

Relationship between Employee Motivation and Organizational Productivity

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ABSTRACT

Every organization strives to enhance productivity of staff and organizational performance. Bearing this in mind, this study examines the relationship between employee motivation and organizational productivity among employees in manufacturing sector in Abuja. The researcher obtained data from primary and secondary sources. In all, 280 questionnaires were considered valid for analysis. The researcher adopted simple random sampling technique while the statistical packages for social sciences (SPSS) and bar charts were employed for data analysis. The findings indicate a positive relationship between motivation and organizational productivity. Specifically, findings demonstrate a positive and significant relationship between staff salary, welfare package and organizational productivity. More so, results indicate that workers' involvement in decision making is positively related to organizational productivity. The researcher concludes that organizational productivity tends to increase when financial benefits, welfare services and enabling work environment are effectively put in place by the organization. This study recommends among other things that, manufacturing organizations should offer financial and non-financial incentives to employees and introduce regular training/development programs to keep the workforce productive to continuously enhance organizational productivity.

Keywords: employee productivity, financial benefits, staff training and development, welfare packages, and workers' involvement in decision making.

Introduction

Motivation is the most significant element for all organizations, be it private or a public sector. It plays a significant role for the accomplishment of any organization. Motivation is derived from the root word motive (Pinder, 2008). Therefore, the word motive means wants, desire, and needs of people. Motivation is the procedure in which an organization motivates their employee in form of bonus, rewards, and some other incentives; this is solely to achieve the organizational objectives. The individual is a complex creature and is inspired by some various kind of tactic.

According to Thomas (2020), motivation is the procedure that energises, stimulates, directs, and directs actions and performance.

Every organisation has the desire to achieve increased productivity with the view to attain its goals and objectives. Most organisations believe that workers are their main assets to turn out high quality work and productivity (Adi, 2020). Campbell (2015) added that high motivation leads to more enthusiastic employees who are more efficient in their job productivity. Hence, for any organisation to be productive, it must motivate its employees. Motivation can be in form of adequate training and equipment, salary, fringe benefits, promotions, comrades' trust, unit cohesion, status symbols amongst others, to satisfy the needs of the employees for enhanced productivity (Adi, 2020). Based on these attributes, it is important for organisations including the manufacturing entities to adequately provide motivation schemes for their employees in order to achieve high productivity.

Problem identification

Essentially, productivity depends on motivated workforce for the attainment of the organizational goals. Factors affecting productivity can be managerial and organizational, physical, technical and social factors (Accel, 2018). These factors which include elements of motivation are important for increased productivity in organizations. The problem remains that most organizations failed to consider employees' needs or get them involved in initiatives that can adequately motivate and keep them service-focused. Given that each employee has a motive for working, once these desires are not fully met; there are negative consequences on effort, commitment and performance. Hence, this work explores the empirical link between motivation and organizational productivity which is crucial to the attainment of organizational objectives (Steers, 2008). Given that each employee has

a motive for joining a given organization and once these desires or goals are not fully met, it has negative effect on employees' performance at work.

Most organization often fails to integrate the welfare policy of their staff in the overall objectives or plan of the organization. The level of motivation in Nigeria exposes to its totality the cause of the low performance and inefficiency that characterized the whole system. Workers in most organization had not be accorded adequate regard in term of remuneration, welfare package, job security, good working environment, staff training and development recognition among others. Motivation of workers in Nigeria's public/private organizations is seen as a luxury affair.

Private organization in Nigeria focus primarily in structure and recruitment without acknowledging that a worker may be immensely capable of doing some work; nothing can be achieved if he is not willing to work. This is in line with the view of Okoli (2004:19) that organizations in Nigeria are seeing as organization without people. Obviously, effectiveness of organization revolves on employees that operate it. In our contemporary society, the degree to which organizational stated objectives are being realized depends on the workers disposition, if other factors are in place. It is also alleged that the management in most organisation has failed to relate the salary of workers with the cost of living in the present high level of inflation.

The salary of many private workers cannot satisfy their physiological needs. The whole issue is characterized by much work low pay. In situation like this, the dispositions of workers toward their job are crippled resulting to the low productivity. Apart from poor salary, the other working conditions such as leave allowance, job security, rewarding system are not encouraging. Evidence

also abound that workers are not being rewarded for extra performance and overtime and this to a large extent demotivates the workers for higher performance.

