

MOTIVATION AND ITS IMPACT ON PERFORMANCE OF EMPLOYEES:

A CASE OF UBA BANK, KUMASI.

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ABSTRACT

This research was conducted to find motivation and its impact on performance at UBA Bank Ghana Ltd. The objective of the study was to investigate the existing motivational packages available, which of them is the best motivator, its impact on the performance of employees and on the performance of the bank as a whole. The stratified sampling was used to select the 100 respondents. This population was divided and by random sampling, respondents were chosen. The respondents consist of male and female of varying age distribution and educational level, probably majority being young employees who are graduates.

From the result, the motivation that best affect employees are increase in salary, fringe benefit and promotion. These packages are able to illicit high work output in respondents; its absence will yield negative results. The most attitudes affected are loyalty of employees to the bank as well as inner satisfaction.

UBA onthe whole has had a good performance over the past three years interms of profit before tax, revenue mobilisation, and efficiency, among others.

DEDICATION

This piece of academic work is dedicated to our beloveds.

They are our parents, spouses and children. To them we honour with this work.

ACKNOWLEDGEMENT

It takes many people to put a project work like this together because the effort is widely collaborative.

We appreciate the help we received from Dr. Gabriel Dwomoh of the Christian Service University College, who mentored and supervised us throughout the period of work.

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God bless you all abundantly.

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CHAPTER ONE

INTRODUCTION

1.1 RESEARCH BACKGROUND

As a result of the powerful force of technology, which is driving the world towards a converging commonality, we have seen various changes in the world's economic expansion. One of the changes that bring the most challenge not only to the international firm but also the domestic one is the emergence of a global market. In order to be successful in the long term, managing people is one of the most crucial tools for a global business in today's competitive world. Specifically, for an international organization, human resource becomes a more and more important factor to reach its goal. The term "Human Resource Management (HRM)" has been used widely and increasingly in recent decades as a vital approach to create a successful organization, however, the more worldwide the firm, the greater the complexity of the international human resource requirement (Dickson, 1973).

Over the past few years, society has had a great interest in studying motivation. Business owners are constantly looking for ways to motivate their employees to be successful. If employees do not enjoy their work, it will impede on the achievement of the organization's goals. Motivating employees is one of the most common concerns of managers. Hence, in order to maximize the benefit from the performance of the employees, the employer must develop strategies to manage and improve their human resources so that they can perform their best. To create an effective strategy, the employer needs to understand that there are many factors that

affect the employee's behaviour within the organization. One of the key factors that have an impact on the performance of an individual in the organization is their motivation.

Even though many advances in technology have changed the workplace in recent years, humans still play a vital role in the operation of a business. Thus, it can be said that the human factor is crucial to business success. According to the Hawthorne Studies, employees are not just another input into the production of goods and services as they are not motivated solely by money, and employee behaviour is linked to their attitudes (Dickson, 1973).

To be effective, the employer needs to understand what motivates employees within the context of the roles they perform. Different people are motivated by different factors because individuals differ in their needs. For example, some employees may want more income but others may require a more interesting and challenging job. Knowing what it takes to do what is right for employees can help a business succeed. Motivation has been defined as the psychological process that gives behaviour purpose and direction (Kreitner, 2005); an internal drive to satisfy an unsatisfied need (Higgins, 2004); and the will to achieve (Bedeian, 2003). In psychology, motivation refers to the initiation, direction, intensity and persistence of behavior. Motivation refers to "the emotional forces, needs, want, urges or drive within us that influence our behaviour" or "something (as a need or desire) that causes a person to act" (the New Merriam-Webster). Motivation is therefore providing a conscious or subconscious inducement that will influence an individual's decisions and provide an incentive to produce a certain action or set of actions. Accordingly, each action of behaviour or performance required by the employee may involve various different motivating factors, not just one. There two forms of motivation; these are extrinsic and intrinsic motivation. Extrinsic

motivation refers to motivation that comes from outside an individual. The motivating factors are external, or outside, rewards such as money or grades. These rewards provide satisfaction and pleasure that the task itself may not provide. On the other hand, intrinsic motivation refers to motivation that comes from inside an individual rather than from any external rewards, such as money or grades. Intrinsic comes from the pleasure one gets from the task itself or from the sense of satisfaction in completing or even working on a task.

Before creating a programme to motivate staff, it is necessary to understand why the employer needs motivated employees in their organization. Some of the reasons are;

- Motivated employees are needed in rapid changing workplaces and it helps in the growth and development of a company.
- Motivated employees also help create a long-term successful business.
- Motivated employees are also far more productive than those without motivation because they are more committed to organizational activities.

There are several factors that influence the motivation of the individual's performance in the organization. According to Abraham Maslow, needs are the key factors that stimulate motivation of the individual. Maslow devised a six-level hierarchy of motives that, according to his theory, determine human behavior. Maslow ranks human needs as follows: (1) physiological; (2) security and safety; (3) love and feelings of belonging; (4) competence, prestige, and esteem; (5) self-fulfillment; and (6) curiosity and the need to understand.

Research done by (Higgins, 2004) on the other hand has come out with ten most motivating factors which are: interesting work, good wages, full appreciation of work done, job security, good working conditions, promotions and growth in the organization, feeling of being in on

things, personal loyalty to employees, tactful discipline, and sympathetic help with personal problems. The key to motivating employees is to know what motivates them and designing a motivation strategy based on those needs.

1.2 STATEMENT OF RESEARCH PROBLEM

The management of people at work is an integral part of the management process. To understand the critical importance of people in the organization is to recognize that the human element and the organization are synonymous. Some leaders do not appreciate the fact that employees have to be motivated to ensure they do what they have to do so that the goals and objectives of the organization are achieved. Because of the current situation in Ghana where supply of labour is greater than its demand, some employers do not believe much in effective motivation of workers to produce high performance. They uphold the view that even if workers are not properly motivated they cannot leave the job since there is virtually no job in the labour market. Others treat workers as machines; there is neither planning nor prioritization of tasks.

On the other hand, there is frequent labor turn over in some sectors of industries especially in the financial sector. This is especially true with the flooding of the Ghanaian financial sector by foreign banks. When there is a high labour turnover in an organization it reduces the performance of a company as it will take some time for new recruits to adapt to the corporate culture and operations. It is said that the mobility of labour has increased tremendously in the banking industry. It is in this case that this study is set to investigate the impact of work motivation on the performance of employees in an organization.

1.3 OBJECTIVES OF THE STUDY

The general objective of this study is to investigate the impact of motivational packages on the performance of employees at UBA Bank Ltd narrowing down to these specific objectives

- a) to investigate the influence of work motivation on the overall performance of the employees of UBA Bank Ltd
- b) to analyze how existing motivation tools of UBA Bank impacts on the performance of employees
- c) to provide an understanding of what motivates employees and which methods of motivation provides greater results at UBA Bank, Kumasi.

