The Impact of Motivation on Organization’s Performance: Evidence from Staff of University of Abuja-Nigeria

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Abstract: This study investigates the impact of motivation on the performance of workers in an organization like University of Abuja-Nigeria. The study is based on three objectives mainly: to determine if staff training and development improve workers’ performance; to ascertain the impact of financial incentives on performance of the workers; and to investigate the impact of promotion workers on their performance. The study used descriptive statistics with the use of simple random sampling to apply the questionnaires. The questionnaires were applied to 250 respondents. The study used multiple regressions and found out that staff training and development, financial incentive and promotion of workers are positively and significantly related with performance of staff of the University. The study revealed that the level of incentives workers enjoy definitely will affect their performance on the job. The study therefore recommendations the following; the university management should improve and increase the numbers of staff trainings in other to improve their performance. Financial incentives for the staff of the university should be improved upon in other to increase their performance. Lastly, promotion of staff should be as at when due so as to encourage them to perform better.

Keywords: Motivation, Training, Financial Incentive, Promotion, Organization Performance.

I. INTRODUCTION

A state establishment such as the University of Abuja-Nigeria is an organization. It is made up of the governing council, academic and non-academic staff. As it is, the workers of the institution are the prime movers of the organization ensuring that equity and equality of opportunities in education are given to everyone that passes through the institution. The institution enhances education for all and lifelong learning, provide the entrenchment of global learning culture, provide instructional resources via an intensive use of information and communication technology, provide flexible but qualitative education and reduce the cost, inconveniences and stress of accessing good education and its delivery. And as such, the management of University of Abuja-Nigeria cannot afford to take the welfare of the staff with levity.

The strategic role being played by human beings in ensuring the effectiveness of any organization cannot be over emphasized. In the view of Davis and Scott (1969), organizational effectiveness with due considerations for the employees is a continuing task for all organizations, regardless of their type, cultural environment or size. Such effectiveness is desirable because people are human beings who merit dignity and consideration within that social system we call an organization. It is also desirable in order to help the organization achieve technical and economic efficiency which will serve general social needs. Such “dignity and consideration” refer to the interests, aspirations and needs of the employees as human beings.

It is widely held view that in order to elicit an ideal performance from the employees, the management team is to strive to maintain a delicate balance between the interest of employees and organization interest. To lay credence to this Filippo (1984) posits that to ensure motivation, there should be a coalescence of the employee interest and the interest of the organization. This is imperative towards making the behaviour of employees result in achievement of both employee interest and the organizational objectives. Hence organizations as social units, whose operational activities are carried out
by the employees, can only ensure its efficiency and effectiveness if there is an adequate consideration for the employees. Furthermore, the extent to which an organization can realize its predetermined objectives depends substantially on the ability of the leaders in satisfying and meeting the goals of the employees in the organizations.

It is a common phenomenon to hear the leaders and managers of organizations complain of low corporate goals and objectives and inefficiency. Apparently this is an unlikely setting under normal situation but bound to crop up if the human factor (the workers) of the organization is not managed and motivated well. Hence motivating the workers towards ensuring the maximum cooperation from them cannot be over emphasized.

An organization can only perform if the workers as the vital subsystem of the entity are motivated and managed appropriately. This can only be ensured if the workers interests are incorporated into the goals of the institution. As it is the Nigeria environment is inundated with complaints that the workers in organizations are not being treated well by the management team. In other words, the management team in most organizations in the country has been treating the interest and welfare of their workers with utter levity. This is particularly evident in the public service Nigeria.

It is on this background that this study seeks to investigate the impact of motivation on the performance of workers in an organization like University of Abuja-Nigeria. To this end, this paper will provide answers to the following questions:

i. Does staff training and development improve the performance of the workers of University of Abuja-Nigeria?

ii. Do financial incentives improve the performance of the workers of University of Abuja-Nigeria?

iii. Does promotion of workers affect the performance of the workers of University of Abuja-Nigeria?

II. LITERATURE REVIEW

Flippo (1984) describes motivation as a skill in aligning employee and organizational interest; such that behaviour results in achievement of employee want simultaneously with attainment of organizational objectives. In essence, Flippo believes that to ensure motivation in the work place, the managers should have the skill in aligning the interest of both the employees and the employers.

