



---

# Impact of Motivation on Employee Performance in Deposit Money Banks in South-West, Nigeria

---

**Oduguwa,  
A. S. (Ph.D.)**

Dept of Management and  
Accounting,  
Lead City University,  
Ibadan

as.oduguwa@gmail.com

**OLATEJU**

**I. A.**

Dept of Management and  
Accounting,  
Lead City University,  
Ibadan

eolateju@gmail.com

## ABSTRACT

*This study examines motivation and employees performance in money deposit bank in South West Nigeria using GT Bank, Access Bank and WEMA Bank as a case study. Many organizations have failed to recognize the importance of motivation as a concept be it intrinsic such as employee well-being, relationship with co-workers, relationship with managers, organizational policies etc or extrinsic such as training and career development, good working conditions, compensation, promotion amongst other factors that enhance or improve employee performance as well as organizational performance. A stratified sampling technique was adopted for this study and survey research method using questionnaire a research instrument. A total number of 1200 employees were selected for this study and nine hypotheses were tested. The result of the study shows that Motivation significantly influence the employee performance of Money Deposit Banks ( $r = .216, p < .05$ ) The study recommends that banks and financial institutions should always organize self-development programs for their employees.*

**Keywords:** Employee Performance, Motivation, Training, , Skill Acquisition

## **Introduction**

Employee performance is essential to organizational performance. Performance is described as a continuous process for improving the performance of individuals by aligning actual performance with that desired (and with the strategic goals of the organization) through a variety of means such as standard-setting, appraisal and evaluation both informally, day-to-day, and formally/systematically through appraisal interviews and goal-setting (Cole & Kelly 2011). Performance appraisal is one of the most important human resource (HR) practice, administered in organizations by which supervisors evaluate the performance of subordinates (Neeraj, 2017). The focus of the performance appraisal is measuring and improving the actual performance of the employee and also the future potential of the employee; it aims to measure what an employee does. Performance appraisal is generally regarded as one of the most crucial human resource management functions, furthermore; a competent performance appraisal and management system is an indispensable part of an organizations human resource management adequacies.

Employee reactions to appraisal in terms of perceived employee fairness, accuracy, and satisfaction are important components of appraisal effectiveness because these perceived employee reactions can motivate employees to improve their performance (Taylor, Renard, Harrison & Carroll, 2015). That is, performance appraisal serves as a means for providing feedback that can result in improved performance.

Research in performance appraisal has demonstrated that performance appraisal characteristics (such as appraisal purpose and source) can elicit positive employee reactions to performance appraisal and, which in turn, can motivate employees to improve their performance (Denisi & Pritchard, 2016). Therefore, by focusing the attention on performance, performance appraisal goes to the heart of personnel management and sets out different objectives which are directly responsible for the Career development of employees and continued growth and development of the organizations.

Motivation refers to giving people incentives that cause them to act in desired ways (Certo, 2016). Motivation has also been described as the process of arousing and sustaining goal-directed behavior. Employee motivation plays a vital role in the management field; both theoretically and practically. It is said that one of the important functions of human resource manager is to ensure job commitment at the workplace, which can only be achieved through motivation. There is general agreement that people are motivated in situations where (1) they can participate, (2) they can feel accomplishment and receive recognition for their work, (3) where the communication is frequent and (4) there are opportunities for career and knowledge growth. "A central concern of industrial relations is the identification and measurement of factors associated with individual differences in employee job performance." And

this identification and measurement are the basic function of motivational factors or tools. Motivation is crucial for good performance and therefore it is increasingly important to study what motivates employees for better performance.

Intrinsic rewards accrue from performing the task itself, and may include the satisfaction of accomplishment or a sense of influence (Beer & Walton, 2014). External motivation is the type of motivation that arises when an employee is compelled to act in a specific way either as a result of that employee's desires for external rewards or to avoid punishment. Extrinsic motivation also helps boost an employee's effectiveness and efficiency levels. This is because certain external factors such as adequate compensation, work environment as well as training and career development appeal to employees as such are essential in inspiring them to resourcefully and successfully discharge their duties.

