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Employees Motivation/Incentives and Organizational Performance in Paint Manufacturing Firms in Rivers State, Nigeria

By

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Abstract

The study tried to find out how well motivation/incentive practices have been applied in paint manufacturing firms in Rivers State, Nigeria as a means of determining whether the performance of these firms have positively been influenced by the practices. Relevant literature was reviewed to back up the study. A cross sectional survey design sampled the entire 312 staff of the 14 listed paint companies in Rivers State. Questionnaire validated by management experts was used to collect data and analysis made using five-point rating scale and Pearson Product Moment Correlation via SPSS 0.15. Major findings include: motivation/incentive practices of paint companies were not effective; motivation/incentive practices of firms were inadequate to engender significant impact on workers' overall performance. Recommendations: in the face of operational difficulties, paint companies should use other cheaper means of motivating their workers and giving incentives as these are vital to organizational high performance; managers should try to match workers' reward to performance.

Keyword(s): Motivation, incentives, extra effort, reward, innovativeness, productivity, effectiveness, organizational performance.

There are many reasons why a person may choose to work for another or an organization in return for salary. The general view however is that the person who works for an individual or an organization wants to, through the employment, earn a living. But there are people who enter into employment simply to overcome boredom resulting from sitting down in the house doing nothing. They may be people of very rich parentage and whose weekly allowances or pocket money from the family are far more than the monthly salaries they are paid in the employment. There are also people who may decide to work in an organization in order to have the opportunity of meeting some personalities through whom they wish to get the required link or information to get what they are desiring outside an organizational setting. This category of people leave their employment soon after they get the required connection. Ile (2011) corroborated this view when he observed that a person "is not motivated by what people think he ought to have, but by what he himself wants".

Whatever the employee's reason for working, the organization manager tries to optimize the effort of the worker to achieve his organization's objectives. To achieve this means understanding the worker – his psychology, desires, likes, dislikes, emotions, strengths and weaknesses, etc. It is when these variables are identified, respected and harmonized that a worker can put in his or her best at work. Anything to the contrary, makes a worker put in just legal minimum effort. This is where motivation and incentives come in – spurring the worker to put in extra effort.

Conversely, paint manufacturing firms are the companies that are in the business of making paints for either industrial or domestic uses. And paint is a term used to describe a number of substances that consist of pigments suspended in a liquid or paste vehicle such as oil or water. With a brush, a roller or a spray gun, paint is applied in a thin coat to various surfaces such as wood, wall, metal or stone. Although its primary purpose is to protect the surface to which it is applied, paint is also for decoration and aesthetics, according to Pan Anfrican Liberation, International Project (1991).

In summary, it is influencing organization workers to put in more than their full capacity that is the main thrust of this paper. To do this in a controllable manner the researcher has focussed only on paint manufacturing firms in Rivers State. Attempt was made to find out how well managers in these paint companies handled their workers in this all-important issue of motivation/incentives so as to assess the workers' overall performance in their organizations.

Statement of the Problem

Any interested observer of paint market in Nigeria in general and Rivers State in particular will discover the volatile nature of the sector's movement. Paint companies (big and small) go out of production very frequently and new ones also spring up. Competition grows very severe and sometimes becomes unhealthy and unethical. Very visible, as a result, are layoffs, workers dissatisfaction, ill-motivated workforce, poor remuneration, etc. The situation seems unabating due, perhaps, to the fact that all the functional paint companies in Rivers State are privately owned with daunting operational challenges they have to grapple with.

Objectives of the Study

Deriving from the general objective of determining how employees' motivation/incentives have influenced organizational performance, the specific objectives include:

1. To determine the extent to which motivation/incentive practices are present in paint manufacturing firms in Rivers State.
2. To determine the extent to which employees motivation/incentive practices influence business performance in paint manufacturing firms in Rivers State
3. To profer solutions that will help paint manufacturing firms in Rivers State overcome their operational challenges.

Hypothesis

Hypothesis is a postulated assumption or answer to a problem which is capable of verifiability. On the basis of this, therefore, the following hypothesis are formulated.

Ho: There is no significant positive relationship between employees motivation/incentives and organizational performance in paint manufacturing firms in Rivers State.