Robertson et al (1994) posit that motivation is a Psychological concept related to the strength and direction of human behaviour. For example, problems such as why two people with the same ability produce different levels of performance, or why someone works hard at one task but shirks another, may be explained in terms of motivation. This view on motivation tries to relate motivation to performance as they relate to the workings of the human minds, the forerunner of human behaviour.

In the opinion of Armstrong (1977), the process of motivation is normally initiated by the conscious and unconscious recognition of an unsatisfied need. A goal is then established which, it is thought, will satisfy that need and a course of action is determined that will lead towards the attainment of the goal. Hence the process of motivation is fundamentally about providing people with the inducement with which to achieve their goals. Motivation therefore affects the behaviour and attitudes of the workers.

To lay credence to Flippo’s view, Megginson et al (1989) posit that motivation is inducing a person or a group of people, each with his or her own distinctive needs and personality, to work to achieve the organization’s objectives, while also working to achieve his or her own objectives. Megginson et al (1989) further explain that motivation has three dimensions such as incentive, motive and goal. In their view an incentive is an external stimulus that induces one to attempt to do something or to strive to achieve something. A motive is an internal stimulus that directs conscious behaviour towards satisfying a need or reaching a goal. A goal is the end toward which motivated behaviour is directed.

Motivation, in essence, can be viewed as a general term, which applies to the entire class of drives, desires, wishes, and similar forces. This is in line with the fact that a motive “is an inner state or moves hence ‘motivation’, and that directs or channels behaviour towards goals.” Bereleson and Steiner (1964). To motivate, therefore, means that certain things are done with the hope that they will satisfy these dives and desires and consequently induce a person to act in a desired manner.

Essentially, motivators of various and right kinds are very imperative in motivation. Motivators are termed as those things, which induce an individual to perform. While motivation reflects wants, it is the perceived reward (or incentive) that sharpens the drive to satisfy such wants. It is also the means by which conflicting needs may be reconciled; one need
being accentuated for priority over another. Since motivators are things that influence an individual’s behaviour – making a difference in what a person does – managers are normally concerned with motivations and also incentives in the use of motivators. To ensure efficiency and success, enough of the individual employee’s drives are normally stimulated and satisfied through motivation. Koontz et al (1980).

Furthermore, some writers had theorized that motivation is a need – satisfying process. According to Robbins (1989), motivation process starts from a certain unsatisfied need, which represents the internal state that makes certain outcomes appear desirable or attractive. This need creates some tension that stimulates drives within an individual. Such drives give rise to search behaviour at finding particular goals that, when attained, will satisfy the need and subsequently lead to the reduction of tension. But what is important in the effort exerted by the individual (the worker) towards satisfying the need is the type of effort, which is directed toward and consistent with, the goals of the organization. Such effort is bound to benefit the organization Katerberg and Blau (1983).

According to Koontz et al (1980), motivation involves a chain reaction. Such chain starts with felt needs, giving rise to wants or goals sought, which results into tensions (that is unfulfilled desires), then causing action toward achieving goals, and finally satisfying wants. This means that motivation does originate from within the innermost recesses of the individual’s mind. Nevertheless, the needs of individuals are not entirely independent of a person’s environment. And satisfying a certain need may give rise to a desire to satisfy some other needs. This, in view of the fact that needs may be contingent on certain behaviour. In reality, as held by Ardrey (1966), it has been found that needs are not always the cause of human behavior, but a result of it.

As viewed by Steers and Porter (1979), motivation is a cyclical process affecting the inner needs or drives that energize, channel, and maintain behaviour. The process starts with inner drives and needs that motivate the individual to work toward some goal, as chosen by the individual with the conviction that such goals will satisfy the inner drives and needs. Upon the attainment of the chosen goals, the individual evaluates (consciously or unconsciously) the outcome of the effort exerted. Reinforcement sets in when the individual perceives the effort as rewarding. And this affects other needs and drives as the process is repeated. This explains the cyclical nature of motivation.