Objectives of the study

The general objective of the present study is to examine the relationship between employee motivation and organizational productivity while specific objectives are:

- i. To identify the relationship between staff salary, welfare package and organizational productivity.
- ii. To examine if staff training and development act as a tool for motivating workers for maximum organizational productivity.
- iii. To examine the relationship between organizational environment and workers productivity.
- iv. To examine the relationship between workers' involvement in management decision making and organizational productivity.

Literature review

Concept of Organizational Productivity

Productivity is concerned with the ratio of output to inputs. Palik (2018) considers productivity as a measure of output to a measure of some or all of the resources used to produce this output. Again, the definition raises fundamental issues. Productivity is usually expressed in terms of the ratio. Productivity is the quantitative relationship between what we produce and the resources used. Furthermore, the diversity of some of the factor inputs and output could derive different measures of productivity.

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Concept of Motivation

Unlike the orthodox and human relations models of motivation, the contemporary views focus on a number of factors that may affect motivation as well as enhance productivity. Vann (2021) believes that motivation is central to high productivity. High-ranking managers and managerial personnel must be the channel for leading productivity which means they must motivate their personnel to excel at higher levels of excellence. Motivation is by far the number one catalyst for achieving success professionally or personally. The most valuable assets whether business or non-business is knowledge of workers and productivity.

James (2015) viewed motivation as the means used to influence positively the performance of workers in their assigned responsibility in a given environment and time. Though different organizations apply different means to motivate staff, the methods generally fall into some known catch words like morale, welfare, and recreation (MWR), rewards, good postings and promotion, among others. Moorhead and Griffin (2001) asserted that increased motivation means increasing performance of the workers and organizations. Gene and Manab (2006) explained further that,

“Motivation is the most difficult factor to manage. If an employee lacks the ability to perform, he can be sent to training programs to learn new job skills. If the person cannot learn them, he can be transferred to a simpler job and replaced with a more skilled worker. If an employee lacks materials, resources, or equipment, the manager can take steps to provide them. But if motivation is deficient, the manager faces the more complex situation of determining what will motivate the employee to work harder”.

Base on principles of organization and management, Burns and Stalker (2009) propose 2 basic ways in which managers can motivate their staff to achieve productivity. They consider the use of mechanistic or an organistic structure. A mechanistic structure typically rests on Theory X

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assumption; while organistic structure depends on Theory Y. Theory X sees an individual as lazy, uncreative and in need of constant prodding. On the other hand, theory Y views the individual as having a great deal of potential. For instance, when the environment surrounding an organization is stable, managers tend to choose a mechanistic structure in order to achieve a predictable level of productivity. In a mechanistic structure, authority is centralized at the top of the managerial hierarchy, and the vertical hierarchy of authority is the main means to control subordinates behaviour to achieve productivity. In contrast, when the environment is changing rapidly, it is difficult to obtain access to resources, thus, managers revert to organic structure. In an organic structure, authority is decentralized to middle and first-line managers to take full responsibility to enhance motivation and productivity (Burns and Stalker, 2009).

Catherine (2018) describe the relationship between motivation and productivity when she states that actual productivity is likely to be a function of ability, motivation and environment conditions. She asserts that it is significant to employ a person with ability to do what is required. Correspondingly, a well-motivated labour force would increase its productivity capacity which would in turn lead to more output.

Mcshane and Mary (2020) observed that some organizations set targets that are challenging enough to stretch the employees' capability and motivation to achieve the highest productivity. They explained that higher productivity are achievable if employees are given the necessary resources to accomplish the goals, and provided, workers do not become too overstressed in the course. In the case of Sibson, they argued that performance of an employee is the multiplicative function of ability and motivation. Mayer and Salovey (2018) believes that a highly motivated person, with requisite abilities and understanding of the job, is likely to attain high productivity

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than a demotivated person. They concluded that, an increase in motivation is likely to influence productivity; while a decrease would impact negatively on productivity. Similarly, a well-motivated labour force would likely increase effort to achieve high productivity.