1.4 RESEARCH QUESTIONS

Questions posed by this study to achieve the objectives set above are

- a) What motivates employees and which method of motivation provides the most results at UBA Bank Ltd?
- b) How does existing motivation tools currently in use impact on the performance of employees?
- c) What is the impact of motivation on the overall performance of UBA Bank Ltd?

1.5 SIGNIFICANCE OF THE STUDY

This study will help managers of business in general and specifically human resource managers adopt effective motivation strategies to get the best from their employees. This will help them to get effective work performance from the employees and improve the performance and overall development of the company. The findings from this study will help to highlight those areas

where there are problems and that it would enable both the Management and the labour union to better understand how the various motivational factors could be harnessed to inspire staff to increase and sustain performance.

The findings from this study would help to further highlight the likely problems of frustrations and how motivation can be used to either reduce or eliminate these problems amongst staff of the organization. It will assist management in designing and putting in place together welfare incentives for the workforce, identifies various types of needs and expectation of people at work and outlines different approach to work motivation.

1.6 LIMITATIONS OF THE STUDY

The workforce to be covered within the context of the survey will include permanent (these include senior and junior) and management staff. Therefore one possible area of constraint in carrying out this research will probably be the difficulty of circulating the research instrument in the selected branches of the Bank due to high level of security surrounding the work area and offices especially in the banking sector.

Also, due to time and financial constraints, the study only focuses on Kumasi the garden city of Ghana. It will not be possible to extend the study to other regions where UBA Ghana limited is located. **Finally** the general apathy amongst Ghanaian culture towards research work may also hinder accessibility to prospective respondents who are to provide needed data.

The reliability and validity of the information given by respondents could also be a limitation. This stems from lack of cooperation, poor responses and unwillingness to give accurate information due to fear, discipline or otherwise. The misunderstanding of items on the questionnaire by some respondents cannot be overlooked.

1.7 ORGANIZATION OF STUDY

The study is divided into five chapters. The first chapter is made up of the introduction, background of the study, statement of the problem, objective of study, research questions, and significance of the study and limitation of the study. The second chapter reviews existing literature on motivation and its impact on the performance of a company. The third chapter consists of the methodology of the research. Here the sample size, data analysis procedures, population of study and the data collection methods is explained. The fourth chapter focuses on the data presentation and analysis, results and discussion of the main findings. The last chapter concludes the study with summary and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 THEORETICAL FRAMEWORK

According to Robin and DeCenzo (1995) motivation is, "the willingness to exert high level of effort to reach organizational goals, conditioned by the effort's ability to satisfy some individual need". Campbell and Pritchard (1976) see motivation as a set of independent and dependent relationships that explains the direction, amplitude and persistence of an individual's behavior holding constant the effects of aptitude, skills, understanding of a task and the constraints operating in the work environment. Atkinson (1964) defines it as the contemporary immediate influence on the direction, vigor, and persistence of action. There are two schools of thought on motivational theories, the scientific school of thought and the behavioral school of thought.

2.2 SCIENTIFIC MODEL

The basis of scientific management considers employees as an input to the production of goods and services. This approach places emphasis on scientific selection, training and development of employees instead of allowing them to choose their own tasks and training methods; its objective is to carry out work in accordance with scientifically devised procedures. One of the pioneers and inventor of scientific approach to management was Frederick Taylor(1856-1915)

He was the first to analyze human behavior scientifically with his machine model by making individuals into the equivalent of machine parts. He broke down the tasks to its smallest unit to find out the best approach. After careful analysis of the job, workers were trained to do only

those motions essential to the task. The objective was to remove human variability. (Terpstra, 2005) Taylor's machine model was a success and did increase production and profitability because rational rules replaced trial and error and management became more formalized, which eventually led to increased efficiency. But Taylor's treatment of human beings like machines faced resistance from managers and workers who considered this way of working as "dehumanization of work". One of the other features of Taylor's work was stop-watch timing as the basis of observations and breaking the timings down into elements. This method also faced stiff group resistance because no one likes to be so close monitored for each little part of the work he/she does. Despite these criticisms, Taylor's methods had a great impact on work because he invented a new, efficient and more productive way to work that changed the complete nature of the industry.

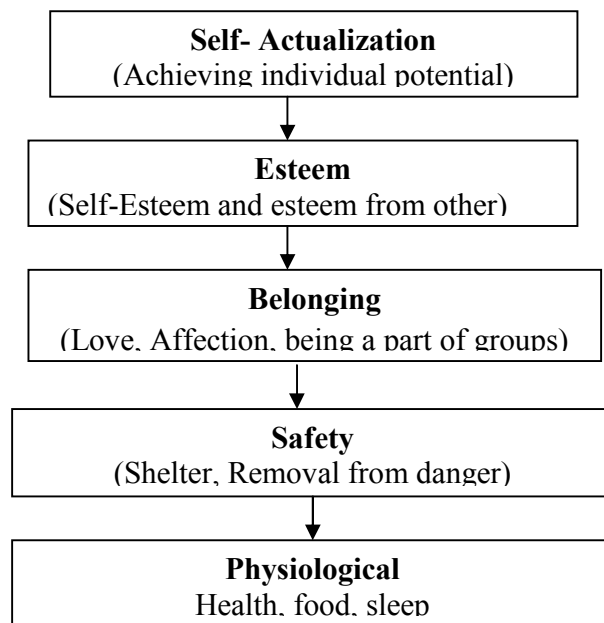
2.3 BEHAVIORAL APPROACH

Unlike scientific approach, behavior approach places emphasis on what motivates people and seeks to identify the specific influences that motivate people. Some of the distinguished theories of behavioral approach are discussed below.

Maslow (1943) put forward the 'hierarchy of needs theory' which saw human needs in the form of a hierarchy, ascending from lowest to the highest. He argued that lower level needs had to be satisfied before the next higher level need and once one set of needs is satisfied, that kind of need ceases to be a motivator.

