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## Effect of Non-Financial Motivation on Employee's Performance of Deposit Money Banks Nigeria

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### **Abstract:**

*The aim of this study is to assess the effect of motivation on Employee's efficiency and productivity in Nigeria in listed deposit money banks. A descriptive survey research method was used for this study. The population covered GT Bank, UBA and First Bank Yola Branch staff strength is put at 480 people, a total of 214 staff was sampled using Krejcie and Morgan table. 214 questionnaires were administered to the respondents which served as instrument for data collection. The data collected were analysed using simple percentage and linear regression analysis. The linear regression analysis was used to test hypotheses about the distribution of observations into categories. The outcome of this research suggested that no significant effect has been found by non-financial motivation on competency of workers. Even productivity of staffs has not been seen connected with non-financial motivation. Moreover, employee productivity and efficiency have no significant association. The study concluded that the workers motivational processes in selected Bank have undergone tremendous change. The study however recommended that staff development to enhance productivity and promote self-fulfillment should be encouraged as a matter of deliberate policy and the management should strive at introducing staff bus; cafeteria building so as to provide better and suitable relax environment, and create a work climate that can promote efficiency and productivity.*

**Keywords:** Non-financial, motivation, employee's performance

### **1. Introduction**

Retaining efficiency of employees is one of the major concerns of organization. By providing minimum of resources in terms of materials and human resources and able to obtain maximum output is the main purpose of any organization. Constraints arise in the field of motivation due to different expectations, behaviours (Anita, 2015). Motivation of employees can be classified broadly into two categories. First, the personality of some staffs is so weak that they want to avoid failure and for that they don't want to achieve anything. Next is the normal confrontation to avoid achievement-oriented activity which can be overcome by extrinsic modes of motivation. According to Bryans and Crouin (2005), if the motive to achieve becomes so strong then any hindrance not seems too problematic. Despite of many problems efficiency and productivity are the two most important factors for achieving organizational goals (Soltan, 2014). Needless to say, private organization and obviously the banking industry are helping Nigeria to make a country which it is right now. To find out the effects of motivation on employee's efficiency and productivity for Deposit Money Banks in Yola Metropolis is the main purpose of this study. Moreover, this study aims to find the effect of non-financial motivation on the employee's efficiency and productivity in the banking industry and finally evaluate employee's efficiency on productivity in the banking industry.

The research work on completion will be able to provide critical knowledge on the need for non-financial motivation to be practiced in Nigeria Banking Industry as a motivational tool towards employees' productivity and attainment of corporate goal efficiently and effectively. This work will be of immense significance to the policy makers in the human resources functions of the organizations, staff and management of the selected Bank in Yola metropolis, Access Bank Plc, Diamond Bank Plc, Fidelity Bank Plc, and other organizations.

## 2. Literature Review

### 2.1. Concept of Motivation

Latin word "motivate" is the origin of the term "motivation" which means to move push or influence to proceed for fulfilling a want (Bulkus and Green, 2009). This can be represented as force which stimulates workers to work. For Vroom (1964), it is some forms of voluntary activity carried out by persons. As per Pinder (1998), it is a set of energetic forces which can be or cannot be generated by staffs. These forces are able to determine direction, form, degree and duration of works. For Bartol and Martin (2008), motivation provides a strength which actually gives direction to behavior. Chowdhury (2006), called it a progression of moving and supporting goal- directed behavior. It is all about how staffs are ready to give their best even if critical situations.

### 2.2. Types of Motivation

#### 2.2.1. Extrinsic Motivation

Generally, rewards which are of tangible nature comes this type of motivation. Salary and fringe benefits, security, promotion, contract of service, the work environment and conditions of service are some of the examples. These types of motivational forces are needed to be applied on staffs to motivate them. According to Farson (2012), these types of motivational forces are being generally determined at organizational level, without intervention of any individual manager. According to Bernard & Stoner (2005), Salary, Wages and Conditions of Service are some of the important motivational factors considered by managers.

#### 2.2.2. Intrinsic Motivation

These types of motivations are basically the prospects to utilize the ability of an individual. These are basically psychological rewards. Mullins (2005), had mentioned these types of motivations as actions and behaviours which are commonly found in managers. Some of the examples are of challenge, achievement, receiving appreciation, positive recognition etc.

