

Non-Monetary Motivational Parameters and Organisational Performance

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ABSTRACT

The broad objective of the study is to examine the dynamics of non-monetary motivational parameters and organizational performance. The study population consists of the one hundred fifty-five (155) employees of First Bank Plc, a money deposit bank operating in Egor Local Government Area of Edo State of Nigeria as at December 2018 from which a comprehensive survey data set of 111 respondents was scientifically selected. The Ordinary Least Square Regression procedure is the technique of data analysis. The result shows a significant relationship between working condition, level of supervision and organizational performance while a significant relationship between promotion, career advancement, and organizational performance. The findings suggest that corporate managers build a sound motivational scheme to enhance organizational performance positively in Nigeria. This study contributes to a small but growing body of knowledge on motivation and organizational performance by advancing a developing country perspective.

Key words: Career advancement, level of supervision, organizational performance, promotion and working condition.

1 INTRODUCTION

Motivation is one of the policies of management employ to increase efficiency and productivity amongst employees in organizations (Rukhmani, Ramesh & Jayakrishman, 2010: 365). Motivation is responsible for driving individuals and work ethics while performing their jobs and support is providing employees with the right tools and resources to perform their job. [1], “are of the view that individual employees must be motivated for them to make efficient use of the available resources”. Motivation is one of the policies of management employ to increase efficiency and performance amongst employees in organizations (Rukhmani, Ramesh & Jayakrishman, 2010). Motivation in an organization is a means of encouraging the employee with financial and non-financial rewards for the purpose of achieving the organizational goals [2]. Motivation gives the employee the ability to collectively participate in the performance and development of the corporate organization for the purpose to gain optimum productivity (Yusaf, Munawar & Naheed, 2012 cited in [2]). Motivation is responsible for driving individuals and work ethics while performing their jobs and support is providing employees with the right tools and resources to perform their job. The motivational programme creates conditions that encouragement for the workers to satisfy

their desire in the work environment while at the same time accomplishing the organizational goals [3]. Therefore, “lack of motivation for employees will lead to non-commitment in their job, avoid the workplace as much as possible and produce low quality work,” [1]. [4], “opine that there is a need for strong and effective motivation at various levels of governments and corporate organizations for better organizational performance”. Does non-monetary motivational factors employed in the Nigerian industry? This is where this study bridged the gap in knowledge by examining the relationship between non-monetary motivational parameters and organizational using First Bank of Nigeria as a case study in Egor LGA of Edo State of Nigeria.

2 LITERATURE REVIEW AND HYPOTHESES FORMULATION

2.1 Organizational Performance

[5], “defines organizational performance of organizations is as the individual level involves ability, motivation, and support; where ability refers to the skills and talent of the employee to effectively do their jobs”. According to [6], “or-

organizational performance is usually seen as a medium of assessing, observing, monitoring, reporting and evaluating organizational performance". Organizational performance is a measure of how the organization functioning in meeting the goals and objective which is an indication of efficiency and competition," [7]. Meanwhile, "organizational performance is also viewed as the measure of how a manager utilizes the resources of the organization efficiently and effectively to accomplish the goals of the organization as well as satisfying all the stakeholders," (Richard, Devinney, George & Johnson, 2009: 250). For the purpose of this study qualitative research instrument (questionnaire) was employed in the measurement of organizational performance.

2.2 Promotion

Promotion might be one way of using this principle to increase the desired goal which is productivity. More importantly, "promotion is an assignment of a position of great responsibility or increased authority to an employee" (Shoraj & Shyqyri Llaci, 2015:1). With promotion often comes an additional incentive that may reinforce your motivation to succeed and improve productivity, such as pay raises, more responsibility and increased autonomy" (Gabriel & Nwaeke, 2015:228). Against the above backdrop, the first hypothesis for this study is thus:

2.2.1 Hypothesis 1: There is no significant relationship between promotion and organizational performance.

Working Condition

[8], "are of the view that good working condition created in an establishment has a significant consequences in terms of employees' perceptions of the work context purportedly influenced the extent to which people were satisfied and perform up to their potential, which in turn, was predicted to influence job performance". Motivation is responsible for driving individuals and work ethics while performing their jobs and support is providing employees with the right tools and resources to perform their job. [9] are of the opinion that organizational behaviour is the basis for learning about the behavior of individuals in respect to the working conditions, groups and organizations both through the understanding of work-related behavior, interpersonal processes in the dynamics of the organization to achieve job performance. Against this backdrop, our second hypothesis is thus:

2.2.2 Hypothesis 2: There is no significant relationship between the working condition and organizational performance.

Career Advancement

Career development is based on personal and organizational context (Agba, Festus & Ushie, 2010). [10], "see career advancement as a sequence of positions occupied by a person during the course of a lifetime". That shows that

any job undertaken by an individual either paid or unpaid, pursued over a period of time can constitute a career. [11], "add that career advancement hinge on helping individuals to identify their major career goals". Therefore, "career advancement raises the status of the worker who gets an advancement which is an unmistakable indication of regard from the business [12]. [13], "asserts that a positive career development program helps corporate organizations to attract and retain the best people by recognizing and responding to the needs of individual employees, they will get the best of them. Effective career development program helps develop the economy and also benefits individuals, employers, and society at large. In this regard, our third hypothesis is thus:

2.2.3 Hypothesis 3: There is no significant relationship between career advancement and organizational performance.

Level of Supervision

Supervision is a way of stimulating, guiding, improving, refreshing and encouraging and overseeing a certain group of people in a workplace with the hope of seeking their cooperation in order for the supervisors to be successful in their task of supervision," (Ogunsaju, 1983:12). However, "supervision is essentially the practice of monitoring the performance of staff, noting the merit and demerits and using befitting and amicable techniques to ameliorate the flaws while still improving on the merits in order to achieve the organizational goals," (Malik, Muhammad, Qaisara & Muhammad, 2011:28). However, "level of supervision is a control mechanism used in the coordination of the activities of individuals and groups to meet a specific goal," (Apen- teng, 2012:1). "The level of supervision in place in an organization is an element of administrative process, which is concerned with the effort to guide the day to day activities of the workgroup by stimulating, directing and coordinating the workers and their efforts cultivating good working personal relationship in the development of the organization and meeting the target goals, (Ukeje, 1992:17). Against this backdrop, our fourth hypothesis is thus:

2.2.4 Hypothesis 4: There is no significant relationship between the level of supervision and organizational performance.

3 EMPIRICAL REVIEW

Agba, Festus, and Ushie (2010:33), "examined the relationship between career development and employee commitment in industrial organizations in Calabar, Nigeria". "This study conducted a survey with the administration of questionnaires to the representatives of Niger Mills PLC, Calabar and Cross River Newspaper Corporation which were randomly selected for the data analysis". The results showed that career advancement, career counseling, and career opportunities has a significant influence on staff commitment and staff productivity. This means that the prospect of

career advancement in a workplace would significantly increase the level of commitment of the staff with improve performance. Rezende and Wu (2014:17), “examined the effects of supervision on bank performance and the result from the regression discontinuity approach showed that level of supervision has an impact on organizational development and bank performance”. This means that banks with frequently mandated supervisions are associated with increased profitability. Ukaejiofo (2013) cited in [14], “conducted a study on the impact of motivation with respect to the good environment on organizational performance in Cyprus”. “The study employed a total of 134 members of staff workforce of credit West bank, ‘the result from the ordinary least regression revealed that a significant positive relationship exists between good motivational procedure in a planned working condition and job performance with the attainment of organizational goal”. [15], “studied the effects of career progression, work motivation and leadership styles on job satisfaction of library personnel in the Federal Civil Service of Nigeria”. “The study made use of total enumeration technique and questionnaire to collect data from 450 library personnel in the Federal Civil Service in Nigeria and showed that there were significant relationships between career progression, work motivation, leadership styles and job satisfaction that lead to employee performance”. Jayarethene (2014) cited in [14], “examined the relationship between good working condition motivation and organizational performance”. “The empirical results showed that good working environment has positive relationships with organizational performance”. This, in other words, means that the presence of good working condition created in an establishment significantly lead to an increase in the performance of the employees. Gabriel and Nwaeke (2015:227), “examined the relationship between non-financial incentives and job satisfaction among hotel workers in Port Harcourt”. “The adopted a survey research design by the administration of questionnaires and employed Spearman’s rank order correlations coefficient to the formulated hypotheses for the study”. The empirical findings showed that promotion had a significant relationship with job satisfaction as well as organizational development. This, therefore, implies that the promotion of workers in an organization would significantly enhance the development of the employees. [16], “carried out an empirical study on employee motivation and organizational performance in Mogadishu Secondary Schools in Somalia”. ”They made use primary sources of data through the administration of structured questionnaires to 12 secondary schools for the empirical analysis and the empirical evidence revealed that good working environment had a significant positive relationship with organizational performance”. This, therefore, means that a good working condition created by management significantly lead to increase organizational performance.

