

Relationship between Employees' Motivation and the Performance of Power Holdings Company of Nigeria in the 21st Century

Ogbe, A. A.

*Department of Management Sciences
Salem University, Lokoja-Nigeria
E-mail: austinalloy18@gmail.com*

Ajanya, M. A.

*Department of Accounting, Salem University, Lokoja-Nigeria
E-mail: ajanyaco@gmail.com*

Cyril Anaele

*Department of Peace and Development Studies
Salem University, Lokoja - Nigeria
E-mail: drcyanaele@yahoo.com*

ABSTRACT

This study evaluates the impact of employee motivation on organizational performance with particular focus on Power Holding Company of Nigeria in Jebba District office. The major aim is to establish the relationship between the two variables (motivation and performance). Employees from four different departments of Power Holding Company of Nigeria (PHCN) was used in the study. Questionnaire was used to gather data from the respondents. Regression analysis and Chi-square statistical methods were jointly used to test the hypothesis raised. The major findings are that employees' motivation enhances performance, also employees' training, promotion, improvement in salary and work environment was found to be positively related to performance. The specific conclusion among others is that employee motivation enhances firm performance. This study recommends among others things that PHCN should make the motivation of its employees a habit, so as to achieve improved performance in the 21st Century.

Keywords: *Employee Motivation, Organizational Performance, PHCN and 21st Century.*

INTRODUCTION

Employees are always the strongest tool for enhancing effective and efficient productivity which require a lot of motivation to be able to meet up with the organization objectives. Motivation is an instrument used by management to enhance the performance of employees. The concept of motivation has a direct link to individual performance and ultimate actualization of an organization's goals and objectives. Thus, the importance of motivation is seen as a means to gain employees' cooperation and commitment to high performance in achieving organization goals. Terry (1981) sees motivation as the desires within an individual that stimulate him or her to an

action. Adams (1965) opines that motivation is that energizing force that induces or compels. Adewumi (1988) defines motivation as that inner stimulus that induces workers to behave the way they do. The above definitions are concerned with identifying the triggers of behaviour. That is, identifying what factors encourage people to behave or act in a particular manner. Other definitions of the concept of motivation as provided here perceived motivation as purely a process. For instance, Koib and Mcly (1979) define motivation as the search for a process of thinking and feeling that causes a person to act in specific ways. Belbin (1993) sees motivation as a goal directed behaviour, which has to do with the level of effort a person exerts in pursuing a goal. Such goals are the needs of the workers, which are employed in the organization. These needs are the incentives or rewards which are used to induce people to contribute their efforts in achieving organizational goals.

Motivation is therefore, an important tool of management. Nonetheless, a worker becomes happy when he feels that while working towards the attainment of organizational goals, the achievement of his personal goal is ensured (goal congruency) (Maslow, 1943). Organization is set up to produce goods and services in order to increase economic development of a country. The degree of consumer's satisfaction from such organization's services will indicate its level of performance. The organizations' performance will be relatively low, if it does not meet consumers' expectation. Therefore, employees' performance may be defined as the degree to which an individual effectively carries out the function he has been assigned. In carrying out these expected functions, such employees must have the necessary ability for the job.

Employees in an organization differ considerably in their abilities and this can limit their performance (Alderfer, 1972). Ability refers to the degree to which a person possesses the psychological and physical qualities that are required to attain a certain level of performance. These abilities may be inherited or acquired. The role of management or manager in motivating employees cannot be overlooked in any organization. The subject of human motivation adopted to achieve effectiveness and efficiency, become significant whenever there is good-oriented activities. It has to be affirmed here that whether trading or non trading, every organization is a goal oriented and psychosocial system. Hence, it implies not only that the efforts of the people constituting an organization need to be co-ordinated but also they must be motivated. The study therefore examines the level of motivation of employees in PHCN and how it has led to apparent zero performance of the firm in its services to the consumers of electricity. Based on this, the following hypotheses were formulated for the study.