#### 2.2.3. Non-Material Incentives

It is understandable that many people may be reluctant to be posted far away from home. (Hongoro 2002) It also has the additional advantage that workers will be inserted into societies with a moral obligation to do a good job. It is akin to localizing informal accountability relations. A cautionary note, however, is that local environments also can be fragmented and tying service providers to their kin can work at the expense of others. Where it is possible to monitor actual performance, contract-type arrangements and the use of competition in the bidding process have proven useful. Intrinsic and moral motivation to serve the poor can cut across such divides, which is particularly important where monitoring is difficult.

### 2.3. Concept of Employee Productivity

Cambridge International and Oxford Advance Learner's dictionaries explain Productivity as the rate at which goods are produced. According to Gaissey (1993), it is the way of utilizing resources to produce product or services. It can also be defined as a ratio of the output (good and services) and input (Labour, capital or management). Mojahed (2005), indicated it as economy's health, trends and growth rate. Labour productivity are being affected by many factors like transportation and sanitation (Heizer and Render, 1999), motivation, team building, training and job security etc. As per Wiredu (1989), commitment and working on safe jobs also affect it.

### 2.4. Concept of Employee's Efficiency

Decisions which are made to reduce costs, increase production and improve the quality of products are known as Efficiency. According to Taheri (2008), ratio of real output and standard and expected output is efficiency. Resources that are consumed to produce a unit of products are efficiency. Abtahi and Meruzhan (1992), called it the minimum time or energy dedicated to the maximum work. For management of organization, training and motivation are the main factor. Mirsepasi (1997), managers and employees can perform better in in-service courses.

### 2.5. Motivation and Productivity

According to Amar (2004), for managing human resources motivation is very important. To answer about the factors behind workers' productivity, motivation is important which increases job commitment, which in turn increases productivity. Productivity literarily means the rate of power to produce. Total output of some category of goods divided by the total input of, say labour or raw material is productivity. Rather than being a psychological connection, motivation and productivity is more substantial. (A) Gender Differences: studies revealed that for women, apart from job roles. Moreover, women had been found most dissatisfied compared to men. (B) Age Differences: Older generation found to be more productive than their younger colleagues. In contradiction this opinion, Over (1982 & 1988) revealed that productivity declines with age. (C) Caring Responsibilities: Employees with less or no dependent can concentrate more compared to one having it. Caring responsibility of workers had been treated as a hindrance for productivity. (D) Hours Spent on Work: motivated by job role generally leads to long hours spent in office. Moreover, these types of employees had been seen more satisfied compared to those who are not. (E) Sources of Motivation: motivation to variables external to workplace

generally decreases job satisfaction. Motivated towards job roles increase higher output compared to individuals with other sources of motivation. Job satisfaction is more likely to cause if work place satisfy one's primary needs.

The role of motivation in influencing a worker's behaviour and productivity has been recognized ever since the work of Frederick Winslow Taylor on rational analysis and scientific management (Taylor, 1911). Taylor, with his contemporaries used classical organizational theories and believed that men and women at work are entirely economic beings; therefore, they can work hard only if their economic positions improve (Richard, 1991). This means that economic rewards are provided to employees for performance which result in high productivity. At the beginning of the 20th century managers and scholars in the field of management were concerned with improving the productivity of organizations within which work was performed. Therefore, they directed their efforts at finding ways of how organizations should be managed so that there were higher levels of productivity at lower costs of production. Motivation arguably is one of the most important means of boosting worker morale and satisfaction and thus productivity.

The process of achieving high productivity is a result of many interacting forces. Motivation is one of the major physical and psychological factors that affect productivity; others include but are not limited to employee training and development (HRD), management development, organizational development, performance appraisal, employee rewards, employee selection and recruitment, human power planning and communication. It has been argued that employees' needs ought to be cornerstones in forming policy of institutions' strategic human resource motivation (Richard and Aquilino, 1985). James (1989) on the term socio-technical system designates the inter-relationships between the technical system and a social system in order for people to work together. Operation managers must be interested in both components of the socio-technical system, since they are responsible for coordinating the efforts of groups of people to perform a technical task. James (1989) says that the environment in which people work can affect their comfort, health and productivity. Some environmental variables to be considered are temperature, noise and lighting.