### **Statement of the Problem**

In the modern competitive world, business organizations are facing ever-growing challenges regarding commitment, engagement, belief, recruitment and retention of their employees. Motivation of employees plays a key role in their job performance. There are lot of factors may also be responsible or even cause a decline in productivity such as poor strategic and structural changes in decisions and executions, lack of infrastructure, leadership styles and organizational culture amongst others. Contemporary investigations that connects the concept of workforce motivation and productivity has laid an emphasis on employee perspective, needs and expectations as factors affecting their performance and productivity levels respectively. As such investigating those factors of importance to employees in the discharge of their duties at work has taken a new dimension. Motivation through factors such as employee wellbeing, adequate compensation, promotion, good relationships with co-workers and relationships with managers can enhance an employee's level of effectiveness and efficiency in the workplace. Therefore, this paper examines the impact of motivation on employee performance in Money Deposit Banks in South West Nigeria.

### **Objectives of the Study**

The primary objective of this paper is to examine the impact of motivation on employee performance.

### **Hypotheses**

There is no significant relationship between motivation and employee performance.

## **Literature Review**

### **Concept of Employee Performance**

In the organizational context, performance is usually defined as the extent to which an organizational member contributes to achieving the goals of the organization. Employees are a primary source of competitive advantage in service-oriented organizations. In addition, a commitment performance approach views employees as resources or assets, and values their voice. Employee performance plays an important role for organizational performance. Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness. Improved individual employee performance could improve organizational performance as well. Employee performance could be defined as the record of outcomes achieved, for each job function, during a specified period of time. If viewed in this way, performance is represented as a distribution of outcomes achieved, and performance could be measured by using a variety of parameters which describe an employee's pattern of performance over time. Also, employee's performance is a rating system used in many corporations to decide the abilities and output of an employee (Olusadum, & Anulika, 2018).

Every organization has been established with certain objectives to achieve. These objectives can be achieved by utilizing the resources like men, machines, materials and money. All these resources are important but out of these the manpower is the most important. It plays an important role in performing tasks for accomplishing the goals. The question arises that how these resources are utilized by manpower. Further, the business environment is changing drastically. The environmental factors are uncontrollable.

### **Concept of Motivation**

Motivation comes from the motive word, which means encouragement. Motivation can be referred to as a condition that affects someone to do action with a specific purpose. Motivation is a desire for people to cause the person to take action. Motivation is a process that accounts for individual's intensity, direction and persistence of effort toward attaining a goal. Motivation is a condition in one's person who encourages the desire of individuals to carry out certain activities in order to achieve goals (Eva, Meacham, Newman, Schwarz & Tham, 2019). Motivation can be interpreted as actions that affect individuals to carry out activities in order to achieve goals. Motivation is an important part of understanding behavior. Motivation consists of these three interacting and interdependent elements, i.e., needs, drives, and incentives. It is a firm belief of management researchers that, organizational goals are unattainable without enduring commitment of the members of the organization. Motivation is a human psychological characteristic that contributes to a person's degree of commitment. Motivation refers to the resolution of achieving a goal, marked

by a goal directed behavior. When we refer to someone being motivated, we imply that the individual is trying hard to perpetrate a certain task. However, motivation alone cannot suffice what we require to consummate that task with utmost efficiency. Ability – having the skill and knowledge to perform that task is also significant in this regard. Sometimes it becomes the determinant of effectiveness. Motivation is one of the organic functions of management. Good motivation can strengthen commitment and lead to improved performance, while good performance can improve organizational performance and lead to satisfaction (Gupta, 2011).

Motivation is divided into two major types, extrinsic and intrinsic motivation.

### **Intrinsic Motivation**

Intrinsic motivation is far difficult to define and pinpoint. Intrinsic motivation is linked to work content which happens when employee executes an action from which he develops gratification for simple appealing effort (Lazear, 2000) . This motivation comes from within and they serve a sense of self-satisfaction. It is important but difficult to create as it comes from individual. It refers to behavior that is driven by internal rewards. In other words, the motivation to engage in a behavior arises from within the individual because it is naturally satisfying to you. Intrinsic motivation is fueled by taking part in activities that you genuinely enjoy and do not feel pressured or obligated to do. Motivation is what determines what we do, how we do something and how much we accomplish. It has been tested and proven that our performance is only as great as our motivation. The less inspired we are, the poorer our performance. If your peers are unmotivated and your surroundings feel toxic, your only source of inspiration will be for oneself.