H₀1: Employees' motivation does not enhance the performance of PHCN

H₀2: Employees' training does not significantly improve on the performance of PHCN

- H₀3: Employees' promotion does not lead to improvement in both employees' and PHCN performance
- H₀4: Adequate employees' remuneration does not motivate employees of PHCN to improve performance.
- H₀5: Improved work environment does not enhance PHCN employees' performance

Motivation as a Chain of Reaction

We have earlier considered motivation as being a process. How, therefore, does a need generate goal oriented behaviour? This follows a sequence or process tagged by some authors as basic model of motivation. This same model is called the need-want-satisfaction chain. Motivation involves a chain of reaction, starting out with felt needs resulting in want or goal sought, which gives rise to tensions (that is, unfulfilled desires) than causing action towards achieving goals and finally satisfying want. It should however be noted that once a need is satisfied, it ceases to be a motivator. Rather needs or motives which constitute a new motivator. One of the most significant factors of motivation is rewards or pays. Reward may be intrinsic or extrinsic. An intrinsic reward is one which stems from the individual's own experience, for example feeling of achievement from doing a job well. On the other hand, an extrinsic reward is one which is conferred or granted to an individual by the employers, for example, pay increase, promotions, bonuses and so on. In an attempt to generate high production by the use of workforce, there is no doubt that managers have to create keen interest in ensuring that their workers are highly motivated. Cole (1988) classifies theories of motivation into two-content and process theories. Content theories focus attention on the apparent needs and wants of individuals while process theories concentrate on the processes involved when perceived is important to them. The chain is shown in figure 1 below:

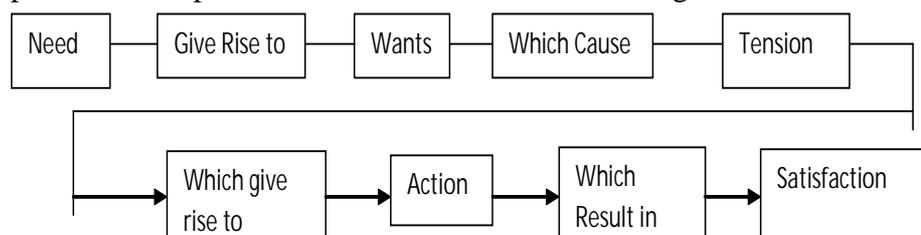


Fig. 1: Source: Cole (1988). The need want-satisfaction chain

The Relationship between Motivation and Performance

Motivation is necessary for performance. It goes without saying that people do not incline to engage themselves in work behaviour they will not put in the necessary effort to perform well. We have already seen that unless a person has the necessary abilities and the right qualifications to do the work, and perceives his or her role accurately, mere motivation to do the job will not result in effective performance. In addition to letting the employees know what is expected of them and what their

goal accomplishment should be, the manager should also provide the necessary resources, and give adequate support to employees to get job done. Support can be given in the form of encouragement, providing resource, offering guidance whenever necessary, and in general, helping the employees perform the job well so that both the intrinsic motivations are developed and the employee performs the job well. For sustained motivation and performance, of course, valet rewards should be given, and the rewards have to be perceived as equitable.

Thus, even the intrinsically motivated person has to be rewarded on the same basis as the extrinsically motivated individuals with these types of inter-relationship among the various factors, it is possible to show the diagram “motivation-performance” relationship as in figure 2 adopted from Vroom (1964). The double-headed arrow between motivation and sense of competence indicate that the two variables mutually influence each other. That is, the more motivated an individual is, the more likely the person is to interact with the work environment and enhance his or her sense of competence through success.

Motivation and sense of competence will both lead to performance if the individual has the necessary abilities and traits, perceives his or her role correctly and gets the support from the organization. Performance will then lead to reward, both intrinsic and extrinsic. If the rewards given are valiant to the individual and are perceived as equitable, there will be sustained motivation which will repeat the cycle just described. This therefore authenticates our earlier position that motivation and performance reinforce and influence each other.