The five needs are:

- ✓ *Physiological needs* - These are the most basic human needs which are important for sustenance like food, water, warmth, shelter, sleep etc. Maslow argued that unless physiological needs are satisfied to a degree, no other motivating factor can work.
- ✓ *Safety or Security needs* - These are needs to be free of physical danger and emotional harm like the fear of losing a job, property, food or shelter. It relates to security, protection and stability in the personal events of everyday life.
- ✓ *Social Needs* - These are needs for love, affection and belongingness and social acceptance. People are social beings and try to satisfy their needs for acceptance and friendship.
- ✓ *Esteem* - Once people's social needs are satisfied, they look for esteem (reputation). This need produces such satisfaction as power, prestige status and self confidence. It includes both internal esteem factors like self-respect, autonomy, achievements and external esteem factors such as recognition and attention as well as personal sense of competence.
- ✓ *Self actualization* - This need is the drive to become what one is capable of becoming. It is the need to grow and use abilities to the fullest potential. It includes growth and self-fulfillment by achieving one's potential to accomplish something.



Looking at Maslow's hierarchy of needs triangle, as a need is substantially satisfied, the next need becomes dominant, for example, esteem needs become dominant after social needs are removed. The crux of Maslow's theory is to focus on finding out the level of hierarchy the person is in and focusing on satisfying his or her needs and the needs above it. Maslow's theory of needs has been widely recognized and is being practiced by managers across the globe.

Frederick Herzberg's (1959) famous quote says "If you want people to do a good job, give them a good job to do." Herzberg's motivational theory has a two-component approach and is known as the two-factor theory. His theory suggests that things which prevent dissatisfaction are not the same as things which create satisfaction. (Herzberg, 1959) When people are dissatisfied (demotivated) with their work it is usually because of discontent with environmental factors which he terms as "Hygiene Factors". These hygiene factors include factors such as, security, status, relationship with subordinates, personal life, salary, work conditions, relationship with supervisor, company policy and administration (Bedeian, 2003). These are the factors whose

presence in the organization are natural and do not lead to motivation; however its absence does lead to de-motivation.

The second component of the theory involves factors whose absence causes no dissatisfaction but whose presence has huge motivational value. Herzberg terms these factors as 'Motivational factors' which are factors such as growth prospects, career progression and advancement, responsibility, challenges, recognition and achievements. The theory concentrates around the fact that the opposite of satisfaction is not dissatisfaction.

2.4 VROOM'S EXPECTANCY THEORY

Vroom's expectancy theory argues that motivation is based on values and beliefs of individuals and examines motives through the perception of what a person believes will happen. It is based on the belief that employee effort will lead to performance and performance will lead to rewards (Vroom, 1964). The theory states that individuals can be motivated if they believe that there is a positive correlation between the efforts they put in and their performance and when that favorable performance leads to a reward. Consequently, the reward helps satisfy an important need and the desire to satisfy that need is strong enough to make the efforts worthwhile.

2.5 PORTER-LAWLER EXPECTANCY THEORY

Porter-Lawler's theory is much on the same lines as Vroom's and suggests that levels of motivation are based more on the value that individuals place on the reward. Actual performance in a job is primarily determined by the effort spent and is also affected by the person's ability to do the job and his perception of what the required task is. The theory states that performance is

the responsible factor that leads to intrinsic as well as extrinsic rewards and these rewards, along with the equity of individual leads to satisfaction. The perception of equal or unequal reward may cause dissatisfaction which means that organizations have to continuously keep evaluating their reward system. The theory along with equity theory demonstrates the importance of avoiding discriminatory practices in the workplace and states that it is imperative for employees to give equal treatment to employees on the job.

Elton Mayo with his behavioral experiments known as “Hawthorne Experiments” was the first few to analyze the human aspects of motivation. His conclusions were that motivation was a very complex subject and was not only about pay, work condition and morale but also about pay, work condition and morale but also about psychological and social factors. He concluded that the need for recognition and sense of belonging were very important motivational factors.

2.6 REINFORCEMENT BASED APPROACH TO MOTIVATION

Reinforcement was propounded by Skinner and this theory is based on motivation approaches are in some way similar to expectancy theory as both consider the process by which an individual and that punishment actually leads to frustration and de-motivation. This approach explains the role of rewards in greater detail as they cause the behavior to change or remain the same. Expectancy theory focuses more on behavior choices, and reinforcement theory focuses more on the consequences of those choices (Skinner, 1953).

Most of the behavioral theories seem to borrow a little from each other. Maslow’s theory concentrates on basic human needs; Herzberg’s two factor theory brings out the distinction

between motivation-demotivation. Maslow describes which outcomes people are motivated by and Vroom describes whether they will act based upon their experience and expectations. Porter-Lawler model brings out the perceived inequality and brings out the demerits of discriminatory practices. All behavioral theories have their own significance and it is up to the management to decide on which theory to apply.

2.7 COMPARISON OF SCIENTIFIC AND BEHAVIOR APPROACH

There is an underlying difference between the two approaches to motivation. Scientific approach assumes that work is inherently unpleasant to most people and the financial incentive is more important to them than other factors such as nature of job, role profile, work environment etc. While the behavioral approach to management emphasizes the role of social processes in organizations and stresses on belongingness and the need to feel useful. It emphasizes that these human needs motivate employees more than money. In today's workplace environment, where company's success is judged by various qualitative parameters and where employee motivation forms a significant input to organization's success, human approach to management is more suited.

Campbell and Richard (1980) came up with the following assumption about human behavior.

They are;

- a. All human behavior has a course, which can be traced to the effect of the environment.
- b. The root of human behavior is also traceable to needs wants and motives.
- c. Human behavior is goal seeking people would release their effort in the direction they believe will help to satisfy their personal needs.

Work is an important event, a fact that is inevitable in the life of an individual. It is an activity that acts as a source of satisfying a person's need. Employees try to find satisfaction in what they do and as a result a manager should be able to understand the problems faced by his employees and find a way of satisfying their needs. The general assumption is that an adequately motivated worker will in turn give in his or her best towards the attainment of a general consensus. Consequently when a worker is motivated the question of poor performance and inefficiency will be a forgotten issue in an organization. Managers who are successful in motivating employees provide an environment in which appropriate or adequate goals called incentives are made available for the needed satisfaction of the employee. A good number of workers are adequately paid in their jobs so as to work hard and maintain a high standard of performance while some even work hard but do not receive much material gains to show for it.

Today's manager cannot rely solely on the manipulation of pay, benefit or working conditions to encourage workers to perform effectively. Rather a manager in an organization has the responsibility by developing a work environment that makes use of the enormous energy that is within every person.

Motivating is the work managers perform to inspire, encourage and impel people to take action as suggested by Louis Allen (1986). To motivate the employee, the employee must be reached; to reach him there must be a completed understanding of the complexity of his make-up (Louis Allen 1986). Motivation efforts must be directed towards improving company operations. To be effective, however, they must also be designed to show benefits to the employee. In fact,

motivation can best be accomplished when workers are able to merge their personal ambitions with those of the company.

