

## **Extrinsic Motivation and Organisational Productivity: A Study of Bendel Feed and Flour Mill Limited, Ewu Edo State, Nigeria**

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**Abstract:** In an attempt to boost productivity, employers of labour are always concerned with what factors to employ to motivate workers. This is because of the fact that the survival of any organisation largely depends on high rate of productivity. Through various studies, management and scholars had identified motivation as an important tool for achieving an acceptable level of Productivity. In a growing economy like Nigeria, it is likely that what people want from their jobs differs from individual to individual, depending on the prevailing conditions and working environment. This study investigates the impact of extrinsic motivator like provision of medical facilities on productivity in Bendel Feed and Flour Mill (BFFM) Limited, Ewu. To achieve the purpose of the study, 300 questionnaires were administered to a sample of workers of which 250 representing 83.3%, were returned. Simple and multiple regression analysis were run to determine relationships among variables in the hypothesis. It was found that the variable, when statistically tested, failed to explain productivity in BFFM, Ewu. The finding however confirms Herzberg's theory of motivation which postulates that the presence of maintenance or hygiene factors will not motivate people in an organisation, yet these factors must be present or dissatisfaction will arise. Medical care in this regard, is a potential hygiene factor.

**Key words:** BFFM, extrinsic, intrinsic, motivation, medical facilities, productivity

### **INTRODUCTION**

Improving productivity is one big challenge that has engaged the attention of employers' whether private or public by devising appropriate mechanism for motivating their workers. The seriousness of this challenge can be understood from management's perception of the strong functional correlation between employee motivation and organisational productivity. For years, employers of labour have been experimenting with different strategies in an attempt to relate effectively, the motivation of workers to their work contribution. Ouchi (1987) has explained the importance of motivation as related to productivity. He explored the reasons why Japan's national productivity rate is soaring. He went further to say that the secret of the Japanese success is the great concern Japanese managers show for the well-being and development of workers. The Japanese according to him, recognise that motivated people do make a difference. To him, creating a motivational climate that encourages workers to join together and rely on each other, is the key to improved performance. According to Ojokuku (2007),

the factors that can influence an individual's motivational processes at work have been categorized into 2 namely: intrinsic and extrinsic rewards. Intrinsic rewards are rewards which are inbuilt into the job and are capable of eliciting satisfaction in the worker through the actual performance of the job itself. Such intrinsic rewards include interesting work, challenge, recognition, responsibility, growth, achievement and self-actualization. Extrinsic rewards on the other hand, are those factors within the job environment that are capable of eliciting better job performance from the worker. Extrinsic factors have no direct relationship with the job behaviour itself, while intrinsic motivation is that which the worker derives from the end to which the job provides the means.

Arising from the above argument, extrinsic factors would include basic needs of life such as food, shelter, medical care, other fringe benefits and so on. According to Tiough (2007), the extrinsic or context factors include supervision, working conditions, interpersonal relations, salary and organizational policy. The level at which these factors are provided by the job will determine the individual satisfaction or dissatisfaction.

The objective of this study was to find out whether the provision of medical facilities (extrinsic) will motivate workers to higher productivity in Bendel Feed and Flour Mill (BFFM) Limited, Ewu.

**Motivation:** Motivation can broadly be referred to as needs, drives, or impulse within an individual. To Blunt and Jones (1992), motivation refers to a driving force or state of need deficiency which inclines a person to behave in a particular manner or to develop a capacity for certain type of behaviour. The urge to act in a certain way may be generated by physiological or psychological needs or states (including conscious or unconscious thought processes) or by external stimuli or by some contributions of these.

Herzberg (1968) has theorized that the factors involved in producing job satisfaction (and motivation) are separate and distinct from the factors that lead to dissatisfaction. The factors that lead to satisfaction are called motivators or satisfiers. Such factors include achievement, recognition, the work itself, responsibility and growth or advancement. The factors which lead to job dissatisfaction called dissatisfiers or hygiene factors include company policy and administration, supervision, interpersonal relations, working conditions, salary, status and security. The motivator factors or satisfiers are intrinsic to job, while dissatisfiers or hygiene factors are extrinsic to job.

In the final analysis, one could understand that Herzberg's (1968) theory focuses attention on the motivational distinction between the nature of the job and the environment, that is, conditions surrounding the job. Since workers' relationship towards task of the organization comes under the content of the job which is a motivator and relationship to the context of the environment where he does his job is covered by hygiene factors, Herzberg (1968) came to a conclusion that the most effective method of motivation is to enrich the content of job providing greater opportunity of worker's psychological growth.