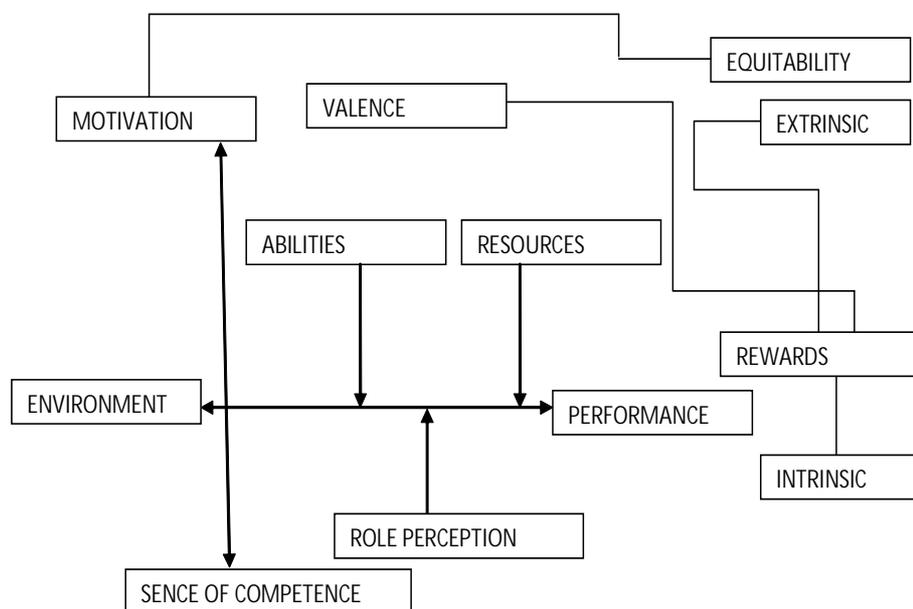


Fig. 2: *Source:* Vroom (1964). The Relationship between Motivation and Performance.

METHOD

For the purpose of this study, the descriptive research design was used. One hundred copies of questionnaire were administered on 100 staff of the PHCN, Jebba District office. Out of these, 87 copies were retrieved, while 13 were not returned. The questionnaire contains a total number of 13 questions. It is categorized in three sections: A, B, and C. Section A contained Socio-Demographic Characteristic of respondents, Section B addresses general information on motivation and performance, while section C is designed to elicit information to achieve the research objectives. The population of the study is the total employees of Power Holding Company of Nigeria (PHCN), Jebba District Office in Kwara State, Nigeria comprises the junior, senior and management cadres. Since the entire population of PHCN cannot be covered, a convenience sampling technique was used to generate one hundred employees in Power Holding Company of Nigeria (PHCN), Jebba District in Kwara State, Nigeria.

Twenty-five employees were purposively selected from each of the medical, human resource, finance/account and operations departments. This represents approximately 20% of the population under study. This again is enough to make a general statement about the studied population. Data were analyzed using descriptive and inferential statistics. The descriptive statistics used is the simple percentage, while the inferential are regression analysis and chi-square techniques. All the inferential tests were carried out at a 5% level of significance. The formulated hypothesis will be tested using the Chi-square statistical tool.

RESULTS AND DISCUSSION

Response according to sex shows that 73.6% were male, while 26.4% were female. This result shows that the respondents are dominated by male as against the female respondents. The result shows that the organization is not gender balanced. This implies that the sector is dominated by male employees. Response according to rank/position in the organization shows that 32.2% were junior staff, while 67.8% were senior staff. This result implies that the organization is dominated by senior staff. Response according to the years of service shows that 6.9% of the respondents have between 1 and 10 years experience, 27.6% of the respondents have between 11 and 20 years, while 65.5% of the respondents have 21 and above years of experience in the organization.

The result shows that majority of the respondents have between 21 and above years of experience dominate the organization. Response according to qualification shows that 33.3% of the respondents have secondary education, 12.7% of the respondents have OND, and 40.2% of the respondents have HND/University Degree, while 13.8% of the respondent went for others as their qualifications which include any qualification not stated in the questionnaire. Response according to department shows that 14.8% of the respondents are from the medical department,

47.1%, are from operations/technical department, 5.8% are from Account/ Finance department, and 32.2% are from Human resource department. The result shows that operation/technical department has the highest number of employees in the organization. Regarding general information on motivation and performance, table 3 shows that 82.8% of the employee responded that the organization gives them pay incentive while 17.2% had a negative response. Response according to Does your organization give non-pay incentive shows that 74.7% of the respondents responded to yes while 25.3% of the respondents responded to no. It shows from the result that the organization give non-pay incentive to its employees.