Financial incentive is monetary incentive that motivates an individual to perform an action. The study of incentive structures is central to the study of all economic activities (both in terms of individual decision-making and in terms of cooperation and competition within a larger institutional structure). Economic analysis, then, of the differences between societies (and between different organizations within a society) largely amounts to characterizing the differences in incentive structures faced by individuals involved in these collective efforts. Ultimately, incentives aim to provide value for money and contribute to organizational success (Armstrong, 2015).

Pergamit and Veum (1995) definite promotions are simply an upgrade of the current position. Promotions may be used by firms to motivate workers, particularly in companies where direct supervision of workers is difficult. A promotion may also be a reward that results in advancement within the firm, but also involves greater responsibility.

Javed (2014) examines the impact of training and development on employee performance in context of supermarket industry of Karachi, Pakistan. The research is based on a questionnaire where 100 respondents are taken as sample size. Each variable Employee performance (Dependent variable) and Training and development (Independent Variable) comprises of 10 questions. The data was tested on SPSS 17.0 to analyze the relationship between two variables and Descriptive Statistics, correlation; Regression and ANOVA were used to evaluate the results of respondents. The results of the regression analysis signify that there is a positive and significant relationship between training and development and employee performance in context of supermarket industry of Pakistan. The study emphasizes on a transparent process for employee performance evaluation.

Saleem (2011) investigated the impact of financial incentives and rewards on employee’s performance. A total of 100 employees from the Private Sector Banks, Public Sector Banks, Islamic Banks and Microfinance Banks at Bahawalpur that includes 71 male and 29 female. Random sampling was used as a sampling design and questionnaire in Likert form was used to gather data from the participants. Linear regression was used to investigate the relationship between financial incentives and employee’s commitment. Results however revealed positive and significant association between financial incentives and employee commitment and increase in financial incentives such as promotion and bonuses enhanced employee commitment which increases the employee’s performance and reduces turnover and employees can only be loyal when their wants and desires are satisfied.
Gibbs (1993) studied properties of promotion-based incentive schemes. Two general promotion rules, tournaments and standards, are compared. These differ in many ways, but are shown to have virtually identical empirical predictions about the structure of compensation in hierarchies. A relatively general characterization of multi-person tournaments is presented. Several empirically testable hypotheses are developed, especially on the relationship between the promotion probability and optimal rewards from promotion. The result found out that promotion-based incentives increase employees’ performance.

According to Jun et al (2006) rewards and recognition are essential factors in enhancing employee job satisfaction and work motivation which is directly associated to organizational achievement. Kalimullah Khan conducted a study in which he examined the relationship between rewards and employee motivation in commercial banks of Pakistan. The study focused on four types of rewards of which one was recognition which he tested through Pearson correlation. The results showed that recognition correlates significantly (0.65) with employee work motivation (Kalimullah et al, 2010).

An empirical study was conducted in Pakistan to measure the impact of reward and recognition on job satisfaction and motivation. 220 questionnaires were distributed and filled by employees of different sectors. The results showed that there exists a significant (r=0.13, p<0.05) relationship between recognition and employee work motivation (Rukhmani et al, 2010).

A study was conducted in Pakistan to examine the job satisfaction among bank employees in Punjab. A structured questionnaire survey was used and data was gathered from 4 bank’s employees. The value of correlation coefficient for recognition was 0.251 which shows that its relationship with job satisfaction is positive. Job satisfaction is directly associated with internal work motivation of employees that enhances as the satisfaction of employees increases (Salman et al, 2010).

Bhatti and Haider (2014) investigate the influence of employee motivation on performance. They used questionnaire filled from the employees working in two selected service based organizations. Once the data was collected regression analysis was performed along with that, Cronbach’s alpha test was also performed to test the reliability of the constructs. The constructs in this study were statistically significant, except empowerment. The study also found a positive relation between motivation and performance indicating that the higher the motivation the higher the performance. Thus, concluding that there were ample evidences that autonomy, recognition have significant influence on motivation, which eventually impact on performance of the employees of investigated service organizations based in Karachi, Pakistan. The study recommends that organizations should formulate and implement the kind of policies that ensures the autonomy and due recognition of the employees from time to time, which in turn could help organization to motivate their employees, so that the organization performance can be fuelled.