On the whole, Herzberg (1968) observed that hygiene factor is the conventional part of the industrial scene and where these factors are present, they do not positively motivate the worker to improve his productivity but they must not be allowed to deteriorate or degenerate. If they do, they will cause dissatisfactory climate and frustration on the part of workers and their best will never be given.

Job satisfaction is a function of the congruence or discrepancy between what the workers expects or think he or she should get and what the worker actually experiences in the work situation. Favourable conditions will therefore produce positive performance.

Starceovich (1972) sees every job as having two aspects. These are:

- Factors related to the job also known as content or intrinsic factors.
- Factors related to the job environment also known as context or extrinsic factors.

As Vinacke (1982) has pointed out, motivation is the conditions responsible for variation in the intensity, quality and direction of on-going behaviour. The conditions automatically affect the performance of workers because the worker's initial aim is to satisfy his basic needs. Therefore, anything that satisfies his needs is a basic motivator. These conditions are both intrinsic and extrinsic to the individual. The author further observed that the human motivational system is highly complex. This therefore means that the individual could be forced with a number of highly interrelated and sometimes contradictory motives. Such could take the form of the individual's value, sentiments, habits and defence mechanism. Vinacke (1982) sees this attitude as a major determinant of the individual's behaviour affecting performance.

Extrinsic motivation, according to Leonard *et al.* (1995), is that which derives from external sources. It can be regarded as what managers do to or for workers to make them produce the desired behaviour that will lead to attainment of organizational goals. Extrinsic factors or rewards have no direct relationship with the job itself. Rather, they are externally mediated and are related to such tangible rewards as salary and fringe benefits, job security, promotion and other conditions of work (Rudolph and Kleiner, 1989).

On the whole, extrinsic motivators are believed to have an immediate and powerful effect but may not necessarily last long. Extrinsic motivation is that which is derived from the end to which the job provides the means. It is on the basis of the above arguments that this study undertakes an investigation of the impact of provision of medical facilities (extrinsic motivator) on productivity in Bendel Feed and Flour Mill (BFFM) Limited, Ewu.

#### **Research questions:**

- Do you agree that medical facilities given to workers can be responsible for high productivity?
- Would you agree that if junior and senior workers are given adequate medical facilities, it will motivate them to higher productivity?

**Research hypothesis:** There is no significant relationship between provision of medical facilities among workers of Bendel Feed and Flour Mill (BFFM) Limited, EWU.

## MATERIALS AND METHODS

The major instruments used for data collection in this research were questionnaire and interview. However, the interview method was only used to supplement the questionnaires that were distributed to the respondents. Three hundred questionnaires were distributed to the respondents in various departments of the company and 250, that is 83.3% were returned to the researchers. The questionnaires were administered to a sample of workers in the company under the condition of anonymity.

The researchers made the questionnaires anonymous by deliberately omitting such sensitive questions like name of the respondent because of its usefulness to the research. According to Hollander and Blair (1954), the usefulness of anonymity in research rests on the fact that it presents the individual with a relatively unstructured stimulus situation in which respondents may with equanimity and without being consciously aware of the process be repressed through social pressure and other factors. This same view was expressed by Oppenheim (1978), when he stated that anonymity is often crucial in obtaining frank and revealing responses.

**Analytical tools:** Data collected to test the hypothesis were coded for computer analysis. The analysis was computer-based. Simple and Multiple regression analyses were run to determine relationships among the variables in the hypothesis. The regression result ( $R^2$ ) yields an index of the total variation in a dependent variable (Y) explained or accounted for by the corresponding independent variable (X). In other words, it gives an indication of the extent to which the independent variable can be used to predict the dependent variable.

For the purpose of this study, productivity was treated as the dependent variable while provision of medical facilities was manipulated as independent variable.

**Decision rule:** As a general rule, the  $R^2$  value is said to be significant if the Standard Error (S.E) is less than  $\frac{1}{2}$  the X coefficient, i.e.

$$S.E < \frac{1}{2} (X \text{ coefficient})$$

The rule was applied in testing the hypothesis formulated for this study.

The hypothesis states that good medical facilities given to workers will improve productivity.

In order to test this hypothesis, respondents were asked the following questions.

- Do you agree that medical facilities given to workers can be responsible for high productivity?

- Would you agree that if junior and senior workers are given adequate medical facilities, it will motivate them to higher productivity?