Response according to which of the incentive either pays incentive or non-pay incentive will motivate the most shows that 89.7% of the respondent responded to pay incentive while 10.3% of the respondent responded to non-pay incentive. The result indicates that the employees of the organization tend to be motivated by pay incentive rather than non-pay. Response regarding employees' motivation enhances firm performance shows that 8.0% of the respondents responded to strongly disagree to the statement that employee motivation enhances performance, 13.8% responded to disagree, 6.9% responded to undecided, 32.2% responded to agree, while 39.1% responded to strongly agree.

It can be concluded from the result that employees' motivation enhances firm performance in the organization. Responses according to the statement that employees' training improves firm performance shows that 1.1% strongly disagreed to the statement that employee training improves firm performance, 3.5% disagree, no response to undecided, 37.9% agreed, while 57.5% of the respondents strongly agree to the statement. It can be concluded from the above result that employee training improves firm performance in the organization. Responses according to the statement that employee promotion leads to improvement in both employee and firm performance shows that 16.1% of the respondents strongly disagreed to the statement, 9.2% disagreed, 5.8% were undecided, 21.8% agrees, while 47.1% of the respondents strongly agreed to the statement. It can be concluded from the result that employee promotion leads to improvement in both employee and firm performance in the organization.

In order to assess the impact of employee motivation on the performance of PHCN, the hypotheses formulated for the study were tested to draw a valid conclusion on the study. To have a comprehensive standard for the test of hypothesis, the researchers decided to pick five questions out of the thirteen in the questionnaire administered. This will help in achieving and enhancing an adequate test for hypothesis. Respondents' responses according to the statement that adequate employee remuneration motivates employee to improve performance shows that 10.4% of the respondents strongly disagreed to the statement that adequate employee remuneration motivates employee to improve performance, 14.9% disagreed, 2.3% were undecided, 27.6% agreed, while 44.8% of the respondents strongly agreed

to the statement. It can be concluded from the result that adequate employee remuneration motivates employee to improve performance. Respondents' response in relation to improved work environment enhances employee performance shows that 9.1% of the respondents strongly disagreed to the statement that improved work environment enhances performance, 8.1% disagreed, 3.2% were undecided, 16.1% agreed, while 63.2% of the respondents strongly agreed to the statement. It can be concluded from the result that improved work environment enhances employee performance in the organization. From the foregoing analysis and testing, the following result was generated: That employee motivation enhances PHCN performance. Training significantly improves PHCN performance. That employee promotion leads to improvement in both employee and PHCN performance. That adequate employee remuneration motivates employee to improve performance. That improved work environment enhances employee performance.

From the result of findings it is glaring that the staff of PHCN of all categories are aware of the impact of motivation of workers for ultimate productivity. It is not surprising therefore, that their poor motivation in and out of work is largely accountable for their abysmal performance in power generation, distribution and transmission even after government's injection of large amount of life-line money to the company. One wonders why the workers are poorly motivated going by the primary role of power in industrialization.

It is surprising and worrisome from our face to face interaction with a cross section of the staff that many of the field staff that perform much of the work are too sad with frustrated looks arising from poor motivation, delay in payment of salary, stagnation and general neglect. Little wonder why Nigeria still remains a nation with total black-out, sometimes lingering for months. This development has ugly consequences on Nigeria's present quest to be among the twenty developed world economies by the year 2020. The time to act is now, as there can be no sustainable development without constant power supply. Finally, results of the hypotheses tested demonstrate that there is significant relationship between adequate motivation, training, promotion, remuneration and improved work environment and employees' performance in PHCN.