Methodology

The population of the study is made up of 300 participants who have worked in different manufacturing entities in Abuja for not less than five years. More so, questionnaire was administered to obtain data from the respondents while a simple random sampling technique was used in the selection of the respondents. The statistical package for social sciences (SPSS version 25) and bar charts were employed for data analysis.

Analysis

A total of 300 copies of questionnaire were administered out of which 269 copies were returned. This represents 89.6% response rate.

Relationship between staff salary, welfare package, and organizational productivity

The first specific research objective posed by this study was to determine the relationship between staff salary, welfare package and organizational productivity. In Figure 1, an overwhelming majority of the sampled population which is 75.1% (representing 202 respondents) answered in the affirmative, that indeed there is a positive relationship between staff salary, welfare package and organizational productivity.

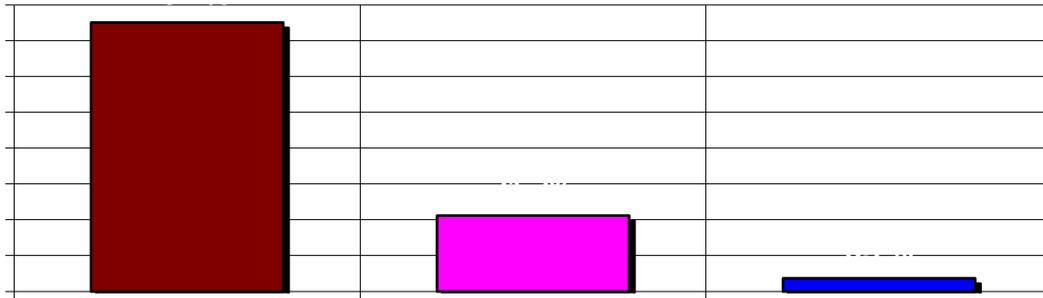


Figure 1
Relationship Between Staff Salary, Welfare Package and Staff Productivity.
Source: Questionnaire administered (2023).

Staff training and development as a tool for inducing increased productivity in organizations

The second specific research objective posed by this study was to examine the influence of staff training and development on organizational productivity. Figure 2 reflects the views of the respondents.

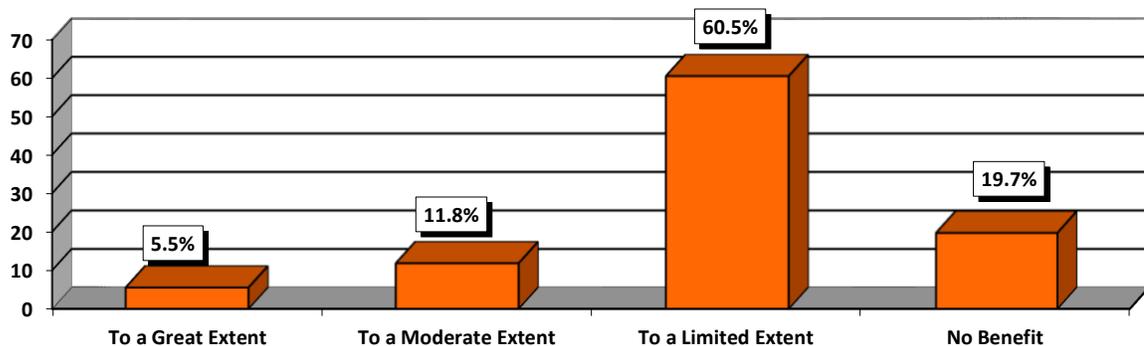


Figure 2
Staff Training and Development as a Tool for Inducing Increased Organizational Productivity.
Source: Questionnaire administered (2023).

In Figure 2, respondents were asked to rate the extent to which staff training and development enhances productivity in organizations. About 60.5% of the respondents (representing 163

respondents) rated the extent to which staff training and development enhances productivity in organizations as to a limited extent.

Table 1

Organizational Environment and Organizational Productivity.

Respondents	Frequency	Percentage
Strongly Agree	73	27.1
Agree	122	45.4
Strongly Disagree	30	11.2
Disagree	35	13.0
I don't know	9	3.3
Total	269	100.0

Source: Questionnaire administered (2023).