## 2.6. Motivation and Efficiency

Employee motivation is "psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort and a person's level of persistence"-Wikipedia

- "Employee motivation is a mystery for many manager and – not all employees respond to same motivations – 5 factors (satisfaction, appreciation, recognition, inspiration and compensation) determine employee motivation. Maroney (2004) "Take care of employees and they'll take care of your customers." (Martins 2014; Nyarko, 2014). Intangible motivations:

- Share the customers feedback with your employees
- Engage with employees to make them feel of a sense of belonging
- Creating a positive work environment ensures a satisfying work experience and better results
- Appraisal in the form of words Tangible motivations: Invest in employee training to help them develop in their workmanship Remuneration – Motivation in terms of incentives (lunch coupons, bonuses, salary advancement etc.) – Offering work discounts if needed – Reward employees base on customer feedback- J.P. Maroney – Flexibility of working hours and tasks, Active support of sharing of task and managing task (Nyarko, 2014).

## 2.7. Theoretical Framework

### 2.7.1. Abraham Maslow theory

Abraham Maslow explained the hierarchy of needs theory through his paper (1943) "A Theory of Human Motivation". The main logic is that any person has to fulfill his basic needs before moving further to any higher order needs.

Altogether it has 5 levels of needs.

Physiological – these needs must be met in order for a person to survive, such as food, water and shelter.

Safety – including personal and financial security and health and wellbeing.

Love/belonging – the need for friendships, relationships and family.

Esteem – the need to feel confident and be respected by others.

Self-actualization – the desire to achieve everything you possibly can and become the most that you can be.

The need hierarchy model provides a useful base for the evaluation of motivation at work.

### 2.7.2. Frederick Winslow Taylor Theory of Motivation

According to Frederick Winslow Taylor (1856 – 1917), pay is the main idea for workers motivation. Theory of Scientific Management, which is proposed by him assume the following:

As staffs to do not enjoy work, it is the responsibility of managers to break down the whole work into smaller parts. Appropriate training should be given to them. Time- piece-rate pay need to be followed. All of these aimed to motivate workers for hard working which increase their productivity. This method had established itself as a tool to increase productivity and lowering unit cost. Henry Ford, was one of the visible advocates who popularize the concept of mass production through the production of Ford cars. Autocratic management style (where managers take all the decisions and asked the staffs to simply follow) is the main followed style by Taylor. But boring, repetitive tasks create boredom among workers. Even lay off were being noticed as firms see increment in productivity level. Strikes and other forms of industrial actions were increasing continuously due to this.

### 2.7.3 Adams Equity Theory (1965)

This theory helps to predict affect, motivation, and behavior on the basis of social control. According to Pinder (1998), dissatisfaction and low morale, internal perceptions are some of the factors which frame beliefs and attitudes. In this theory motivation has been explained as a function of how a person observes self in comparison to others. Tension mainly caused due to feeling of inequity. The more the tension is the feeling of inequity increases. Their performance depends on the result of comparison.

### 2.7.4 Locke and Latham Theory of Goal Setting and Task Performance (1990)

This theory explains the reason behind the better performance of any person compared to others because of their ability and knowledge. Being directed by goals and intentions, people mainly select their task and performance measurements. For motivation and direct behavior, goals are being acting as a major factor to provide guidelines. 1. Aware of goals and 2. Accepting goals as a work which can be done are the two most important conditions. Goals need to be difficult and specific and should require some efforts.

## **3. Methodology**

For the purpose of this study, the researcher adopts the descriptive research method which involves observing and describing the behavior of a subject without influencing it in any way. Descriptive research design is all about describing people who take part in the study.

The population for this study consists of a cross section of the staff of Diamond Bank Plc, First Bank Plc and UBA Bank Plc in Yola Metropolis as indicated thus: Diamond 145, First 170, UBA 165 making the total of 480

The sample size will be determined using Krejcie and Morgan, (1970) see below. The techniques use for selecting the sample size for the study is random sampling technique.

Purposive sampling was used to all respondents who participated in the sample; this sampling method involves purposive or deliberate selection of particular units of the universe for constituting a sample which represents the universe. The technique was used because some of the respondents were not available at the time of data collection as others were assigned duties out of the office.

The method of data collection was questionnaire. The researcher administered structured and closed ended questionnaire to the respondents. The study used self-administered questionnaire. Mugenda (2009) observed that, questionnaires are frequently used in quantitative social research.

The data gathered was analyzed by linear regression analysis. The linear regression analysis was used to test hypotheses about the distribution of observations into categories. The null hypothesis ( $H_0$ ) is that the observed frequencies are the same (except for chance variation) as the expected frequencies. The hypothesis testing was done with linear Regression with a 5% (0.05) level of significance. Therefore, reject and accept null hypothesis if the significance level is less than 0.05 and accept alternate hypothesis, vice versa.

