass of qualifying examination is required.

### **Theoretical Framework and Review of Empirical Studies**

The study is anchored on Frederick Winslow Taylor’s theory of motivation. This theory mainly proposes that workers are mainly motivated to work for pay. According to him, workers are interested in performing their duties for monetary benefits and that a worker will increase his performance if he has additional pay or increased monetary reward. This means that workers do not naturally enjoy work and so, need close supervision and control. It also implies that workers should be given adequate training and provided with tools that they can work with as efficiently as possible on any given task. Workers are then paid according to the number of items they produce in a set period of time (piece-rate pay).

Molokwu (2014) conducted a study on motivation and productivity in the workplace. The objective of the study was to find out if there is any relationship between motivation and organisational productivity. Findings from the study revealed that a great relationship exists between the two variables of motivation and productivity. The study

though constrained by small sample size, shows that the degree of relationship is positively significant. Also, Zameer & Omoile (2014) investigated the effect of motivation on employees' performance in the food and beverage industry in Nigeria. Results from the study revealed that if the food and beverage industry in Nigeria motivates employees by using such tools as payment of 13<sup>th</sup> month at the end of each year, job enrichment, promotion, training opportunities and other incentives, then employees' performance will automatically increase thus, leading to attainment of organisational goals.

Ude (2014) conducted research on incentive schemes, employee motivation and productivity in organisations in South-South region of Nigeria. The result of the study revealed that there is a link between incentive schemes and employee motivation and productivity. Incentive schemes if designed and implemented do motivate employees and increase organisational productivity. The study concludes that incentive schemes do have significant correlation with employee motivation and productivity in organisations operating in the South-South region of Nigeria. In a similar vein, Obisi (2016) conducted a study on the impact of employee motivation on organisational effectiveness. The purpose of the study was to identify the factors that affect employee motivation and examine the relationship between organisational effectiveness and employee motivation. The findings emanating from the study revealed that factors like empowerment and recognition among others, have positive effect on employee motivation.

### **Methodology**

The survey research design was adopted for this study. This method was chosen because it offered the researcher an opportunity to gather a large volume of data from different organisations, thereby providing a basis for generalisation of findings. The population used for this study consists of all the employees in the financial institutions; that is, Insurance Companies and Commercial Banks in Benin City, selected for this study which is 180 employees.

The sample size used for this study is 83. The Taro Yamane formula was used to obtain the sample size. The simple random sampling technique was used to select 20 respondent from the 4 insurance companies used for the study (i.e. 5 each) and 63 from the five commercial banks used (12 each) and three randomly selected from their zonal headquarters in Benin City. The data generated from the study were analysed, using the spearman rank order correlation coefficient and the ordinary least square. The Spearman rank order correlation coefficient was used because it helps to test the level of correlation between independent variables and dependent variables in order to come out with an objective conclusion from the study. The ordinary least square was used because it possesses certain essential qualities that make its findings unique.

### **Data Presentation/Analysis**

The data obtained from the various respondents were presented and organised into statistical tables as presented below.

**Table 1: Results of Correlation Tests Analysis**

		SP	ST	SR
SP	Spearman Correlation	1.000	.667	.528
	Significant (2-tail)	.000	.000	.000
	N	83	83	81
ST	Spearman Correlation	.667	1.00	.729
	Significant (2-tail)	.000	.000	.00
	N	83	83	81
SR	Spearman Correlation	.0536	.621	.544
	Significant (2-tail)	.000	.00	.000
	N	81	81	81

Source: Researcher's Field Survey 2020

Key

SP = Staff Promotion

ST = Staff Training

SR = Staff Reward

From the table above, it was observed that staff promotion (SP) is positively correlated with organisational performance (OP) ( $r=0.49$ ). It was also found to be significant at 5% (2-tail) significance level ( $P=0.007 < 0.05$ ). Staff training appears to correlate positively with organisational performance ( $r=0.558$ ) and statistically significant at 5% ( $P = 0.007 < 0.05$ ). GIFMIS Correlates positively with IPSAS ( $r=0.456$ ). It was statistically significant at 5%. Staff reward was found to be positively related with organisational performance as revealed from the positive coefficient value of 0.536. It was also found to be statistically significant when tested at 5% critical level. Staff reward was found to have positive relationship with organisational productivity as depicted by the positive coefficient value of 0.558. It was also found to be statistically significant at 5% critical level. However, correlation analysis does not necessarily imply a cause effect relationship between variables and hence, there is a need to conduct regression analysis.