Intrinsic motivation represents an individual urge to learn and work. Whereas extrinsic motivation reflects external control, true self-counseling or control. This definition has the background of self-determination theory, which gives significant importance to individual personal liking. Generally, intrinsic motivation is defined as an individual willingness to pursue an activity for self-satisfaction. Another study indicated that intrinsic and extrinsic motivational factors play utmost important role in building a long-term relation with employee. Intrinsic motivation is defined as the doing of an activity for its inherent satisfaction rather than for some separable consequence. When intrinsically motivated, a person is moved to act for the fun or challenge entailed rather than because of external products, pressures, or rewards.

Intrinsic rewards refer to those incentives that have been given to the employees of an organization. An intrinsic reward is an internal reward that employees achieve from completing their tasks or projects successfully.

## **Extrinsic Motivation**

Extrinsic motivation refers to action or behaviour performed in the hopes of receiving an external reward or outcome<sup>25</sup>. Extrinsic motivation could be used to motivate a whole group, thus increasing productivity in workplace or creating a better learning environment. Also, extrinsic motivation is reward driven behaviour. Extrinsic motivation, rewards or other incentives like praise, fame or money are used as motivation for specific activities. Meadows-Fernandez gave examples of extrinsic motivation which include competing in sports for trophies, completing work for money, customer loyalty discounts, buy one get one free sales, frequent flier rewards, helping people for praise from friends or family, doing work for attention, either positive or negative, doing task for public acclaim or fame, doing task to avoid judgment and completing coursework for grades. It is also known as behaviour that is driven by external rewards such as money, fame, grades and praise (Amadi, 2012).

Extrinsic motivation involves engaging in a behavior in order to earn external feedback like rewards, compliments, medals and recognition or avoid punishment and off-putting criticism.

Extrinsically motivated people focus more on outcome rather than the (positive) emotions associated with their behavior.

Extrinsic motivation is common and it drives most workers to perform job duties. One common examples of extrinsic motivation is the pay structure. But sometime extrinsic motivation can be non-monetary. International recognition from management and colleagues can be a major motivating factor. Work environment with a lack of intrinsic and extrinsic motivators often suffer from low performance as no reward is available for the work completed.

## **Theoretical Review**

### **Maslow's Need Hierarchy Theory**

One of the better known theories of motivation is Maslow's Need Hierarchy Theory. It was proposed that all individuals have a specific set of needs which is needed to be fulfilled over a course of lifetime. This is the broad theory on the development of human and its application is generally considered to be the adult years, thus the industrial application is that people strive to meet their needs in a work environment. Maslow arranged the needs in a hierarchical order and proposed that individual have five basic set needs; Physiological needs, Safety needs, Love needs, Esteem needs and Self-actualization needs. The need that is unsatisfied at any given time is the need considered to be the most important. Initially the Maslow's research theory was cross-sectional design; recently longitudinal studies have been used to support the cross-sectional studies. Maslow's theory has the relationship to work motivation. It is in this longitudinal study that examines the changing priorities of the needs as other needs reach an acceptable level of satisfaction. Work motivational factors change over the period of time.

**Psychological Need:** Psychological needs are literal requirements for human survival. Air, food and water are metabolic requirements for survival for all humans. An individual to satisfy these psychological needs is greater than the drive to satisfy any other type of need. These needs are satisfied through the wages and salaries paid by an organization (Locke, 2001).

**Safety Need:** With their physical needs relatively satisfied, the individual's safety needs take precedence and dominate behavior. In the absence of physical safety—due to war, natural disaster, family violence, childhood abuse etc. people may re-experience post-traumatic stress disorder or trans-generational trauma. In the absence of economic safety—due to economic crisis and lack of work opportunity—these safety needs manifest themselves in ways as a preference for job security, grievance procedure for protecting the individual from unilateral authority, insurance policies, reasonable disability accommodations, etc. Safety and security needs include: personal security, financial security, health and well-being, safety net against accidents/illness and their adverse impacts.