Table 1: Socio-Demographic Characteristics of Respondents

Variable	Response	Frequency	Percentage
Sex	Male	64	73.6
	Female	23	26.4
	Total	87	100
Rank/position in the organization	Junior staff	28	32.2
	Senior staff	59	67.8
	Total	87	100
Years of service	0-10	6	6.9
	11-20	24	27.6
	21-above	57	65.5
	Total	87	100

Qualification	Secondary education	29	33.3
	OND/NCE	11	12.7
	HND/ University Degree	35	40.2
	Others	12	13.8
	Total	87	100
Department	Medical	13	14.9
	Operations	41	47.1
	Account/finance	5	5.8
	Human Resource	28	32.2
	Total	87	100

Source: Field survey, 2013.

Table 2: Showing whether PHCN pays incentive in addition to salary?

Response	Frequency	Percentage
Yes	72	82.8
No	15	17.2
Total	87	100

Source: Field survey 2013

Table 3: Showing whether PHCN gives non-pay incentive?

Response	Frequency	Percentage
Yes	65	74.7
No	22	25.3
Total	87	100

Source: Field survey 2013

Table 4: Showing what motivate employee the most

Response	Frequency	Percentage
Pay incentive	78	89.7
Non-pay incentive	9	10.3
Total	87	100

Source: Field survey 2013

Table 5: Showing whether employee motivation enhances PHCN's performance

Response	Frequency	Percentage
Strongly Disagree	7	8.0
Disagree	12	13.8
Undecided	6	6.9
Agree	28	32.2
Strongly Agree	34	39.1
Total	87	100

Source: Field survey 2013

Table 6: Showing whether employees training improve PHCN performance

Response	Frequency	Percentage
Strongly Disagree	1	1.1
Disagree	3	3.5
Undecided	0	0
Agree	33	37.9
Strongly Agree	50	57.5
Total	87	100

Source: Field survey 2013

Table 7: Whether Employee promotion leads to improvement in both employee and PHCN performance

Response	Frequency	Percentage
Strongly Disagree	14	16.1
Disagree	8	9.2
Undecided	5	5.8
Agree	19	21.8
Strongly Agree	41	47.1
Total	87	100

Source: Field survey 2013

Table 8: Whether adequate employee remuneration motivates employee to improve performance

Response	Frequency	Percentage
Strongly Disagree	9	10.4
Disagree	13	14.9
Undecided	2	2.3
Agree	24	27.6
Strongly Agree	39	44.8
Total	87	100

Source: Field survey, 2013

Table 9: Whether improved working environment enhances employee performance

Response	Frequency	Percentage
Strongly Disagree	8	9.1
Disagree	7	8.1
Undecided	3	3.5
Agree	14	16.1
Strongly Agree	55	63.2
Total	87	100

Source: Field survey, 2013

Table 10: Employee motivation does not enhances firm performance in PHCN

Responses	O	E	O-E	(O-E) ²	(O-E) ² /E
Strongly Agreed	34	17.4	16.6	275.56	15.34
Agreed	28	17.4	10.6	112.36	6.46
Strongly Disagreed	7	17.4	-10.4	108.16	6.22
Disagreed	12	17.4	-5.4	29.16	1.68
Undecided	6	17.4	-11.4	129.96	7.46
Total				?	37.16

Source: Researcher's computation, 2013

$$(\chi^2_{cal}) = 37.16; \text{ Degree of freedom (df)} = (n-1) = 5 - 1 = 4$$

Significant level = 0.05; Therefore, $(\chi^2_{cal}) > (\chi^2_{tab})$ i.e $37.16 > 9.488$

Table 11: Training does not significantly improve firm performance in PHCN

Responses	O	E	O-E	(O-E) ²	((O-E))/E ²
Strongly Agreed	50	17.4	32.6	1,062.76	21.26
Agreed	33	17.4	15.6	243.36	13.99
Strongly Disagreed	1	17.4	-16.4	268.96	15.46
Disagree	3	17.4	-14.4	207.36	11.32
Undecided	0	17.4	-17.4	302.76	17.4
Total	87				? 79.43

Source: Researcher's computation, 2013

$(\chi^2_{cal}) = 79.43$; Degree of freedom (df) = (n-1) = 5-1=4
 Significant level = 0.05; Therefore, $(\chi^2_{cal}) > (\chi^2_{tab})$ i.e., 79.43 > 9.488

Table 12: Employees' promotion does not lead to improvement in both employees' and PHCN performance.