The relationship between the employer and employee must be one of understanding in order for the employee to identify himself with his work and with the business he is working for. Lack of motivation in return affects performance. A number of symptoms may point to low morale: declining performance; high employee turnover; increasing number of grievances; higher incidence of absenteeism and tardiness; increasing number of defective products; higher number of accidents or a higher level of waste materials and scrap (William Day 1978).

According to McClelland (1961) individuals tend to develop certain motivational drives on the cultural environment in which they live and these drives affect the way people view their jobs. McClelland (1961) suggests that achievement, affiliation, competence and power are four types of motivational drives that are found in individuals that are self-motivated and this may be the case for many construction workers. Motivation plays a part in enhancing labour productivity (Smithers and Walker, 2000) and forms the basis for identification of the work environment factors. For example, Laufer and Moore (1983) advocated the use of financial incentive programmes to improve labor performance. John Borcharding and Clarkson Oglesby (1974) discovered that productive job creates high job satisfaction while non-productive job (one which fall behind schedule) produce dissatisfaction at all levels of the management/worker chain.

A worker, through his own efforts produces a highly visible, physical structure in which great satisfaction comes from completion. Therefore, jobs that are well-planned and run smoothly produce great satisfaction while jobs with poor management (with scheduling, and planning problems), create dissatisfaction. This illustrates the relationship between job satisfaction and performance since; well-managed jobs are generally more productive.

The most important dependent variable in industrial and organizational psychology is job performance. One of the major concerns of manufacturing companies has focused on improving worker performance (Borman, 2004). Greguras, Ployhart and Balzer (1996) describes job performance as the extent to which an organizational member contributes to achieving the objectives of the organization. According to Keller (2006), when you expect the best from your employees they will give you their best. On the other hand, when you expect little from employees they will give you low performance in return, which was named by Manzoni and Barsoux (2004) as set-up-to fail syndrome. Many people feel that they are not recognized or appreciated by their employers for their hard work and in turn develop decreased motivation. Lack of communication and feedback from employers cause employees to feel overlooked and prevents them from performing to the best of their ability.

The level of performance of employees relies not only on their actual skills but also on the level of motivation each person exhibits (Burney and Widener 2007). Motivation is an inner drive or an external inducement to behave in some particular way, typically a way that will lead to rewards (Dessler, 1978). Over-achieving, talented employees are the driving force of all firms so it is essential that organizations strive to motivate and hold on to the best employees

(Harrington, 2003). The quality of human resource management is a critical influence on the performance of the firm.

Financial motivation has become the most concern in today's organization, and tying to Maslow's basic needs, non-financial aspect only comes in when financial motivation has failed. According to Greenberg and Baron (2003, 2000) definition of motivation could be divided into three main parts. The first part looks at arousal that deals with the drive, or energy behind individual's action. People turn to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The second part referring to the choice people make and the direction their behavior takes. The last part deals with maintaining behavior, clearly defining how long people have to persist at attempting to meet their goals.

Motivation can be intrinsic and extrinsic. Extrinsic motivation concerns behavior influenced by obtaining external rewards (Hitt, Esser, and Marriott, 1992). Praise or positive feedback, money, and the absence of punishment are examples of extrinsic or external rewards (Deei, 1980). Intrinsic motivation is the motivation to do something simply for the pleasure of performing that particular activity (Hagedoorn and Van Yperen, 2003). Examples of intrinsic factors are interesting work, recognition, growth, and achievement. Several studies have found there to be a positive relationship between intrinsic motivation and job performance as well as intrinsic motivation and job satisfaction (Linz, 2003). This is significant to firms in today's highly competitive business environment in that intrinsically motivated employees will perform better and, therefore, be more productive, and also because satisfied employees will remain loyal to their organization and feel no pressure to move to a different firm.

Deci and Ryan (2000) conducted and replicated an experiment that showed the negative impact of monetary rewards on intrinsic motivation and performance. A group of college students were asked to work on an interesting puzzle. Some were paid and some were not paid for the work. The students that were not being paid worked longer on the puzzle, and found it more interesting, than those students who were being paid. When the study was brought into a workplace setting, employees felt that their behavior was being controlled in a dehumanizing and alienating manner by the rewards. It was discovered that rewards would seriously decrease an employee's motivation to ever perform the task being rewarded, or one similar to my time in the future.

Another observation of the study was that employees would expect a reward every time the task was to be completed if the reward was offered at one time. Employees would require the reward in order to perform the job and would probably expect the reward to increase in amount. If the rewards were not increased or if they were taken away they actually served as negative reinforcement. Deci and Ryan (2000), in collaboration with two of their colleagues, conducted a study to examine the effects of performance-contingent rewards on an employee's intrinsic motivation (Cameron, Deci, Koestner, and Ryan, 2001). These types of rewards are very controlling since these rewards are directly associated with an employee's performance of some task. Also significant in the study was the importance of the interpersonal atmosphere within which the performance-contingent rewards were distributed. When Cameron et al. (2001) compared the administering of rewards in a controlling climate and in a non-controlling climate; they discovered that the performance-contingent rewards given in the more controlling interpersonal climate undermined intrinsic motivation. To prevent the decrease in employees'

intrinsic motivation, the interpersonal climate when distributing performance-contingent rewards should be more supportive.

Vroom (1964) suggests that motivation leads to efforts and the efforts combined with employees ability together with environment factors which interplay results in performance. Adams (1965) on his part suggests that people are motivated to seek social equity in the rewards they receive for high performance. According to him the outcome from job includes; pay, recognition, promotion, social relationship and intrinsic reward. To get these rewards various inputs needs to be employed by the employees to the job as time, experience, efforts, education and loyalty (Adams, 1965). He suggests that, people tend to view their outcomes and inputs as a ratio and then compare these ratios with others and turn to become motivated if this ratio is high. The level of performance of employees relies not only on their actual skills but also on the level of motivation each person exhibits (Burney et al., 2007).

Motivation is an inner drive or an external inducement to behave in some particular way, typically a way that will lead to rewards (Dessler, 1978). Over-achieving, talented employees are the driving force of all firms so it is essential that organizations strive to motivate and hold on to the best employees (Harrington, 2003). The quality of human resource management is a critical influence on the performance of the firm.

2.8 PERFORMANCE MEASUREMENT

Chen and Silverthorne (2008), identify three types of performance. One is the measure of output rates that is amount of sales over a given period of time for example. The second type of measure of performance involves ratings of individuals by someone other than the person whose performance is being considered. The third type of performance measures is self-appraisal. As a result, the adoption of self-appraisal techniques is useful in encouraging employees to take an active role in setting his or her own goals. Thus, job performance measures the level of achievement of business and social objectives and responsibilities from the perspective of the judging party (Hersey and Blanchard, 1993).