**Love and Belonging:** Human need to feel sense of belonging and acceptance, whether it comes from a large social group, such as clubs, office culture, professional organizations, sport teams or small connections (family members, inmate partners, mentors, confidants). They need to love and be loved by others.

**Esteem Need:** All humans have a need to be respected and to have self-esteem and self-respect. Esteem presents the normal humans desire to be accepted and valued by others. People need to engage themselves to gain recognition and have an activity/ activities that give the person a sense of contribution, to feel self-valued, to be it in a profession or hobby.

## **Empirical Review**

A study of motivation on employees' performance in the Nigerian Banking Industry was examined by Olusadum & Anulika (2018). The study was conducted in the area of Lagos Island, Nigeria and population consisted of 5 selected banks in that location. The design employed for the study was descriptive-correlation survey method. The selected banks are First Bank of Nigeria, Guaranty Trust Bank, Diamond Bank, Zenith Bank and Wema Bank. The sampling technique used was convenience sampling technique. The instrument used in the study was a questionnaire designed by the researcher, which was administered to respondents. 80 questionnaires were distributed to the employees of selected banks, of which 67 were returned. Data was analyzed based on the responses of the questionnaire that will be administered. The statistical tool used was the Statistical Packages for Social Sciences (SPSS). The SPSS was used to analyze the information gathered. The Simple Linear Regression was used to test the effect between employee motivation and performance. The main finding of the study clearly evidenced that motivation

has an effect on employees' performance.

The effect of variable compensation, work motivation and job satisfaction on employee performance, the researchers used a quantitative and technical approach to path analysis (Path Analysis) was conducted by Dahie et al (2015). The population in this research was employees with non-managerial positions at 24 branch offices in the working area of Regional Office I covering the provinces of DKI Jakarta, West Java and Banten as many as 2547 people, with a sample of this study as many as 346 respondents with exploratory research method which aims to test a theory or hypothesis to reinforce or reject the theory or hypothesis of the results of research undertaken. The study was conducted for 12 months from December 2016 to December 2017, using survey method using primary data collection method by giving statements to individual respondents and using quantitative research approach with emphasis on numerical assessment over the phenomena studied. Simple random sampling technique was used because the sampling consists of 24 branches. The findings of this study indicate that work motivation has positive and significant impact on performance employees.

A study to evaluate the effect of motivation on job satisfaction and organizational performance in the context of container shipping companies in Taiwan was examined by Bamgbose & Ladipo (2017). Factor analysis was used to summarize a large number of motivation, job satisfaction and organizational performance attributes to identify the crucial factors. Reliability tests based on Cronbach's alpha and corrected item-total correlation coefficients was used to test the internal consistency of questionnaire responses. Multiple regression model analysis was conducted to examine the relationships between motivation, job satisfaction and organizational performance. Their results indicated that remuneration and job performance had a positive effect on financial performance dimensions such as return on assets, turnover growth rate and profitability while job environment and job autonomy had a positive effect on non-financial performance dimensions. The findings imply that employees' in container shipping companies perceive that providing incentives, such as more bonuses, dividends and stock allocation, as well as the chance to work alone could improve organizational performance.

A study on accessing the role of motivation in enhancing employee's performance in educational institutions utilizing Maslow's Hierarchy of need theory as a foundation in order to achieve the same was examined by Halik et al (2019). A total population size of One Hundred and Twenty (120) respondents is selected. The number of questionnaire circulated was 120 out of which 100 were returned. The response rate was 83.3%. All questionnaires were complete and unbiased. This selected sample size gave true reflection of the research findings and fair representative of the respondent views. The questionnaire is divided into three sections. Section A collected basic demographic information regarding the respondents such as Path Goal theory



age, gender, qualification and working experience; section B determines the extent to which motivation is practiced by teachers in educational institutions; section C captured information which explain the extent of an employee performance. The results showed that employee motivation has positive relationship with employee performance.

