



The Effect of Employees' Motivation on Organizational Performance

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Abstract

This study was designed to explore the relationship between employees' motivation and organizational performance of selected manufacturing firms in Abia State. Descriptive survey research design was adopted. The population for this study was 126 employees of the organization. The sample size of this study was 103 being the number of questionnaire retrieved out of the 126 copies administered using Taro Yamane formula. The researcher adopted primary and secondary data in getting the required information through the use of questionnaire. The hypotheses were tested and analyzed using Spearman Rank Correlation Coefficient. Motivation concerns the factors that direct and energize the behavior of human beings to behave in certain directions. Motivation is indispensable to management and serves as a tool to enhance the overall productivity of the organization. People work harder when they are well motivated in terms of their needs and desires because the satisfaction that workers get from their work is important for performance. Data was analyzed using percentages and the result showed positive relationship between employees' motivation and organizational performance. This study was not exhaustive due to lack of current relevant literature and findings. The study established that there is a significant relationship between employee motivation and organizational performance. Further study should therefore examine the relationship between employees' motivation and organizational performance. The study recommends that management should always motivate employees' for improved performance.

Keywords: *Employees' Motivation, Organizational Performance, Recognition, Rewards, Job Satisfaction*

I. INTRODUCTION

An organization may have good manager, a good vision and a good goal; however, if it neglects its employees, that company is practically in turmoil. Dissatisfied employees produce unsatisfactory results, therefore, it is very vital for top management to take care of their employees to ensure that they are satisfied in their jobs; when they are satisfied; they strive for the company's goals. (Latham, 1994; Egan, 1998). Motivation and Performance are very important because they determine the steps an organization wants to take to achieve its predetermining objectives. Although, there are general agreements among psychologists that man experiences a variety of needs, there is considerable disagreement as to what these needs are and their relative importance (Van Rooyen, J. 2006). One of the basic problems in any organization is how to motivate people to work. Motivating people to work entails, meeting their needs. The satisfaction that the workers derive from their job can affect their motivation to work. People are motivated by various factors at different times. When they arrive at the work place, they meet other people who also have expectations of them; positive individual and group expectations serve as positive motivational factors for the worker. This is why a balance must be struck as much as possible between organizational objectives and individual aspirations (Sulcas, P. 2007). The essence of this is to ensure a situation where the individual is motivated while the organization is achieving established objectives. A very few organizations believe that the employees of any



organization are its main assets which can lead them to success or if not focused well, to decline. Unless and until, the employees of any organization are satisfied with it, are motivated for the tasks fulfillment and goals achievement and encouraged, none of the organization can progress or achieve success.

1.1 Research Problem

Organization exists for the purpose of rendering some services. For the organization to meet its objectives, people are employed in the organization in order to help the organization meet its objectives. Thus, in order to ensure that people employed in the organization perform optimally towards the realization of organizational goals, management should always motivate them to perform. There is a great controversy over the issue of motivating people. Some people are of the view that such intrinsic factors like advancement, quality of the job done by person, interest, self-expression, enjoyment, can motivate people to work, while others are of the view that such extrinsic factors like pay, praise, reward and recognition, incentives, leadership, fringe benefits and growth can motivate workers to performance. The success or failure of any business as a matter of fact depends largely on its employees; thus human resources are very essential to the organization as they are the key to prosperity, productivity and performance. How employees are perceived, treated and how they feel about themselves and ultimately their output directly or indirectly has an impact on their performance and as a result, performance of the organization. Unmotivated employees under no circumstance will churn out decreased performance (Ndure, 2012). It is in view of these controversies that this study looked at the effect of employees' motivation on organizational performance in Nigeria.

1.2 Research Objective.

The main objective of this study is to examine the effect of employees' motivation and organizational performance in manufacturing company in Aba, Abia State, Nigeria

Specific Objective is to:

- i. determine the effect of salary as a factor that increase motivation of employees' in an organization?

1.3 Research Question

- i. What is the effect of salary as a factor that increases motivation of employees' in an organization?

1.4 Research Hypothesis

- i. H_0 : Salary does not increase motivation of employees in an organization.
- ii. H_1 Salary increase motivation of employees in an organization.

1.5 Significance of the Study

This study will enable Nigerian managers think more on how to motivate their employees to perform well. It will also stimulate people's interest in exploring other aspects of motivation in the organization, so as to enrich the literature on motivation as a phenomenon.