H1: There is significant positive relationship between employees motivation/incentives and organizational performance in paint manufacturing firms in Rivers State.

Employees Motivation and Performance

Managers need to discover how best to motivate employees in order to secure their commitment to the goals of the organization. In an increasingly competitive and turbulent environment, organizations need full commitment of the participants to succeed. Eze (2006) defined motivation as "that which emphasizes, directs and sustains human behaviour", while Armstrong (2004) in his own defined the concept stating that "it is concerned with the factors that influence people to behave in certain ways". Motivating people therefore is about getting them to move in the direction you want them to go in order to achieve a result. This is not an easy thing to do, as no two human beings behave exactly alike, or their drives the same. What motivates one person may not necessarily motivate another. Organizations must, therefore, give close attention to how individuals can best be motivated through such means as incentives, rewards, and leadership and, importantly, the work they do and the organization context within which they carry out that work.

Motivation can be intrinsic or extrinsic. Intrinsic motivation refers to the self-generated factors that influence people to behave in a particular way or to move in a particular direction, e.g. responsibility, autonomy (freedom to act), etc. Extrinsic motivation, on the other hand refers to what is done to or for people to motivate them, e.g. rewards (increased pay, praise, or promotion) and punishment (disciplinary action, withholding pay, or criticism).

Although intrinsic motivation has been adjudged by Hertzberg, Mausner and Synderman (1957) as in Armstrong (2004), to be much better than extrinsic motivation because it can enhance "quality of working life" in the long run, Emeti (2011) saw it differently and stated that Nigerian organizations should have much to benefit using extrinsic type of motivation. The level of discipline, integrity and commitment required in intrinsic motivation is lacking in most Nigerian workers.

Motivation theories are classified into three – instrumentality theory, content (need) theory and process theory. Instrumentality theory is rooted in the belief that if we do one thing it will lead to another; that people only work for money. It assumes that a person will be motivated to work if rewards and penalties are tied directly to his or her performance, thus the rewards are contingent upon effective performance. Content (need) theory on the other hand is based on the belief that an unsatisfied need creates tension and a state of disequilibrium; that all behaviour is therefore motivated by unsatisfied needs. It is on this understanding that we have the popular hierarchy of needs theory by Maslow (1954), in Armstrong (2004) which put human needs into:

1. Physiological – the need for oxygen, food, water, sex
2. Safety – the need for protection against danger and the deprivation of physiological needs
3. Social – the need for love, affection and acceptance as belonging to a group.
4. Esteem – the need to have a stable, firmly based, high evaluation of oneself (self esteem) and to have the respect of others (prestige)
5. Self- fulfillment (self-actualization) – the need to develop potentialities and skills to become what one believes one is capable of becoming.

Maslow's theory believes that when a lower need is satisfied, the next higher need becomes dominant and the individual's attention is turned to satisfying this higher need. It is only an unsatisfied need that can motivate.

Process theory, similarly, emphasizes on the psychological processes or forces that affect motivation, as well as basic needs. It is concerned with people's perceptions of their working environment. Guest (1992b) believed that process or cognitive theory provides a much more relevant approach to motivation that replaces the theories of Maslow and Herzberg, which, he suggests, have been shown by extensive research to be wrong.

Incentives and Performance

This is something that encourages a worker to put in more productive efforts voluntarily. Most times workers are not willing to exert themselves to produce anywhere near their full capacities unless their interest in work is created by some kind of reward, Banga and Sharma (2008). This reward is what is known as incentive. It is a kind of monetary reward which is closely related to the performance of a worker and results in increase in wages corresponding to an increase in output.

In his own view point, Nwachukwu (2009) similarly saw wage incentive as a plan to relate productivity to reward, but observed that the issue of wage incentive has continued to be a problem to management, especially in the area of how best to administer it to an employee who demonstrates outstanding performance. Often it is not convenient to give a 'merit' step increase immediately, within the same salary level, because of administrative constraints. You cannot promote because of limitations imposed by seniority practices in the organization. It is to avoid problems such as these that wage incentive plans have become part of some organizations.