## **4. Data Presentation and Analysis**

### *4.1. Linear Regression*

The researcher conducted a linear regression analysis so as to test relationship among variables. The research applied the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study. Table 6 provides the summary of the regression model applied in this study.

#### 4.1.1. Non-Financial Motivation and Employee Efficiency

The amount of changes of dependent variable which can be explained by the independent variables or the variation of employee efficiency which has been explained by non-financial motivation is being explained by coefficient of determination.

According to the regression model applied in this study on Table 6, R value was 0.561 implies that the independent variables studied explain 56.1% of the effect of non-financial motivation on employee efficiency. This implies that the other variables not studied in this research contributed 43.9% variability in employee efficiency. Durbin Watson is between 1.5 and 2.5, for this study it can be assume that the value is within the range of critical criterion that is 2.161 as shown in Table 6 below, which indicates that there is no violation of autocorrelation in this study.

Model	R	R square	Adjusted R square	Std. Error of the Estimate	Durbin-Watson
1	0.561 <sup>a</sup>	0.314	0.311	3.88328	1.558

*Table 1: Model Summary<sup>b</sup>*

*a. Predictors: (Constant), NFM*

*b. Dependent Variable: EEFS*

*Source: Filed Survey, 2019*

The ANOVA report or F statistics on Table 2 indicated that the overall significance of the regression model applied in this study indicates that,  $p < 0.05$  (Sig. = 0.00) and therefore our model is significant. The F value is 97.212 and the significant level is 0.000.

Model		Sum of Squares	Df	Mean square	F	Sig.
1	Regression	1465.936	1	1465.936	97.212	0.000 <sup>b</sup>
	Residual	3196.928	212	15.080		
	Total	4662.864	213			

Table 2: ANOVA<sup>a</sup>

a. Dependent Variable: EEFS

b. Predictors: (Constant), NFM

Source: Filed Survey, 2019

Table 3 shows the coefficient of the variables which indicated that non-financial motivation has  $\beta = 0.561$ ,  $t = 9.860$ ,  $P=0.000$ , this means non-financial motivation has significant effect on employee efficiency, null hypothesis rejected and accept alternate since the calculated value is less 0.005 significance level.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5.628	0.865		6.509	0.000		
	NFM	0.419	0.042	0.561	9.860	0.000	1.000	1.000

Table 3: Coefficients<sup>a</sup>

Dependent Variable: EEFS

Source: Field Survey, 2019

#### 4.1.2. Non-Financial Motivation and Employee Productivity

According to the regression model applied in this study on table 10, R value was 0.557 implies that the independent variables studied explain 55.7% of the effect of non-financial motivation on employee productivity. This implies that the other variables not studied in this research contributed 44.3% variability in employee productivity. Durbin Watson is between 1.5 and 2.5, for this study it can be assume that the value is within the range of critical criterion that is 2.161 as shown in Table 4 below, which indicates that there is no violation of auto-collorction in this study

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.557 <sup>a</sup>	0.310	0.307	4.15060	1.614

Table 4: Model Summary<sup>b</sup>

a. Predictors: (Constant), NFM

b. Dependent Variable: EMP

Source: Filed Survey, 2019

The ANOVA report or F statistics on Table 5 indicated that the overall significance of the regression model applied in this study indicates that,  $p < 0.05$  (Sig. =0.00) and therefore our model is significant. The F value is 95.179 and the significant level is 0.000.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1639.694	1	1639.694	95.179	.000 <sup>b</sup>
	Residual	3652.231	212	17.228		
	Total	5291.925	213			

Table 5: ANOVA

a. Dependent Variable: EMP

b. Predictors: (Constant), NFM

Source: Filed Survey, 2019

Table 6 shows the coefficient of the variables which indicated that non-financial motivation has  $\beta = 0.557$ ,  $t = 9.756$ ,  $P=0.000$ , this means non-financial motivation has significant effect on employee productivity, null hypothesis rejected and accept alternate since the calculated value is less 0.005 significance level.