Muogbo (2013) investigates the Impact of Employee Motivation on organisational performance of selected manufacturing firms in Anambra State. 103 respondents selected from 17 manufacturing firms across the three senatorial zones of Anambra State. The population of the study was 120 workers of selected manufacturing firms in Anambra State. The study used descriptive statistics to answer three research questions posed for the study. The Spearman Rank Correlation Coefficient was used to test the three hypotheses that guided the study. The result obtained from the analysis showed that there existed relationship between employee motivation and the performance of workers. The study reveals that extrinsic motivation given to workers in an organization has a significant influence on the workers performance. This is in line with equity theory which emphasizes that fairness in the remuneration package tends to produce higher performance from workers. The researcher recommends that all firms should adopt extrinsic rewards in their various firms to increase productivity.

Ekit (2014) studied the relationship between motivation on the performance of employees in organizations like Bishop Stuart University. It was based on three objectives namely; to find out how organizations motivate their employees, to find out the role of motivation on the employee performance in an organization and to find relationship between motivation and employee performance in an organization or institution. The study used employed an exploratory case study design using both qualitative and quantitative tools. It also used Simple Random Sampling during the process of data collection from the study respondents that was totaling to 50 people. This was evidenced by the chi square calculated ($X^2$) that was 46.08 while chi square tabulated ($X^2$) was 3.84 at 1 degree of freedom from 5% level of significance that made the findings statistically significant. The study recommends that government involvement should take part in recommending the provision of motivational needs through adjusting in the labour laws, that there should a greater balance between employees’ needs and organizational needs.
III. METHODOLOGY

Theoretical Framework:

In the opinion of Megginson et al (1989), it is difficult to condense and compare the prevailing theories of motivation since they are based on different assumptions and often focus on different aspects of performance. The theories, for the purpose of this study and proper perspective, can be classified into three categories such as content theories, process theories and prescriptive theories.

The study employed primary source of that collection using questionnaire. Questionnaires were used to get information from some selected employees of University of Abuja-Nigeria. The relevance of this was that the questionnaires were convenient and less time consuming. The questionnaire was piloted as recommended by Saunders et al (2003) who writes that, piloting helps ensure validity and reliability and also said that piloting helps to refine the questionnaire so that respondents will have no problem in answering the questions and there would be no problems in recording the data.

Model Specification:

Model which specifies that performance of workers (PW) is significantly influenced by the employee’s commitment indices (Training and Development, Financial Incentives and Promotion) is formulated as follows,

\[ PW = f(TD, FI, PM) \]

\[ PW = \beta_0 + \beta_1 TD + \beta_2 FI + \beta_3 PM + U \]

Where:

The a priori expectation is \( \beta_1, \beta_2, \beta_3 > 0 \)

\( PW = \) Performance of Workers

\( TD = \) Training and Development

\( FI = \) Financial Incentives

\( PM = \) Promotion

\( U = \) Error Term

\( \beta_0 = \) Intercept

\( \beta_1 - \beta_3 = \) Coefficient of the Independent Variables.

Note, all variables are in their natural logarithm form.

In investigate the predictive ability of our predictor variables on the criterion variable; we employed the multiple regression analysis. The analysis was guided by the simple definitional model specified above.

<table>
<thead>
<tr>
<th>Variables /Description</th>
<th>Beta</th>
<th>Coefficients</th>
<th>T – Value</th>
<th>P – Value</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development</td>
<td>0.303</td>
<td>0.301</td>
<td>5.083</td>
<td>0.000</td>
<td>127.42</td>
</tr>
<tr>
<td>Financial incentives</td>
<td>0.283</td>
<td>0.306</td>
<td>4.029</td>
<td>0.001</td>
<td></td>
</tr>
<tr>
<td>Promotion of workers</td>
<td>0.327</td>
<td>0.360</td>
<td>4.057</td>
<td>0.002</td>
<td></td>
</tr>
</tbody>
</table>

\[ R = 0.818 \]

\[ R^2 = 0.669 \]

\[ \text{Adjusted } R^2 = 0.664 \]

\[ F – Value = 127.42 \]

\[ P – Value (Probability of F - Statistics) = 0.000 \]

\[ \text{Variance Inflation Factor (VIF)} = 3.702 \]

\[ \text{Cronbach Alpha Value} = 0.784 \]

\[ \text{Durbin-Watson} = 0.773 \]

Source: Author’s Computation
From Table 1, there is no evidence of multicollinearity among the independent variables used for this study because the highest Variance Inflation Factor (VIF) is 3.7. A VIF within the range of 1 to 10 indicates no evidence of multicollinearity. The Durbin Watson statistic of 0.77 indicates the absence of autocorrelation as the standard requirement is within 1.5 to 2.5. R is the correlation coefficient measuring the strength and direction of the linear relationship. The R value is 0.818 which implies a strong positive linear relationship.