The study sought the opinion of respondents on whether there is a relationship between organizational environment and organizational productivity. From the analysis in Table 1, an overwhelming majority of respondents (45.4% representing 122 respondents) agreed that there is a positive relationship between organizational environment and organizational productivity.

The fourth research objective sought to examine the relationship between workers' involvement in management decision making organizational productivity. Figure 3 illustrates the responses.

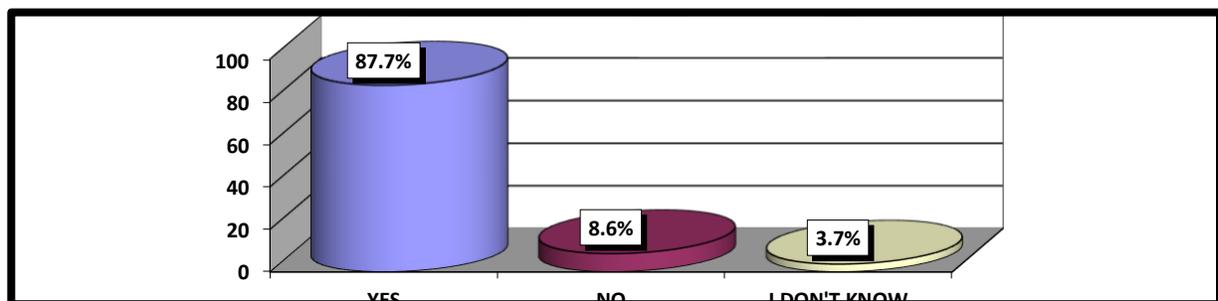


Figure 3

Involvement of Workers in Management Decision Making and Its Effect on Employees' Productivity.

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Source: Questionnaire administered (2023).

As shown in Figure 3, an overwhelming 87.7% (representing 236 respondents) answered yes to the question. This implies that most of the sampled population agreed with the assertion that the involvement of workers in management decision making could improve organizational productivity.

Hypothesis Testing

There is no relationship between employee motivation and organizational productivity

Chi-Square	43.311 ^a
df	4
Asymp. Sig.	.003

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 26.3.

Conclusion: Since $p\text{-value} (0.003) < 0.05$, we reject the null hypothesis and hence conclude that there is a significant and positive relationship between employee motivation and organizational productivity.

Findings

The study found that a relationship exists between motivation and organizational productivity. Scholars are of the view that a highly motivated person with requisite abilities is more likely to attain high productivity than a demotivated person. When organizations offer incentives to employees, the employees will reciprocate by increasing their productivity. Increased in employee's productivity will invariably increase the rate of organizational productivity.

Similarly, the present study's results indicate a positive relationship between salary, wages, incentives and organizational productivity. Empirically, some scholars disagreed that money is not a motivator while others shared a different opinion. No matter the side one belongs, money is a motivator in the present Nigeria due to high inflation rate and poor living conditions facing the Nigerian workers. Therefore, the present result is not surprising, once employees are well-motivated through enhanced salary, wages and fringe benefits; their productivity level may be increased and this may affect the overall organizational productivity.

Further, the study found out that an increase in motivation is likely to influence organizational productivity especially when the employees are involved in decision-making. This result implies that when employees are involved in decision-making, they tend to show support towards its implementation. When decisions are fully implemented by all stakeholders, there is a likelihood that organizational productivity may be enhanced.

Also, statistical result demonstrates that a positive relationship exists between employee training and organizational productivity. This result means that a well-trained employee may reduce wastages and reduce idle time thereby leading to increased organizational productivity.

Conclusion and recommendations

Overall, the present study has demonstrated that improved organizational productivity is a function of employees' motivation in the work place. This result agrees with the existing findings on the same subject matter. Hence, the researcher concludes that offering of motivational incentives via employee training, adequate salary and wages, employees' involvement in decision making, other financial and non-financial incentives are requisites for enhanced organizational performance.

Based on the findings of the present study and conclusion thereof, the researcher recommends that there is a need to review welfare policies regularly in manufacturing organizations to reflect the personnel needs in line with the current economic realities in Nigeria.

Secondly, managements of manufacturing organizations are advised to introduce merit incentive system such as pay for knowledge and performance-based bonus as rewards for personnel that distinguish themselves in various aspect of manufacturing.

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