Responses	O	E	O-E	(O-E) ²	(O-E) ² /E
Strongly Agree	41	17.4	23.6	556.96	32.01
Agree	19	17.4	1.6	2.56	0.15
Strongly Disagree	14	17.4	-3.4	11.56	0.65
Disagree	8	17.4	-9.4	88.36	5.08
Undecided	5	17.4	-12.4	153.76	8.84
Total					? 46.73

Source: Researcher's computation, 2013

$(\chi^2_{cal}) = 46.73$; Degree of freedom (df) = (n-1) = 5-1=4
 Significant level = 0.05; Therefore, $(\chi^2_{cal}) > (\chi^2_{tab})$ i.e. 46.73 > 9.488

Table 13: Adequate employees' remuneration does not motivate employees of PHCN to improve performance

Responses	O	E	O-E	(O-E) ²	(O-E) ² /E
Strongly Agree	39	17.4	21.6	466.56	25.81
Agree	24	17.4	6.6	43.56	2.50
Strongly Disagree	9	17.4	-8.4	70.56	4.06
Disagree	13	17.4	-4.4	19.36	1.11
Undecided	2	17.4	-15.4	237.16	13.63
Total	87				? 47.11

Source: Researcher's computation, 2013

$(\chi^2_{cal}) = 47.11$; Degree of freedom (df) = (n-1) = 5-1=4
 Significant level = 0.05; Therefore, $(\chi^2_{cal}) > (\chi^2_{tab})$ i.e., 47.11 > 9.488

Table 14: Improved work environment does not enhance PHCN employees' performance

Responses	O	E	O-E	(O-E) ²	(O-E) ² /E
Strongly Agree	55	17.4	37.6	1413.76	81.25
Agree	14	17.4	-3.4	11.56	0.66
Strongly Disagree	8	17.4	-5.6	31.36	1.80
Disagree	7	17.4	-3.4	11.56	0.66
Undecided	3	17.4	-14.4	207.36	11.92
Total	87				? 96.29

Source: Researcher's computation, 2013

$(\chi^2_{cal}) = 96.29$; Degree of freedom (df) = (n - 1) = 5 - 1 = 4
 Significant level = 0.05; Therefore, $(\chi^2_{cal}) > (\chi^2_{tab})$ i.e., 96.29 > 9.488

CONCLUSION AND RECOMMENDATIONS

From the foregoing therefore, it is imperative to conclude that for a better performance of PHCN workers, their motivation must be improved upon. This includes adequate remuneration, improved training, conducive work environment and promotion of workers as at when due. The study believed that this will help to improve performance

in the Power Holding Company of Nigeria (PHCN) in the 21st century. Based on the findings, the following recommendations are made to improve performance at PHCN. The remuneration of workers should be increased. This is necessary because, it is the desire of every worker that the return (remuneration) from his job should cover a significant part of his cost of living. For such a worker to work effectively, his remuneration should be tailored to the cost of living. Of prime importance is the issue of employee's promotion. The management is advised to ensure that employee's promotion should be a regular exercise and provision of incentive associated with it should commence immediately the promotion is confirmed.

Training should be done adequately and regularly to argument employees knowledgion how to increase performance and should be available to all categories of workers in the establishment. Management should create a more conducive and motivating work environment by making the management workers relationship more cordial. Adequate transport is very important to employees, most especially as transport fares now keep increasing all the time. The researchers bearing in mind the effect of employee's lateness to work hereby recommend that company's transport service should be made effective and available to all categories of workers.

Management can motivate the subordinate the more by ensuring fair dealing with workers. Pay incentive such as performance related bonuses, overtime bonuses etc, non-pay incentive such as pension schemes, low interest loans; regular employees appraisal etc should be free from bias and favouritism. When workers believe the application of rewards are fair, they would want to excel as to be rewarded highly. Most employees agitate for good pay package because of the importance attached to money. The result of findings and recommendations will be instructive to all the private firms now about to take over power distribution, generation and transmission from Power Holdings Company of Nigeria (PHCN).

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