4 METHODOLOGY

4.1 Analytical Framework and Model Specification

The framework for the analysis of motivation and organizational performance is premised on the Vroom (1964) theory of expectancy. Researches based on the theory of expectancy tend to relate motivation with organizational performance even though this research path is relatively sparse (Vroom, 1964). The theory stresses that the level of performance depends upon the perceived expectation regarding effort expending in achieving the desired outcome. “An employee who desires promotion will only achieve high performance if their behaviour will lead to a promotion or else he/she will not exert effort,” (Vroom, 1964:26). More importantly, management and government must make sure that the working environment and the work itself is stimulating and rewarding so that the employees are motivated to work and perform harder and better in the pursuance of the organizational goals and objectives. It is therefore expected that non-monetary motivational parameters enhance organizational performance.

$$\text{Hence, Organisational Performance} = f(\text{Motivation}) \text{ ————— (i)}$$

In this regard, it is expected that we have a general functional equation of the form: Organisational Performance = f (promotion, working condition, career advancement and level of supervision) ————— (ii)

In econometric form, and considering the ordinary least square approach, equation (iii) is transformed as:

$$\text{ORPi} = \beta_0 + \beta_1\text{PRMi} + \beta_2\text{WKC}_i + \beta_3\text{CADVi} + \beta_4\text{LSPVi} + \text{Ui} \text{ ————— (iii)}$$

ORP= Organisational Performance, PRM = promotion, WKC= working condition, CADV= career advancement, LSPV = level of supervision. i = 1, 2, . . . ,4; U = Error term

Apriori expectation; from theory and extant empirical literature, it is presumptively expected that motivational parameters will impact positively on the organization. Hence, we expect B₁, B₂, . . . , B₄ > 0.

4.2 Measurement of Variables

Organizational performance = the dependent variable of organizational performance normally measured by ROA, ROE, ROCE will be measured by a survey research instrument (i.e questionnaire drawn upon ordinal scale).

Motivational variables of promotion, working condition, career advancement and level of supervision will be measured by a survey research instrument (i.e questionnaire drawn up on 5-point Likert scale).

5 DATA SOURCE AND ESTIMATION TECHNIQUE

The population of the study is the one hundred fifty-five (155) employees of First Bank Plc, a money deposit bank

operating in Egor Local Government Area of Edo State of Nigeria as at December 2018. A sample of one hundred and eleven (111) was scientifically selected using the Yammane (1967) approach. The Ordinary Least Square Regression technique is employed as the estimation technique. The choice of the approach is premised on the fact that it observes the behaviour of the employees within the industry.

6 ESTIMATION RESULTS AND DISCUSSION

In verifying the internal consistency of the instruments, the result of the Cronbach Alpha test revealed that organizational performance has a Cronbach Alpha value of 0.923, promotion has a Cronbach Alpha value of 0.888, working condition has a Cronbach Alpha value of 0.759, career advancement has a Cronbach Alpha value of 0.816 and level of supervision has a Cronbach Alpha value of 0.792. This implies that the Cronbach's Alpha for all the variables is more than 0.70. The variables were considered to be good for internal alpha which is between 0 and 1. This means scales in this reliability analysis were well-established and the result was acceptable for further empirical analyses.

Researcher's Computation (2019)

The ordinary least square regression result reported R-squared value of (0.149767) and adjusted the R-squared value of (0.117683). The value of the adjusted the R-squared means 12% of the variation in the dependent variable of organizational performance is explained by the independent variables of promotion, working condition career advancement and level of supervision. The F-statistic of (4.667944) and the associated probability of (0.0001647) are statistically significant and indicate the presence of a linear relationship between the dependent and the independent variables. The Durbin-Watson result revealed the presence of autocorrelation given the Durbin-Watson statistic of (2.003343). The results of the variance inflation factor reported the value of 1.475 is relatively small values that are well below the benchmark of 10 points. This is a further confirmation of the absence of the problem of multicollinearity among the regression explanatory variables (see appendix).