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.	Collinearity Statistics	
		B	Std. error	Beta			Tolerance	VIF
1	(Constant)	7.437	0.924		8.046	0.000		
	NFM	0.443	0.045	0.557	9.756	0.000	1.000	1.000

Table 6: Coefficients<sup>a</sup>

a. Dependent Variable: EMP

Source: Field Survey, 2019

#### 4.1.3. Employee Efficiency and Employee Productivity

Coefficient of determination explains the extent to which changes in dependent variable can be explained by the change in the independent variables or the percentage of the variation in the dependent variable (employee productivity) that is explained by all the four independent variables (employee efficiency).

According to the regression model applied in this study on Table 7, R value was 0.622 implies that the independent variables studied explain 62.1% of the effect of employee efficiency on employee productivity. This implies that the other variables not studied in this research contributed 37.9% variability in employee efficiency. Durbin Watson is between 1.5 and 2.5, for this study it can be assume that the value is within the range of critical criterion that is 2.161 as shown in Table 7 below, which indicates that there is no violation of autocolloretion in this study

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.622 <sup>a</sup>	0.387	0.385	3.44221	1.840

Table 7: Model Summary<sup>b</sup>

a. Predictors: (Constant), EEFS

b. Dependent Variable: EMP

Source: Field Survey, 2019

The ANOVA report or F statistics on Table 8 indicated that the overall significance of the regression model applied in this study indicates that,  $p < 0.05$  (Sig. = 0.00) and therefore our model is significant. The F value is 151.849 and the significant level is 0.000.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1798.419	1	1798.419	151.781	0.000 <sup>b</sup>
	Residual	2843.713	240	11.849		
	Total	4642.132	241			

Table 8: Anova<sup>a</sup>

a. Dependent Variable: EMP

b. Predictors: (Constant), EEFS

Source: Filed Survey, 2019

Table 9 shows the coefficient of the variables which indicated that non-financial motivation has  $\beta = 0.622$ ,  $t = 12.320$ ,  $P = 0.000$ , this means non-financial motivation has significant effect on employee productivity, null hypothesis rejected and accept alternate since the calculated value is less 0.005 significance level.

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.693	1.048		4.478	0.000		
	EEFS	0.181	0.015	0.622	12.320	0.000	1.000	1.000

Table 9: Coefficients<sup>a</sup>

Dependent Variable: Emp

Source: Filed Survey, 2019

#### 4.2. Reliability Analysis

Reliability analysis allows examination of the properties of measurement scales and the variables making them up. The reliability analysis procedure calculates a number of commonly used measures of scale reliability and provides information on the relationship between individual variables in the scale.

This study carried out a reliability analysis to establish the reliability of the independent variables in the study. As indicated in Table 10. Cronbach's Alpha value of the variables on Table 5 are as follow; non-financial motivation = 0.827, Employee efficiency = 0.718 and employee productivity = 0.814. The Variable-Total statistics in Table 10 reveal that all the variables had a measure of over 0.6, that means all the variables are reliable.

S/N	Variables	Number of Items	Cronbach Alpha
1	Non-financial motivation	7	0.827
2	Employee efficiency	5	0.718
3	Employee productivity	7	0.814

Table 10: Reliability Result  
Source: Field Survey, 2019

## 5. Conclusion

This study investigated the effect of non-financial motivation on employee's productivity of deposit money bank Nigeria and Yola metropolis in particular. The study revealed that the reliability result indicate that Cronbach's Alpha value of the variables are; non-financial motivation = 0.827, Employee efficiency = 0.814 and employee productivity = 0.814. This study examines three objectives with simple regression, to see the overall effect of non-financial motivation on employee efficiency and productivity. The result indicated that, all the hypothesized effect is significant ( $p < 0.05$ ). The model summary result of regression analysis for objective one indicates the R square of 0.561 and the ANOVA test or the F test indicate 97.212 which shows that the data are significant for the purpose. Objective two has r value 0.557 and ANOVA test of F indicate 95.179 and objective three has R value 0.622 and ANOVA test F indicate 151.781 with significance level  $P=0.000$ .

Finally, this result revealed that management must seek to provide employees with jobs that offer greater challenge, diversity, and opportunities for personal need satisfaction, only few workers may not mind the job. The result indicated that meaningful work motivates more for performing well whereas it is commonly believed that individual has the accountability to complete their tasks. The study recommends staff development to enhance productivity and promote self-fulfillment should be encouraged as a matter of deliberate policy; Efforts should also be geared at work enrichment for the staff in the various cadres, and more opportunity for decision-making should be given to supervisors.

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