2.9 PERFORMANCE APPRAISAL

This is a process within the overall performance management process (Dowling et al., 1999), and is defined as “the evaluation of an individual’s work performance in order to arrive at objective personnel decisions” (Robbins et al., 2000) Effective appraisal systems should address clarity, openness, and fairness; recognize productivity. UBA Bank uses employee performance appraisal to assess the individual performance of employees. This system ensures that supervisor/managers assess the employees at the end of the year and a report is sent to Head Office for either an action resulting in promotion or otherwise for that particular year. The bank also uses budget estimation to assess the financial year of the branch. When the group bank declared profit at the end of the year, each staff is given performance reward and those who do not perform well forfeit their rewards. Measurement is therefore the first step in improvement. But while measuring is the process of quantification, its effect is to stimulate positive action. Performance measures can be grouped into two basic types: those that relate to results (outputs or outcomes

such as competitiveness or financial performance) and those that focus on the determinants of the results (inputs such as quality, flexibility, resource utilization, and innovation). This suggests that performance measurement frameworks can be built around the concepts of results and determinants. Measures of performance of a business usually embrace five fundamental, but interlinking areas: Money, usually measured as profit; Output/input relationships or productivity; Customer emphasis such as quality; Innovation and adaptation to change; and Human resources. While financial measures of performance are often used to gauge organizational performance, some firms have experienced negative consequences from relying solely on these measures. To be effective, performance yardsticks should continuously evolve in order to properly assess performance and focus resources on continuous improvement and motivating personnel.

2.10 SUMMARY AND CONCLUSION

Motivation remains a challenge for organizations today. With the changing environment, the solutions to motivation problems are becoming even more complex. This is due, in part, to the fact that what motivates employees changes constantly (Bowen and Radhakrishna, 1991). Managers need to understand what motivates employees within the context of the roles they perform and understand the process, theories, and fundamental components of motivation. Research done by (Higgins, 2004) has come out with ten most motivating factors which are: interesting work, good wages, full appreciation of work done, job security, good working conditions, promotions and growth in the organization, feeling of being in on things, personal loyalty to employees, tactful discipline, and sympathetic help with personal problems. The key to motivating employees is to know what motivates them and designing a motivation program

based on those need; this will eventually lead to efficiency and increase in performance of the organization.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This chapter is organized into two parts. The first section looks at the actual methodology. It looks at the research instruments, sampling, sources of data, data collection analysis and data presentation. The second part presents the profile of the study organizations; especially the various divisions, structure and management involved in service delivery.

3.1 POPULATION DESCRIPTION

The target population was employees of United Bank for Africa, who have worked in the company for at least one year. They can be of any position or designation. Population can be estimated to be 438 employees.

3.2 SAMPLE AND SAMPLING METHOD

A sample size of 100 respondents was used. The stratified sampling technique was used, where the population of interest was divided into subgroups based on their departments, and then simple random sampling technique used to select units for the sample size. The subjects were of various demographic characteristics such as of gender which is male and female, age-including old adults and young adults and different educational backgrounds such as postgraduates (master's and doctorate), and first degree graduates.

3.3 RESPONDENTS CLASSIFICATION

Table 1 A Table showing Classification of Respondents

Category	Number	Percentages
Client Services	20	20%
Operations Department		
Teller	20	20%
Back office	40	40%
Credit Department		
Loans	10	40%
Sales	10	40%
Total	100	100%

3.4 Sources of Data

The study used both primary and secondary sources for data collection. Primary data was obtained from responses after administering questionnaires. Secondary data was obtained from records, documents, reports, statistics as well as varied search engines, basically Google and Yahoo including leaflets, magazines, and textbooks. More importantly, published literature and journals were reviewed to obtain relevant information.

3.5 Data Collection Instruments

The instruments used in data collection comprises of questionnaires. Questionnaires to measure the variables of interest were constructed, making sure all the objectives outlined in the proposal are duly exhausted. Questionnaires were administered to subjects who were selected

randomly. Questionnaires were used to induce a very high rate of responses from the respondents. The questionnaires were administered directly to respondents in their offices and they were collected after one week. Since the nature of the study demands some sensitive information, participants would be assured of anonymity and confidentiality. The questionnaire was made up of both close ended and open ended questions designed to collect demographic data and measure the level of motivation among employees of UBA.

3.6 RESEARCH DESIGN

The design employed in this fieldwork was descriptive. Data were gathered from both primary and secondary sources for analysis. In collecting the primary data the researcher made use of questionnaires.

3.7 METHOD OF DATA ANALYSIS

Views expressed by respondents in questionnaires were edited, coded and evaluated.

Qualitative and Quantitative techniques were used to analyze the data, and Excel and SPSS (Statistical Program for Social Sciences) were employed to help in the presentation and analysis of the data obtained from the field. The computer software enables tables, figures and charts to be used.

3.8 PROFILE OF STUDY ORGANIZATION

This study shall take place at the Kumasi branches of the United Bank Africa (UBA) Ghana. UBA (Ghana) is a subsidiary of United Bank for Africa (UBA) Plc, which is West Africa's largest financial services group with assets in excess of US\$14 billion. The labour strength of

UBA m today can be said to be commensurate with its size. There are about 438 employees of UBA (Ghana). They are distributed to the various branches in different departments. UBA (Ghana) takes pride in its ability to provide its employees with skills and abilities to operate in a challenging, engaging, multicultural work environment that promotes innovation and rewards performance. UBA's goal is to be the employer of choice. UBA'S corporate identity rests on four fundamental values with the acronym Honesty, Empathy, Integrity and Resilience. This is a key component of the employment philosophy of the bank. The banks people strategy starts from the point and method of recruitment, which emphasizes merit and a strong fit with shared values to the point of training and deployment, and retraining to imbibe the values and operating norms. The study will be carried out at the Kumasi branches of UBA (Ghana) limited in the garden city of Ghana. This city has a total of six branches located in Kwame Nkrumah University of Science and Technology campus, Adum, Suame, Allabar, Kejetia and University College of Education, Kumasi campus.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

This chapter is devoted to the data presentation and analysis of responses from employees. The chapter is divided into three. The first part focuses on the demographic characteristics of respondents, the second part on the existing motivational packages at the bank and the third part also focuses on the impact of these motivational packages on the performance of workers.

4.1 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

Issues attended to under demographics involved age distribution of respondents, sex, educational level, designation at the bank and the years of service with the bank.