### Methodology

The population of this study are employees of three Money Deposit banks in South West Nigeria. The study made use of primary and secondary data. The primary data was gotten from a questionnaire designed by the researcher while the secondary was gotten from the yearly report of the selected banks. The dependent variable is Employee Performance while the independent variable is Motivation. Dataanalysis was done after the data gathered are coded and managed using the SPSS 21.0. Data analysis was done using Inferential and Descriptive statistics. The descriptive statistics was used because it involves simple percentages, frequencies, bars which usually indicate the composition of respondents in the population with specific responses to the given questions in the questionnaires administered. The hypotheses were analyzed using Multiple Regression Analysis and Pearson Correlation.

### Results and Discussion

#### Data Analysis

**Table 2: Employee Motivation**

S/N	Statement	VU	UI	N	I	VI	Mean	Stand Dev.
1	A feeling of being involved	-	-	27 (2.3%)	371 (30.9%)	802 (66.8%)	1.35	0.52
2	Job security	-	-	-	124 (10.3%)	1076 (89.7%)	1.41	1.21
3	Supervisor's help with personal problems	620 (51.7%)	104 (8.7%)	476 (39.7%)	-	-	1.88	0.95
4	Good Wages	-	-	52 (4.3%)	404 (33.7%)	744 (62.0%)	2.28	0.94
5	Interesting work	3 (0.3%)	-	64 (5.3%)	544 (45.3%)	589 (49.1%)	1.61	0.61
6	Tactful discipline	25 (2.1%)	-	49 (4.1%)	456 (38.0%)	670 (55.8%)	1.70	0.64
7	Promotion or career development	-	16 (1.3%)	220 (18.3%)	230 (19.2%)	734 (61.2%)	1.97	1.53

8	Good working conditions	-	74 (6.2%)	82 (6.8%)	790 (65.8%)	254 (21.2%)	1.98	0.73
9	Management/ Supervisor loyalty to employees	122 (10.2%)	-	117 (9.8%)	595 (49.6%)	366 (30.5%)	1.99	0.89
10	Gratitude for a job well done	9 (0.8%)	-	113 (9.4%)	341 (28.4%)	737 (61.4%)	1.83	0.61
11	Monetary Incentives for a job well done	23 (1.9%)	-	31 (2.6%)	470 (39.2%)	676 (56.3%)	1.50	0.65
12	Public celebration for a job well done	21 (1.8%)	-	215 (17.9%)	303 (25.3%)	661 (55.1%)	2.12	0.98

VU = Very Unimportant, UI = Unimportant, N = Neutral, I = Important and VI = Very Important

Table 2 shows that 802 (66.8%), 1076 (89.7%), 744(62.0%) and 589 (49.1%) of the respondents responded that a feeling of being involved, job security, good wages and interest work is very important. Also, 734(61.2%), 737(61.4%), 676 (56.3%) and 661(55.1%) of the respondents noted that Promotion or career development, Gratitude for a job well done, Monetary Incentives for a job well done and Public celebration for a job well done are very important part of employee motivation.

This implies that many of the respondents are of the opinion that promotion/career development, good wages, good working conditions, monetary incentives for a job well done, public celebration for a job well done and gratitude for a job well done are very important and serves as way of motivating employees to enhance their performance.

### Hypothesis

There is no significant relationship between motivation and Employee Performance in Deposit Monetary Banks.

### **Table 3: Pearson Correlation table showing relationship between Motivation and Employee Performance**

Variable	Mean	SD	Correlation Coefficient ( r )	P-value
Employee Performance	35.14	5.58	.216**	.002
Motivation	25.81	3.83		

Source: Field work, 2021 | SD = Standard deviation

Table 3 presents results on the relationship between motivation and employee Performance. The result shows that there was a significant positive relationship between motivation and Employee performance among employees of Deposit Monetary banks ( $r = .216$ ;  $P < .05$ ); this implies that motivation will improve employee performance of workers in Deposit Monetary banks.

The result of the hypothesis showed that there was a significant positive relationship between motivation and Employee performance among employees of Deposit Monetary banks; this implies that motivation will improve employee performance of workers in Deposit Monetary banks. The result supports the findings of Dahie, Jim'ale & Ali (2015) who indicated that reward system has a positive influence on employee performance. The finding also supports the study of Bamgbose & Ladipo (2017) who revealed that motivation significantly influence employee performance.