1.6 Conceptual Framework

A Conceptual framework describes the relationship between the major variables of the study and the study problem. It is usually reflected in a diagrammatic model. A Model is useful in clarifying important points that would otherwise be buried in an excess of words and helps in theory building (Keeves, 1997). The model for this work is shown in figure 1. This framework shows the theoretic relationship between factors and variables including: employees' motivation on organizational performance. Every successful organization is backed by committed employees' base, and the commitment is the outcome of motivation and job satisfaction. It is the energy that compels employees towards organizational objective. It would be impossible for the organizations to generate performance without commitment. In order to create competitive advantage organizations need to have competitive employee policies and practices. Employees' motivation indicator includes: reward and recognition as a measure of employees; motivation. Rewards have an important part in determining job performance and are positively related with the motivating process. According to Lawler (2003), there are two elements that influence how appealing a reward is: the amount of reward offered and the weight an individual assigns to a specific reward. Deeprose (1994), for example, believes that "good managers recognize people by doing things that acknowledge their accomplishments and they reward people by giving them something tangible." Fair chances of promotion based on an employee's aptitude and talents increase employees' loyalty to their work and serve as a source of relevant motivation for the employee.

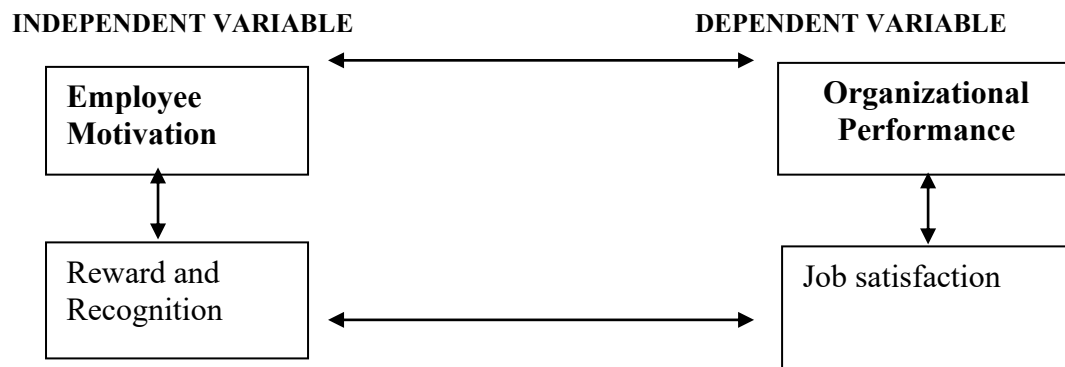
Performance represents a state of competitiveness, attained through a level of effectiveness and productivity that ensures its strong



presence on the market, considering the multiform and complex interaction between numerous factors (Dragomir & Pânzaru, 2014). Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). The organizational performance depends first of all on how it is managed and, secondly, on the active and correct involvement of the employees in fulfilling the strategic objectives of the companies. Organizations today have realized the importance of motivated and satisfied employees as important contributors towards long term objectives. It has made organizations to cater to the expectations and

needs of the employees and could expect the similar response. Motivation also positively influences performance at individual and group level ultimately affecting the organizational performance (Risambessy et al 2012). Employees who are satisfied with their jobs are less likely to miss work than those who are dissatisfied. Employee turnover is lower among staffs who are very satisfied. Financial bonuses, rewards, and promotions play an extremely essential role in satisfying, retaining, and attracting employees. There is a statistically significant association between reward and recognition, as well as motivation and job satisfaction (Ali and Ahmed (2009)

Figure 1: Employees' Motivation and Organization Performance Model



Source: Field work 2024

The implementation of the employees' motivation through these dimensions aims to create an organizational climate that is assumed to have positive consequences upon the organizational performance at work.