4.1.1 Age Distribution

Table 4.1 A table showing the age distribution of respondents

Age distribution	Frequency	percent	Cumulative percent
Less than 20years	0	0	0
Between 21-30years	53	58.9	58.9
Between 31-40years	25	27.8	86.7
Between 41-50years	8	8.9	95.6
Between 51-60years	4	4.4	100
Above 60years	0	0	100
Total	90	100	100

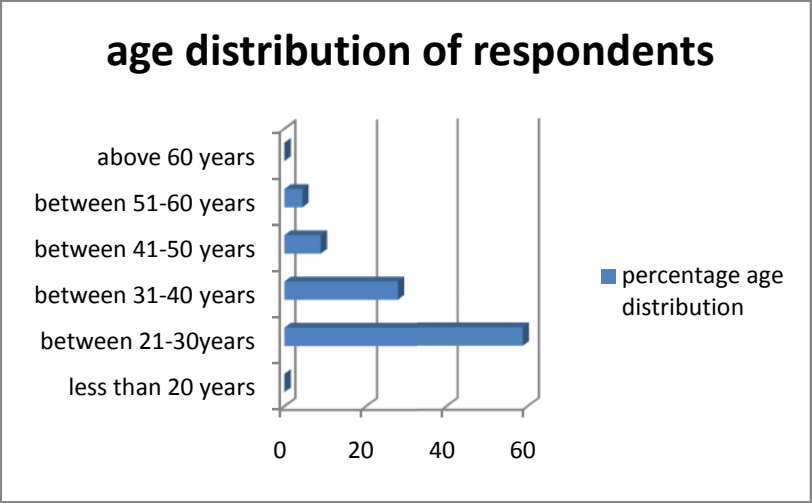
Source: Researcher's Fieldwork, April, 2013.

From the primary data, the age distribution with the highest respondents was between 21-30years, 58.8% implying a youthful workforce. This is followed by respondents between ages 31-40years with 27.8%. 8.9% and 4.4% of respondents fell between the 41-50years and 51-

60years group. There were no respondents for the below 20years and above 60years category.

Over 85% of the banks workforce is below 40years. This is key as it could serve as a guide in determining packages that are likely to suit the young workforce.

Figure 4.1 a bar graph showing the age distribution of respondents



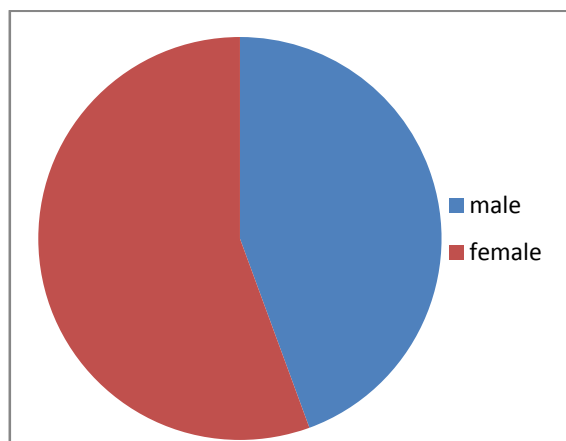
4.1.2 Sex distribution

Table 4.2 a table showing the sex of respondents

sex	frequency	Percent	Cumulative percent
Male	40	44.4	44.4
female	50	55.6	100
total	90	100	100

Source: Researcher’s Fieldwork, April, 2013.

Figure 4.2 a pie chart showing the sex distribution of respondents



From the field study, 44.4% of the respondents were males and 55.6% were females. This implies a workforce which has more females than males. Women tend to be more flexible and help draw new customers better. Women are also easily motivated and hence can give up their best

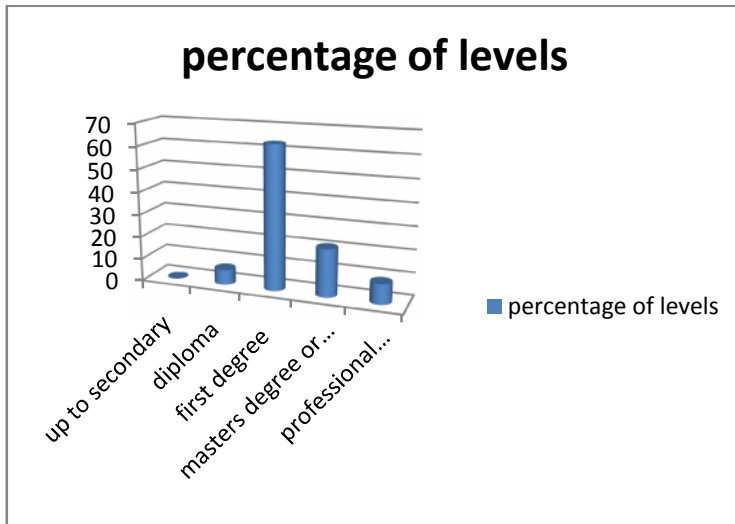
4.1.3 Level of education

Table 4.3 a table showing the education level of respondents

Level of education	frequency	Percent	Cumulative frequency
Up to secondary	0	0	0
Diploma	6	6.7	6.7
First degree	57	63.3	70
Masters degree or higher	19	21.1	91.1
Professional qualification	8	8.9	100
total	90	100	100

Source: Researcher's Fieldwork, April, 2013.

Figure 4.3 a bar graph showing the level of education of respondents



Source: Researcher’s Fieldwork, April, 2013.

Regarding the levels of education of the respondents, 6.7% are diploma holders, 63.3 % of respondents had first degree and 21 % had master’s degree. This implies a workforce that has 84.4% of respondents being graduates. 8.9% of the respondents however had professional qualification. A larger percentage of the banks workforce are skilled hence key in the success of the bank.

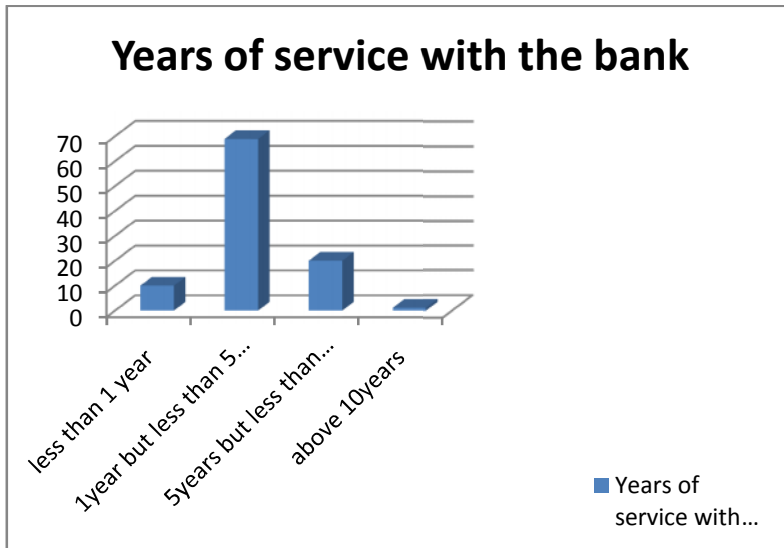
4.1.4 Years of service with the bank

Table 4.4 a table showing the years of service of respondents with the bank

Years of service	frequency	Percent	Cumulative frequency
Less than a year	9	10	10
1 year but less than 5 years	62	68.9	78.9
5 years but less than 10 years	18	20	98.9
Above 10 years	1	1.1	100
total	90	100	100

Source: Researcher’s Fieldwork, April, 2013.