The whole essence of a wage incentive plan is to relate productivity to reward. Employees who show outstanding performance receive extra pay, either weekly or monthly. It could be for individual employees in a department or for all employees in a department or unit who exceed their quota (target) of output. It is to encourage increased productivity. Organizations employ incentive plans using different types which are available – piece-rate, profit sharing, premium plans, stock option plans, etc.

Advantages

A striking advantage of incentives is that they equal reward directly with productivity. Employees who excel get more money, thus recognizing individual differences in ability and contribution. It helps management to motivate employees. Anything done in the organization that restores equity tends to motivate, whereas obvious inequality leads to frustration and loss of productivity.

Incentive plans are seen to create healthy competition within the organization as individuals challenge their own performance or that of others who work with them.

Outstanding performance, continued Nwachukwu (2009), is rewarded soon after it occurs. The employee derives the intrinsic and extrinsic rewards emanating from performance or work well done. He immediately sees organizational equity restored, with subsequent job satisfaction.

As an individual is recognized for his contribution to the organization, he is motivated to put forth more effort. Employees who do not excel or receive the incentive are convinced that they are at best mediocres. During the time for appraisal and promotion, if they are passed over, it will not come as a surprise.

Disadvantages

With all the advantages of incentive wage plan, there are some noted disadvantages of the system.

1. The difficulty in its administration. It is not always easy to determine the earnings above normal on which the plan is based. Often, this leads to a misunderstanding between management and employees.
2. Sometimes, unattainable standards are established leading to frustration. In other instances, management sometimes revise the standards in good faith, because of increased costs and the application of better technology, which employees might interprete as a calculated attempt to cheat or rub them of incentive pay.
3. The supervisor who is expected to administer the plan could show favouritism in choosing employees to receive the bonus; this could give rise to internal strife with loss of productivity and of faith in the organization.
4. It could give rise to unhealthy rivalry among employees. Those who cannot produce above the minimum standards could form a clique with the sole purpose of sabotaging the entire operation or the efforts of the 'rate-busters'.

Methods

This is a cross sectional survey research as it cuts across many companies. Paint manufacturing firms in Rivers State constitute the population for the study. The researcher traced all the paint manufacturing firms that are established and doing business in Rivers State during the period of the research. The population does not include paint companies that are established outside Rivers State but merely operate paint depots or retail outlets with few staff in Rivers State. The researcher then listed a total of 14 paint companies in this category with a population of 312 workers. This figure does not include factory/casual workers who were engaged only to load and off-load paint products and raw materials as the need arises. They have no skills, basic education and are not permanent staff of the companies.

To boost reliability of the study, the entire 312 staff were studied, that is, there was no sampling since the entire population was taken. Questionnaire that was validated by experts in management was used to gather first hand information from them as respondents in the study. Five-point rating scale (strongly agreed, agreed, disagreed, strongly disagreed and undecided) was used to determine the opinion of the respondents. Formulated hypothesis was tested using Pearson product moment correlation via Statistical Package for Social Sciences (SPSS 0.15).

Meanwhile, out of the 312 questionnaire distributed only 276 were returned and validly used for analysis. Organizational performance was mirrored in the study via innovativeness, productivity (output) and effectiveness of workers.

Results

Table 1: Workers Rating of Motivation/Incentive Practices on Performance and Measurement Indices

Items	Sa 4	A 3	D 2	Sd 1	Un 0	Total	Mean Score
Y							
Motivation/Incentive practices in the company have engendered organizational high performance	37 (148)	40 (120)	80 (160)	117 (117)	0 (0)	274 (638)	2.33
X							
Apart from paying my basic salary the company encourages me to work harder through promotions and other incentives	44 (176)	36 (108)	84 (168)	110 (110)	1 (0)	275 (562)	2.04
Motivation/Incentive practices in the company have made workers to be innovative in their skill areas	94 (376)	80 (240)	34 (68)	60 (60)	2 (0)	270 (744)	2.76
Workers output has generally increased due to the company's good motivation/incentive packages	87 (348)	95 (285)	45 (90)	43 (43)	6 (0)	276 (766)	2.78
Effectiveness of workers on the job has also increased as a result of non-discriminatory	76 (304)	85 (255)	56 (112)	50 (50)	4 (0)	271 (721)	2.66

motivation and incentive practices							
The motivation/incentive practices of the company have been effective	83 (332)	79 (237)	56 (112)	54 (54)	0 (0)	272 (735)	2.70