The $R^2$ value is the coefficient of determination (expressed as a percentage) and shows variability in dependent variable explained by the variability in independent variables. The $R^2$ value of 0.669 implies that 66.9% of the variations in the dependent variable (performance of workers) are explained by the variations in independent variables (Training and development, financial incentives and Promotion). Therefore, the findings reveal that the independent variables appear to be strong variables for predicting performance of workers in the study area. The Adjusted $R^2$ is used to estimate the expected shrinkage in $R^2$, in this case is 0.664 which is very close to $R^2$ value of 0.669. This shows that there is minimal shrinkage.

In this analysis, the model is significant since the F value of 127.42 is large and the P-value of 0.01 is less than 0.05 significance level of this study. Therefore, the researcher rejected all the three null hypotheses while the alternate hypotheses were accepted.

The coefficients of training and development, financial incentives and promotion of workers are 0.301, 0.306 and 0.360 respectively. They are all positive, meaning that as the magnitudes of the independent variables increases, the magnitude of the dependent variable (performance of workers) also increases.

The result also shows the unique contribution of each component of staff development in explaining the variance of performance of workers. The beta values in Table 1 above assess the contribution of each independent variable towards the prediction of dependent variable, since these values have been converted in the same scale to enable comparison. Promotion of workers, having the biggest beta of 0.327 has the largest effect in explaining the variance of organizational performance. The second most important variable was training and development with a beta of 0.303. The least important predictor of these three independent variables is financial incentives with a beta of 0.283.

The t-test statistics shows that all the beta coefficients of training and development, financial incentives and Promotion of workers are significant since their respective P-value is 0.01 each which is less than 0.05, significance level. Based on this, therefore, all the three null hypotheses were rejected while the alternate hypotheses were accepted.

**Discussion of Findings:**

The result shows that there is a significant relationship between staff development and Performance of Workers. The overall result also shows that staff development has significant effect on Performance of Workers.

The following findings were made or identified on the questions asked on the case study.

The result shows that there is a positive significant relationship between training and development and Performance of Workers. This is in line with the findings of Javed (2014) that empirically studied impact of training and development on employee performance and found a positive correlation between training and development and Performance of Workers.

The result confirms that there is a positive significant relationship between financial incentives and Performance of Workers. This is in agreement with the findings of Saleem (2011) financial incentives such as promotion and bonuses enhanced employee commitment which increases the employee’s performance.

There is also a positive significant relationship between promotion of workers and performance of workers from the results. This confirms the findings of Gibbs (1993) who concluded that Promotion of workers have a significant positive impact on Performance of Workers.

**IV. CONCLUSION AND RECOMMENDATIONS**

Organization generally are association of human beings working co-operatively towards common objective under authorities and leadership organization are designed and organized at a particular point in time to pursue goals and objectives of the organization.
On the basis of this formal goals with which organizations are registered with the society where they are located legitimate their functional activities. This is because, if an organization achieves its goals, it becomes functional performance for the society where it is located. The role of personnel managers in an organization is to organize or perform activities that will help an organization perform all kinds of staff development programme in the organization so the importance of personnel management to an organization is to form training and development activities that will help them acquire their diverse human resources skills.

The study found that there is relatively and significant relationship between training and development and performance of workers. There is also significant relationship between financial incentives and performance of workers. Lastly, there is significant relationship between promotion of workers and development and performance of workers.

Based on the findings, the following recommendations were made:

The university management should improve and increase the numbers of trainings for the staff so as to improve Performance of Workers. The university management should establish cohesive financial incentives for the staff of the university so as improve their performance. The university management should ensure that all staff of various grade level are promoted as at when due in others to motivate them to perform better.

REFERENCES