Figure 4.4 a bar graph showing the years of service of respondents with the bank



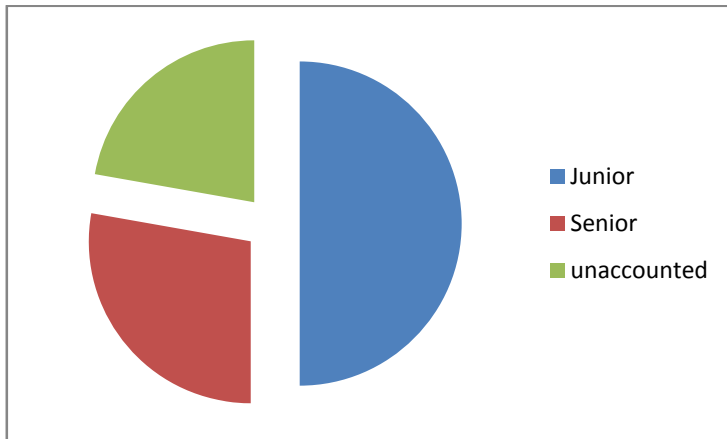
Source: Researcher's Fieldwork, April, 2013.

From the survey, 10% of respondents have spent less than a year with the bank, 68.9% have spent between 1 to 5years working with the bank, 20% of respondents have spent between 5 to 10years and only 1% have worked with the bank for more than 10years.

4.1.5 Designation of Employees at the Bank

From the survey, 50% of respondents are junior staff; this is followed by the senior staff with 27.8%. 22.2% of respondents refused to select their designation and so represents the unaccounted for percentage. The senior staff represents managers and supervisors and the junior staff represents clerical staff.

Figure 4.5 a pie chart showing the designation of employees in the bank



Source: Researcher's Fieldwork, April, 2013.

4.2 Motivational packages in the bank

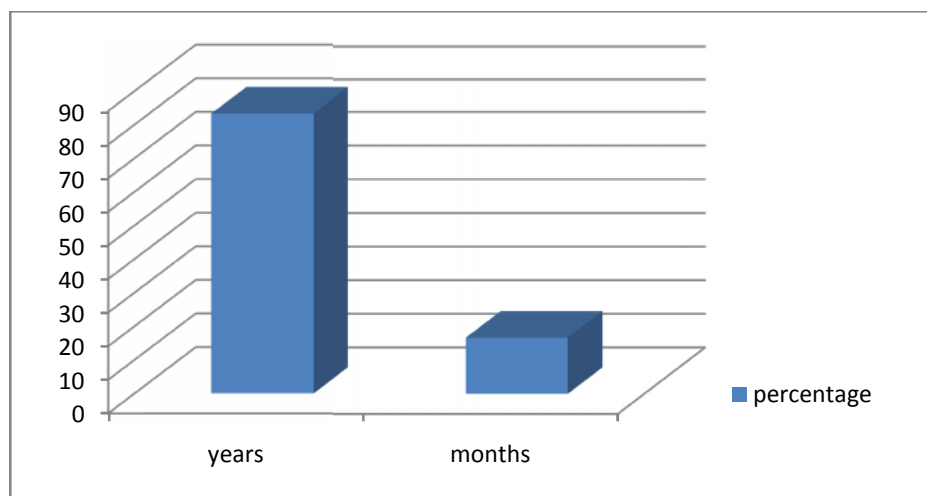
From the responses, the available motivational packages at the bank include:

- Monthly salary
- Promotions
- Recognition
- Fringe benefits made up of fuel allowance, amongst others
- car loan
- housing loan

In finding out from respondents the time scale they benefit from these packages, 83% of respondents said it took years to benefit and 17% said it took months. This implies that the majority of respondents had not benefitted from the motivational package that was based on the length of service to the bank such as housing and car loans as well as promotions which are based on having worked for the bank for more than 5 years. So for them it took years to benefit

from the range that was important to them. This is also obvious due to the fact that it is a much younger bank in terms of its existence in Ghana and Kumasi for that matter. The package that took shorter time is the salaries and fringe benefits. Along the way there are trainings on the job to enhance the work and communication of employees.

Figure 4.6 a bar graph showing the timescale for benefiting from these packages



Source: Researcher’s Fieldwork, April, 2013.

4.2.1 Importance of motivational packages to Employees

Table 4.5 a table showing the importance of motivational package to respondents

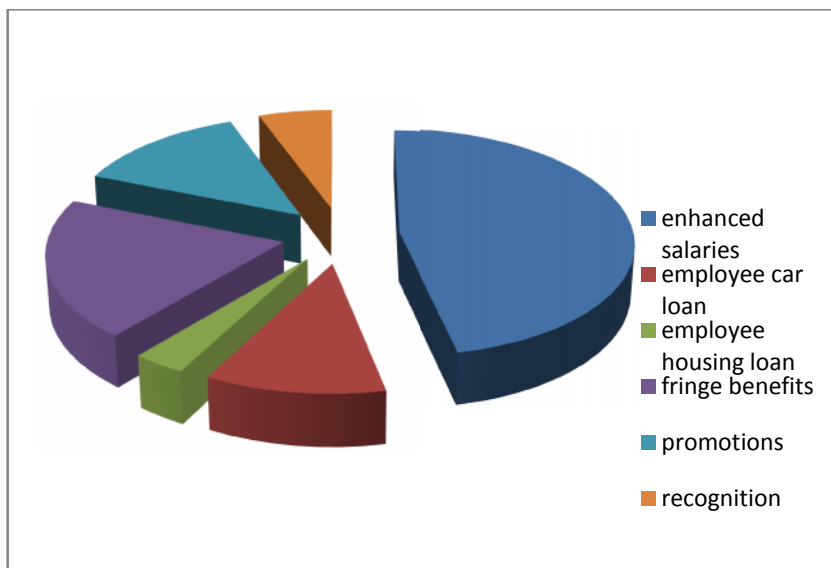
Motivational package	frequency	percent	Cumulative Percent
Increased/enhanced salaries	42	46.7	46.7
Employee car loan	10	11.1	57.8
Employee housing loan	3	3.3	61.1
Fringe benefits	18	20	81.1
promotions	12	13.3	94.4
Recognition	5	5.6	100
total	90	100	100

Source: Researcher’s Fieldwork, April, 2013.