II. LITERATURE REVIEW

Motivation refers to the forces within or beyond a person that arouse and sustain their commitment to a course of action (Boddy, 2005). According to Robbins and Decenzo (2008), motivation is the willingness to exert high levels of effort to reach organizational goals, conditioned by the efforts and ability to satisfy. They further asserted that motivation is a function of three key elements: effort, organizational goals and needs. As a concept, motivation was of much interest to psychologists and behavioral scientists in the past years. At present, motivation is being widely practiced. Deci, (1985) defines intrinsic behaviour as those in which a person engages to feel competent and self determining. It is a self-generated factor that influences people to behave in a particular way. These factors include

responsibility, autonomy (freedom to act) interesting and challenging within an individual that gingers the individual to doing something. Intrinsic motivation is evident when people engage in an activity for its own sake, without some obvious external incentive present. According to Amabile (1993), individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work. Extrinsic motivation is something external to an individual that gingers the individual to doing something it is what is to or for people to motivate them to act in a particular manner such as reward, pay-increase, praise, promotion etc. Furthermore, the source of extrinsic motivation is from an individual physical environment. More job benefits, bigger salary, incentives and job promotion are some rewards that leads to extrinsic motivation. Deci (1972) describes extrinsic motivation as money and verbal reward, mediated outside of a person, on the other hand intrinsic motivation is mediated inside the person. A person can be intrinsically motivated to do a task if there is no clear reward for the task done except the task itself or the feelings



which upshot from the task. For organization, performance is one of the ways to measure the extent of its effectiveness. The need for the ability to set goals and objectives to achieve its performance and how to improve the overall organizational performance is undoubtedly the most important organizational goals and objectives. Definition and measurement of performance is a challenge for researchers because organizations have many, frequently conflicting, goals (Chow et al., 1994). Sarah and Tricia (2005) indicated that performance is often used to measure the overall status of the organization and its related policies. Organizational performance can be measured by both financial and non-financial performance (Yang et al., 2009). Venkatraman and Ramanujam (1986) considered three factors to corporate performance measurement, namely, financial performance (i.e. return on investment, earnings per share, etc.), operational performance (i.e. market share, product quality, etc.) and organizational effectiveness (i.e. employee's morale, work atmosphere, etc.). The dimension of employees is reflected in one form or another in all organizational diagnostic models, an aspect that reveals its importance to the success of an organization. Often management decisions may generate feelings of anger, frustration, grievance, and distrust, among employees, that may contribute to a potentially detrimental effect on the general organizational performance (Vasconcelos, 2011).

According to Lawler (2005), the relationship between organizations and employees should not only focus on the task itself. Organizations should take initiative to develop an effective motivation system to increase employees' motivation towards their work. This in turn will help to improve the efficiency and quality of work, enabling organizations to meet their performance outcomes.

III. METHODOLOGY

The study used a descriptive survey design. The purpose of using descriptive surveys was to collect detailed and factual information that describe an existing phenomenon. Data was collected based on the concepts defined in the research model and hypothesis tested. This study is a descriptive survey because it adopted the use of questionnaire aimed at finding the effect of employees' motivation on organizational performance

The researcher used a sample of 76 responders from the organization's total population of 100 employees.. The descriptive statistics such as frequencies percentages and graphs are used for the analysis of the research questions while hypotheses testing were done with Spearman Rank Correlation Coefficient. SPSS (Statistical Package for Social Sciences) computer software was used to run the analyses.

IV. PRESENTATION OF RESULTS

Table 1: Salary as a factor that increases motivation of employees' in an organization?

s/n	Statement of Research Questions	SA 5	A 4	U 3	D 2	SD 1	Remarks
i	You put more effort when your are recognized and compensated for hard work	40 (41)	30 (29.1)	18 (17.4)	9 (8.7)	4 (3.8)	Strongly agree
ii	Good working condition, fringe benefits and promotion	48 (46.6)	25 (24.3)	14 (13.6)	11 (10.7)	5 (4.8)	Strongly agree
ii	Motivation such as pay, rewards enhance your commitment to work	25 (24.3)	50 (48.5)	18 (17.5)	10 (9.7)	0	Agree

Source: Field work 2024

Table 2: A Spearman Rank Correlation Coefficient analyses on increase in salary is a motivator of employees in an organization.

Variable	Data 1	Data 2	Rank 1	Rank 2	D	D2
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A	3	3	2	1	1	1
B	8	14	3	3	0	0
C	28	43	4	5	1	1
D	64	38	5	4	1	1
E	0	5	1	2	1	1
Ed 4						

Calculating the spearman rank correlation coefficient of the ranked data

$$R = 1 - (6 \sum d^2) / (n(n^2 - 1))$$

Analysis of the results:

Spearman rank correlation (calculated) = 0.8

Spearman rank (table) at $p = 0.05 = 0.900$

This hypothesis states, salary is not a factor that increases motivation of employee in an organization. The spearman rank was also used in testing this hypothesis. Since r (0.8) is greater than t_v (0.900), there exist a significant relationship between increase in salary as a motivator and employee performance. That is the value that employee place on motivational tools such as salary, recommendations, promotion, wages etc. that they receive from their employer is high and these increase their performance.