**(Ho):** There is no significant relationship between provision of medical facilities and productivity among workers of the Bendel Feed and Flour Mill (BFFM) Limited, Ewu.

**Statistical test used:** Regression analysis,  $R^2$  (coefficient of determination) at 0.05 level of significance.

## RESULTS AND DISCUSSION

From Table 1a, 68% of the respondents either strongly agreed or agreed that medical facilities given to workers can be responsible for high productivity. Ten percent were uncertain, while 22% either disagreed or strongly disagreed.

In Table 1b, since S.E. is greater than  $\frac{1}{2}$  (X coefficient) i.e.,  $S.E. > \frac{1}{2}$  (X Coefficient).  $R^2$  is not significant.  $H_0$  is therefore accepted and  $H_1$  rejected. Thus there is no significant relationship between the provision of medical facilities and productivity among workers of Bendel Feed and Flour Mill (BFFM) Limited, Ewu.

The conclusion arising from the foregoing analysis is that the test found no relationship between the provision of medical facilities and productivity among the workers of Bendel Feed and Flour Mill (BFFM) Limited, Ewu. As the  $R^2$  value showed, provision of medical facilities as variable only explained 0.116% of variation in productivity. This implies that the provision of medical facilities for workers only minimally influences productivity (0.116%) and this is both statistically insignificant and negligible.

The hypothesis was tested as an independent variable and productivity as dependent variable. The finding revealed that there is no significant relationship between the provision of medical facilities and productivity. The finding conforms with and further confirms Herzberg's theory of motivation with regard to his classification of motivators and maintenance or hygiene factors. Herzberg (1968) in his theory, postulated that the presence of maintenance or hygiene factors will not motivate people in an organisation. Yet, these factors must be present or dissatisfaction will arise. Provision of medical facilities is potential hygiene factor in this regard. Provision of medical facilities will at best increase job satisfaction and perhaps, dedication to duty among workers. It does not specifically increase productivity or job performance per se. This will require the factors classified by Herzberg as motivators e.g. achievement, recognition, challenging work, advancement and growth in the job.

Table 1a: Percentage Scores of Respondents on Provision of Medical Facilities and Productivity

Medical facilities given to workers can be responsible for high productivity in Bendel Feed and Flour Mill (BFFM) Limited, Ewu.	No of Respondents	Percentage
Strongly agree	47	18.8
Agree	123	49.2
Uncertain	25	10.0
Disagree	31	12.4
Strongly disagree	24	9.6
Total	250	100

Source: Computed from survey data

Table 1b: Regression output

Standard Error of Y Estimate	1.3464321
R2	0.001160
No. of observations	250
Degrees of freedom	248
X coefficient	0.040711337
Standard error of coefficient	0.07587
½ (x coefficient)	0.02036

### CONCLUSION

The study examined the relationship between extrinsic motivator like the provision of medical facilities and productivity in Bendel Feed and Flour Mill Limited, Ewu. It revealed that the variable failed to explain productivity in the company studied. However, it has been established from the study that even though the variable tested could not explain productivity, the company should ensure that it does not degenerate or else, it will bring about dissatisfactory climate in the workplace. Thus, by preventing dissatisfaction, it increases satisfaction and help in building up motivation in the workplace. This in the long run will increase productivity. The study concluded that the management of BFFM, Ewu should focus attention on the intrinsic motivators since the extrinsic factors could not explain productivity in the company.

### RECOMMENDATIONS

Based on the study, the following recommendations are hereby made for the growth of the company as follows:

The management of Bendel Feed and Flour Mill Limited, Ewu, should see the need to establish a well equipped hospital where workers and their families can take treatment. This will no doubt, prevent dissatisfaction on the part of workers and encourage them to live within the company environment and give off their best rather than drifting to urban centres for medical services.

The management of BFFM, Ewu should improve its policy on the administration of fringe benefits to be commensurable with what obtains in other companies of the same level. If fringe benefits are not properly

administered, it might cause dissatisfaction and bring about low performance. This probably accounted for the inability of the variable tested to explain productivity.

The management of BFFM, Ewu, should encourage and develop interest on the second group of Herzberg's factors of motivation (intrinsic factors), since the first group of factors (extrinsic factors), could not explain productivity. The company should focus attention on factors like achievement, recognition, responsibility, advancement, growth and work itself. These to Herzberg, are set of intrinsic job conditions that help to build up level of motivation which can result in good job performance.

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