On the basis of individual significance, the t- statistic value of (-0.77) and p-value (0.43) of the promotion (PRM) indicates the presence of an insignificant negative relationship between the dependent variable of organizational performance (ORP). The insignificant negative relationship implies that the variable has a p-value > 0.05 . The result is inconsistent with the position of Gabriel and Nwaeke (2015) who conclude that promotion had a significant relationship with organizational performance. The result also reveals that variable of working condition (WKC) has a t-value of (-3.69) and a p-value of (0.00) which indicates that variable has a significant negative relationship between with the dependent variable of organizational performance (ORP). This implies that the variable has a negative implication on organizational performance and was statistically significant at 1%. The significant negative relationship implies that the variable has a p-value < 0.05 . The result is consistent

with the position of Jayarethene (2014) cited in [14] who found that positive relationships between the working environment and organizational performance. The result supports the views of [16] that working condition had a significant positive relationship with organizational performance. Also, career advancement (CADV) has a t- statistic value of (1.63) and p-value (0.10) which reveals an insignificant positive relationship between the variable and dependent variable of organizational performance (ORP). The insignificant positive relationship implies that the variable has a p-value > 0.05 . The result is inconsistent with the result of [15] who found that career progression has a significant relationship between organizational performance. Expectedly, level of supervision (LSPV) has a t-value of (3.21) and a p-value of (0.00) which indicates that variable has a significant positive relationship between the variable and the dependent variable of organizational performance (ORP). This implies that the variable has a positive implication on organizational performance and was statistically significant at 1%. The significant positive relationship means that the variable has a p-value < 0.05 . The result is consistent with the position of Rezende and Wu (2014) who found that the level of supervision has an impact on organizational performance.

7 CONCLUSION

The broad objective of the study is to examine the dynamics of non-monetary motivational parameters and organizational performance. Beyond the empirical consideration of non-monetary motivational observable parameters, there is evidence that interest in the observable non-monetary parameters of motivation is on the rise. The high level of supervision in place positively brings about improved organizational performance. However, the poor working condition witnessed normally lead to poor organizational performance. It is therefore imperative for corporate managers to build a sound motivational scheme to enhance organizational performance positively. While this contribution offers an excellent starting point for this line of research in the business and management academic community to a more rigorous scholarly contribution.

Table 1. Ordinary Least Square Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.351328	0.797252	6.712216	0.0000
PRM	-0.038762	0.049729	-0.779466	0.4374
WKC	-0.858961	0.232306	-3.697541	0.0003
CADV	0.062122	0.037917	1.638350	0.1043
LSPV	0.478536	0.148890	3.214034	0.0017
R-squared	0.149767	Mean dependent var		3.902703
Adjusted R-squared	0.117683	S.D. dependent var		0.423719
S.E. of regression	0.398007	Akaike info criterion		1.039304
Sum squared resid	16.79140	Schwarz criterion		1.161355
Log-likelihood	-52.68137	Hannan-Quinn criter.		1.088816
F-statistic	4.667944	Durbin-Watson stat		2.003343
Prob(F-statistic)	0.001647			

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APPENDIX: RESULTS

Dependent Variable: ORP
 Method: Least Squares Date:
 03/04/19 Time: 14:20
 Sample: 1 111
 Included observations: 111

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.351328	0.797252	6.712216	0.0000
PRM	-0.038762	0.049729	-0.779466	0.4374
WKC	-0.858961	0.232306	-3.697541	0.0003
CADV	0.062122	0.037917	1.638350	0.1043
LSPV	0.478536	0.148890	3.214034	0.0017
R-squared	0.149767	Mean dependent var	3.902703	
Adjusted R-squared	0.117683	S.D. dependent var	0.423719	
S.E. of regression	0.398007	Akaike info criterion	1.039304	
Sum squared resid	16.79140	Schwarz criterion	1.161355	
Log-likelihood	-52.68137	Hannan-Quinn criter.	1.088816	
F-statistic	4.667944	Durbin-Watson stat	2.003343	
Prob(F-statistic)	0.001647			

Variance Inflation Factors
 Date: 03/04/19 Time: 14:22
 Sample: 1 111
 Included observations: 111

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.635611	445.3825	NA
PRM	0.002473	12.62546	1.480802
WKC	0.053966	590.9210	1.452853
CADV	0.001438	18.73060	1.012751
LSPV	0.022168	217.0039	1.960466