4.1 Discussion of Findings

During this study, a descriptive survey was used with one hundred and three (103) employees as respondents, and the data collected were analyzed using the above table and percentages. The findings showed that employees who received individual incentives and recognized for job well done performed better than those who did not receive. And employees exhibited productive work behavior when rewards were made contingent upon performance. The researcher observed that the kind of motivation given to employees in an organization has a significance influence on organizational performance. The above results give a clear answer to research question 1, 2 and 3 as shown in table 4. 1. above. The study shows that the company adopts salary as a tool for motivation. This is evident from the results which indicates that majority of the respondents employees of the company were in agreement that their company uses motivational tools such as salary, recognitions, promotion, good working conditions, fringe benefits, and security and bases decisions and rewards on formulated organizational policies. Ticking strongly agree to these variables implies that the company adopt

salary etc in their motivational process. The hypothesis states, salary is not a factor that increases motivation of employee in an organization. Since r (0.8) is greater than t_v (0.900), there exist a significant relationship between increase in salary as a motivator and employee performance. However, this study has demonstrated the importance of rewards like money as a viable predictor of performance. Based on the foregoing, it can be said that it is pertinent for employers of labor to know the kind of rewards that they can use to influence their employees to perform well on a job. In other words the relevance of motivational factors depends not only on its ability to meet the needs of the employees, but also that of the organization as well. So far, this study has concentrated on the effect of employee motivation on organizational performance.

4.2 Recommendations

- It is recommended that Management prioritizes employee motivation issues in order to ensure the company's survival amid competitors.
- Organizations should develop policies, plans, and procedures that allow employees to work effectively and profit from their efforts and accomplishments. This will undoubtedly contribute to the company's growth.
- Employers and managers are required to provide a safe and cooperative environment for their employees. Also, must clearly understand and describe motivational techniques for employees in order to create the corporate competitive climate conducive to better management and productivity of businesses (Kushwati, 2020).
- It is very pertinent at this juncture to suggest that more study should be conducted on the relationship and influence of rewards on workers performance using many private and public organizations.
- Managers and employers play a crucial role in fixing the company's incentive systems to motivate employees to enhance productivity.



V. CONCLUSION

The study explored the relationship between employee motivation and organizational performance. It is a well-known fact that human performance of any sort is improved by increase in motivation. These findings clearly show that the workers' rewards scheme is very important. Because a happy employee is a productive employee, companies must also take care of their employees, as their happiness plays a significant role in a company's performance and contributes confidentially to its development and growth. If benefits are not provided, workers are underemployed and do not contribute to their jobs. It is thus necessary for any employer and management to motivate their employees' to productivity confidentially to its development and growth. This study found that people work harder when they are well motivated in terms of their needs and desires because the satisfaction that workers get from their work is important for performance

How employees are perceived, treated and how they feel about themselves and ultimately their output directly or indirectly has an impact on their performance and as a result, performance of the organization because unmotivated employees under no circumstance will churn out decreased performance. Furthermore, the study discovered that when employees are satisfied, they strive for the company's goals. The satisfaction that the workers derive from their job can affect their motivation to work because people are motivated by various factors at different times. To some, intrinsic factors such as advancement, interest, enjoyment etc motivate them; while extrinsic motivation such as praise, salaries, promotion, reward and recognition etc. motivate them. The results obtained from the hypotheses showed that workers place great value on the different rewards given to them by their employer. Hence, when these rewards are not given, workers tend to express their displeasure through poor performance and non-commitment to their job. The summary leads the researcher to conclude that the respondents' responses to the relationship between employee motivation and organizational performance are not biased. It also reveals that the respondents freely and willingly submitted the information based on their own ideas with no compromise. Motivation is indispensable to management and serves as a tool to enhance the overall productivity of the organization. The researcher discovered a positive linear relationship between the two primary study variables: employee motivation and organizational performance.

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