### **Conclusion**

This findings shows that motivation v significantly influenced employee performance in Deposit Monetary Banks in South West Nigeria. This study showed that optimal employee performance could be attained when an individual is motivated to ensure effort by his or her personal determination.

Proper motivation of employees with promotions inclusive will motivate employees within the monetary deposit banks, increase hard work and increase teamwork. In addition, an effective work life balance scheme will enable employees to manage their families with their jobs effectively.

Employees must be promoted based on their records, discipline, hard work, and experience and education level. Promotions must not be based on tribalism, corruptions or sentiments as this demoralizes those who are not promoted.

### **Recommendations**

The following recommendations are made based on this study:

- i. Banks and financial institutions should improve on motivational packages and incentives for their employees as this will enhance their performance.
- ii. Also, the banks involved in this study should work on performance appraisal for their employees by ensuring that outstanding employees are rewarded accordingly.
- iii. Organizations should pay attention to rewarding and recognizing hard work.
- iv. It is also recommended that organizations should re-evaluate the current program and also get feedback plus buy-in from the employees on how to make it fair and equitable for all. Additionally, the study recommends that the organization implement non-monetary rewards as a cost-effective way of boosting morale of the workforce.

## References

- Amadi, B .O. (2012). Perceptions of capacity building among youths involved in vocational skills development. *Journal of Social and Development Sciences*, 3 (6), 214-222.
- Bamgbose, A.A. & Ladipo, S.O. (2017). Influence of motivation on academic library employees' performance and productivity in Lagos, Nigeria. Information Impact: *Journal of Information and Knowledge Management*, 8(2), 33-47. (2017).
- Beer, M. & Walton, R. E. (2014) Reward Systems and the Role of Compensation. In J. G. Searle, *Manage people, not personal* (p. 17). Boston: *Harvard Business Review*.
- Certo, S. C. (2016). Supervision Concepts and Skill-Building. *New York, NY: McGraw Hill*.
- Cole, G. A. & Kelly, P. (2011). *Management Theory and Practice*. London, UK: Cengage.
- Dahie, A. M. Jim'ale, M.M. & Ali, A.Y.S. (2015). Employee motivation and organizational performance: Empirical evidence from secondary schools in Mogadishu-Somalia. *Academic Research International*, 6(5), 69-83.
- Denisi, A. & Pritchard, R. (2016). Performance appraisal, performance management and improving individual performance: a motivational framework. *Management and organization review* , Vol. 2, Issue 2, pg. 253-277. (2016).
- Eva, H. Meacham, H., A. Newman, G. Schwarz & T.L. Tham T. L. (2019). Is coworker feedback more important than supervisor feedback for increasing innovative behavior?. *Human Resource Management*, 58(4), 383-396.
- Gupta, C.B. (2011). *Human Resource Management*, Sultan Chand & Sons.
- Halik, A. Zainal, Z & Hasan, K. (2019). The Influences of the Physical Work Environment and Excelled Motivation towards Employee Performance of Local Education Service of Parepare City. In *First International Conference on Advanced Multidisciplinary Research (ICAMR 2018)*. Atlantis Press.
- Lazear, P. E. (2000). Performance Pay and Productivity. *American Economic Review* 90:1346 – 61.
- Locke, E. A. (2001). Self-set goals and self-efficacy as mediators of incentives and personality. In M. Erez, H. U. Kleinbeck, & H. Thierry (Eds.), *Work motivation in the context of a globalizing economy* (pp. 13–26). (2001). *Mahwah, NJ: Erlbaum*.
- Neeraj K. (2017). *Business and Management Research Journal* Vol. 7(2): 19 - 24, February
- Olusadum, N.J. & Anulika, N.J. (2018). Impact of Motivation on Employee Performance: A Study of Alvan Ikoku Federal College of Education. *Sigma*, 1, 1.
- Taylor, M. S., Tracy, K. B., Renard, M. K., Harrison, J. K., & Carroll, S. J. (2015) Due process in performance appraisal: A quasi-experiment in procedural justice. *Administrative Science Quarterly*, 40, 495–523. DOI: 10.2307/23937.