Table 1 above shows a high figure of 197 (117 + 80) respondents who strongly disagreed and disagreed that motivation/incentive practices have engendered organizational high performance in paint manufacturing companies. Similarly 194 (110 + 84) respondents disagreed that the companies are doing well in terms of promotions and giving of incentives. Workers are however in agreement that innovativeness, output and effectiveness increased – 174 (94 + 80), 182 (87 + 95) and 161 (76 + 85) respondents respectively.

Hypothesis Testing

Given below are correlation tables 2(a) and 2(b) testing the formulated hypothesis, using SPSS 0.15.

Table 2(a) Correlation Table for the Formulated Hypothesis

		Organizational Performance	**Motivation and Incentives**
Organisational Performance	Pearson Correlation Sig. (1-Tailed) N	1 5	0.525 0.182 5

Computation from SPSS 0.15

Table 2 (a) shows the computed correlation for the hypothesis as 52.5% at 0.01 and 0.05 levels of significance.

Table 2(b) Paired Sample Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence interval of the Difference				
				Lower	Upper			
Paired: Organisational Performance & Motivation/ Incentive	-.02400	.24368	.10898	-.32657	-.27857	-.220	4	.836

Computation from SPSS 0.15

Table 2(b) above is a paired sample test weighing the degree of relationship that exists between dependent and independent variables in the study using the data in tables 1 and 2 (a) above. T-test result is -.220 at 4 degree of freedom (4df) and significance level of 0.836.

In all, it is seen that motivation/incentive practice has 52.5% correlation with organizational performance. But with the t-statistic test result of -.220 at 4df, the significance level is 0.836. This implies insignificant relationship. We therefore agree with the null hypothesis by accepting that “there is no significant positive relationship between motivation/incentives and organizational performance in the paint manufacturing firms in Rivers State”. The alternate hypothesis was rejected.

Discussion

Motivation/incentive practice as present and practiced by paint manufacturing firms in Rivers State was seen to be poor. Although with a pass mark of 52.5% correlation, the t-test result proved the relationship insignificant. In other words, motivation/incentive practices of paint companies have not impacted positively on general performance. It is sad that this essential tool of management has not been well attended to by the companies. The firms under investigation could not therefore enjoy workers innovativeness, high productivity and effectiveness. The situation corroborated Armstrong (2004) assertion that “motivating people is about getting them to move in the direction you want them to go". It is the duty of management to give close attention to how individuals can best be motivated through such means as incentives, rewards, leadership and importantly, the work they do and the organizational context within which they carry out that work.

More worrisome was the revelation from workers free comments on the question of encountered problems. The common comment of the workers was that of poor motivation and incentive practice, tracing the reason to the fact that all paint companies in Rivers State are privately owned. Workers are treated almost as slaves, and they themselves have no choice, if they must remain in employment in the face of very high unemployment rate.

Conclusions/Recommendations

It is a matter for great concern that organization managers at this age of stiff business competition still pay lip service to motivation of workers and giving incentives. Unfortunately the high unemployment rate in the country has not helped matters. Some managers now see human beings as resource to be used and discarded at will. But human beings are, and must continue to be, the most valued asset in any organization who contribute collectively and individually to the achievement of its objectives. The study therefore recommended as follows:

1. Paint companies should do themselves good by motivating their workers and giving them incentives. Although the manufacturing sector is facing difficult times, there are cheaper ways of motivating workers. They may not be financial as literature reveals. Even a letter of appreciation to a worker by management for a job well done can motivate him.

2. Organization managers should articulate worker-friendly ways of giving incentives to their workers. An incentive plan that attempts to match reward to performance is recommended.

3. Government should lessen the problems of paint companies as the problems make them consciously insensitive to workers motivation/incentive. This, the government can do by increasing budgetary allocation to infrastructural development and reducing import duties on raw materials.

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