**Table 2: Results of Regression Analysis**

Dependent Variable: Organisational Performance consistent- Standard. White heteroskedasticity – Errors & Covariance

Variable	Coefficient	Std error	T-statistics
SP	0.003556	0.138203	0.025727
ST	0.099503	0.127864	0.778195
SR	0.248908	0.122803	2.026882
SW	0.228512	0.090715	2.519015
C	1.387814	0.255926	5.422721
R-Square	0.39		
Adjusted R-Square	0.36		
F-Statistics	12.30		
Prob (F-Statistic)	0.00		
Durbin-Waston Statistics	1.89		

The coefficient of determination of the model depicted by  $R^2$  which stood at a value of 0.39 indicates that on the average, the model is able to account for 39% of the systematic variation exhibited by the dependent variable, while the remaining 61% unaccounted for, is being captured by the Stochastic error term. The low value of  $R$  is expected due to the nature of data used for the study, which is cross-sectional. It has, however, been pointed out in earlier literature, that most models that adopt the use of cross-sectional data, usually have a low fit due to the dispersed response by various respondents. The F-statistic which measures the overall significance of the model, stood at a value of 12.3 with an associate probability value of 0.00. This, therefore, implies that on the average, the model is jointly statistically significant when tested at 5% critical level. The Durbin Waston Statistic which measures the presence of auto-correlation in a model was found to have a value of 1.89 indicating, therefore, that the presence of spatial correlation does not exist in the model.

### **Discussion of Findings**

The finding revealed that there is a positive relationship between staff promotion and organisational performance. This tallies with the generally accepted opinion that when a staff is promoted, it enhances his/her performance which collectively increases organisational performance. According to Ogunlewe (2016), a motivated and well trained staff is an added asset to the organisation as h/she enhances overall growth and development of the establishment. The findings further revealed that staff training has positive relationship with organisational performance. This particular finding aligns with the views of Ngurukwem (2009) who notes that training is a route to enhanced and increased performance.

Findings also showed that reward and other fringe benefits are in direct proportion to increased organisational performance. This finding is reportedly true, considering earlier research findings that are in common practice today in modern day business organisations. In all, the findings appear to be in line with the views expressed by Fredrick Winslow Taylor in his theory of scientific management. The bottom line of the theory is that man will increase his performance when he is given more money just like a machine will work faster when additional petrol is poured.

### **Conclusion and Recommendations**

This researcher concludes that staff motivation boosts the morale of employees to perform better thereby, enhancing the overall performance of the firm. This has been proven through several studies emphasising that if the staff or employees of an organisation are given the right incentives, they will be fully committed to their responsibilities, and that will increase organisational performance leading to enhanced productivity. Arising from the findings of the study, the researcher recommends that organisations should embark on using some motivational tools to encourage staff with a view of enhancing their general performance. Besides, it is further recommended that there should be a regular review and evaluation of training and development needs of staff.

## References

- Akinerele, P. B. (2018). *Perspectives of public sector organisations*. Ibadan: Spectrum Publishers Limited.
- Anyasi, B. C. (2016). *Management in perspective*. Lagos: Centre Point Publishers Limited.
- Awujo, A. C. (2016). *Training and development concepts*. Benin City: Idodor-Umeh Publishers Limited.
- Curvin, G. (2014). *Motivation: Theories and concepts*. London: Oxford University Press.
- Delta State Civil Service. (2012). *Rules and procedures*. Asaba: State Publishing Company.
- Molokwu, A. N. (2014). *Personnel management*. Onitsha: Africana- Feb Publishers.
- Muogbo, B. A. (2013). Employee motivation and organisational productivity. *Nnewi International Journal of Management Development*, 2 (7), 137–140.
- Ngurukwem, E. C. (2009). Motivation, employee performance and organisations' productivity. *Journal of Business Administration*. Retrieved from <https://online.library.wiley.com/doi/full/10.1111jcc4.12001>.
- Obisi, C. A. (2014). *Personnel management in public enterprise*. Ibadan: Evans Publishers Limited.
- Obisi, C. O. (2016). *Public sector management*. Lagos: Evans Publishers Ltd.
- Ogunlewe, A. A. (2016). *Human resource management in perspective*. Onitsha: Centre Publishers Limited.
- Olannye, P. A. (2016). *Small and medium size organisations: Theory and Practice*. Benin – City: Ethiope Publishers Limited.
- Omoile, P. A. (2018). Human resource planning. *Journal of Business Administration*, 8 (4), 40-44.
- Ude, M. N. (2014). *Managing corporate organisations*. Benin City: Ethiope Ltd.
- Zameer, P. & Omoile, P. A. (2014). *Fundamentals of management*. Enugu: Oxford.