In finding out the importance of these motivational packages to the respondents, the following responses were obtained. To 46.7% of respondents, an enhanced salary was the most important factor. This is understandable because employees who are paid well are normally committed to their work and do so with a lot of enthusiasm. Less paid employees on the other hand are liable to indulge in fraud. For these employees these salaries enables them to finance their fundamental needs of life as depicted by Maslow in his hierarchy of needs model. This was followed by 20% who considered fringe benefits as the most important motivator. These benefits include fuel allowance, food allowance, responsibility allowance, clothing allowance amongst others. These allowances are paid mostly based on educational level of employee, on the level of responsibility or on the length of service. These go along way to augment their monthly salaries. These two extrinsic types of motivation account for 66.7% of employees' interest. The bank from the age distribution has over 85% of its workforce being less than 40years, a youthful workforce probably now securing their physiological needs hence prefer factors which ensure that they receive more. The remaining population of 14% is between the ages of 41-60 years and might prefer other packages that are related to esteem, recognition and promotion. 13.3% of respondents considered promotions for their immense effort as the most important package. Promotions are to ensure that employee jobs are enriched. It is also usually associated with increase in remuneration. This increase in remuneration is consequently linked to an increase in job responsibility. This indicates a strong relationship between motivational package and performance and therefore is in support of Herzberg's Two-Factor theory. This was closely followed by 11.1% of respondents who considered a facility to obtain a car to facilitate their movement as a motivator. Recognition and a facility to own a home gained 5.6% and 3.3%

respectively. To depict it better is a pie chart to show the importance of these motivators to respondents.

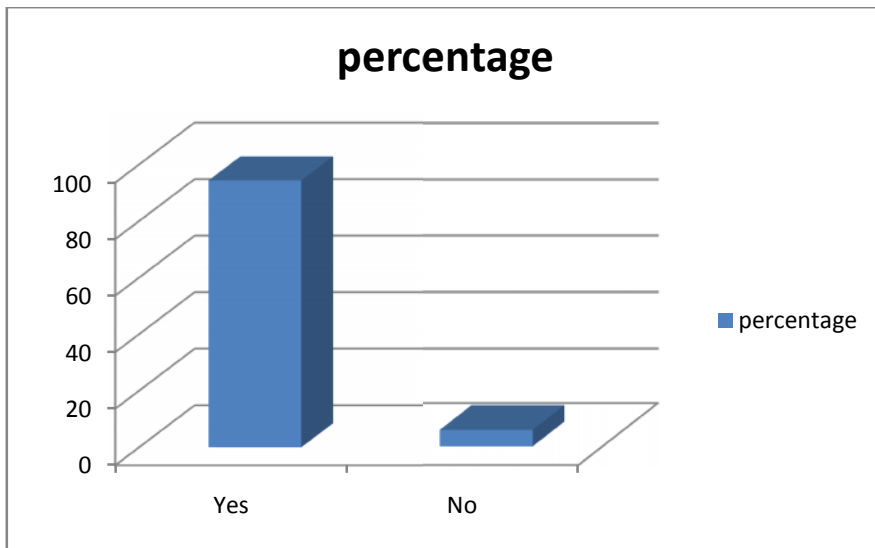
Figure 4.7 a pie chart showing the importance of current motivational package to employees



Source: Researcher's Fieldwork, April, 2013.

Questions were further posed to illicit responses on the incorporation of respondents views in the various motivational packages. From the primary data, 94% of respondents alluded to the fact that they were engaged in correspondence concerning these packages with 6% of respondents indicating that their views were not sought in the determination of these packages.

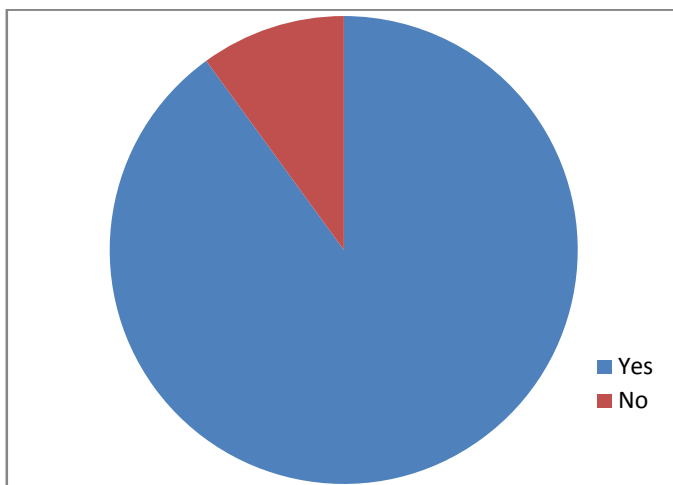
Figure 4.8 a bar graph showing the incorporation of respondents view in motivational package.



Source: Researcher's Fieldwork, April, 2013

Further interrogations relating to the motivational package revealed that with 90% of respondents, the current package is enough to motivate them to give off their best, whilst for 10% of respondents; the packages are not enough to motivate them to them off their best. This is depicted in the pie chart as shown below

Figure 4.9 a pie chart showing whether current motivational package is enough to give off their best



Source: Researcher's Fieldwork, April, 2013

4.3 IMPACT OF MOTIVATIONAL PACKAGES ON THE PERFORMANCE OF EMPLOYEES

From the primary data, the attitude to work indicators used were early reporting to work, staying on the job, delight to customers, respect among colleagues, inner satisfaction and loyalty to the bank. Responses from respondents indicated that loyalty to the bank was the highest affected attitude with a percentage of 22.2%. This is because the longer an employee remains in the employment of the bank, the more likely it is that most customers will be used to such a person and may find it easy to divulge their service wishes or expectations from the bank. Thus in our view, loyal employees birth loyal customers. This was followed by inner satisfaction with a percentage of 17.8%. While improvements in service quality can be reached through investments in technology and infrastructure, the most dramatic improvement are achieved through people. Satisfied employees tend to be more involved, dedicated, have greater organizational commitment, more loyal and productive towards customer needs, thus enhancing customer satisfaction, which is the ultimate aim of businesses today (Naeem,2010). This is because satisfied employees are:

- a) better motivated hence interacts with external consumers better
- b) they are also empowered employees because they have physical and emotional resources to understand and meet customer needs, show empathy, etc.
- c) full of energy and are more willing to go the extra mile in providing good service.

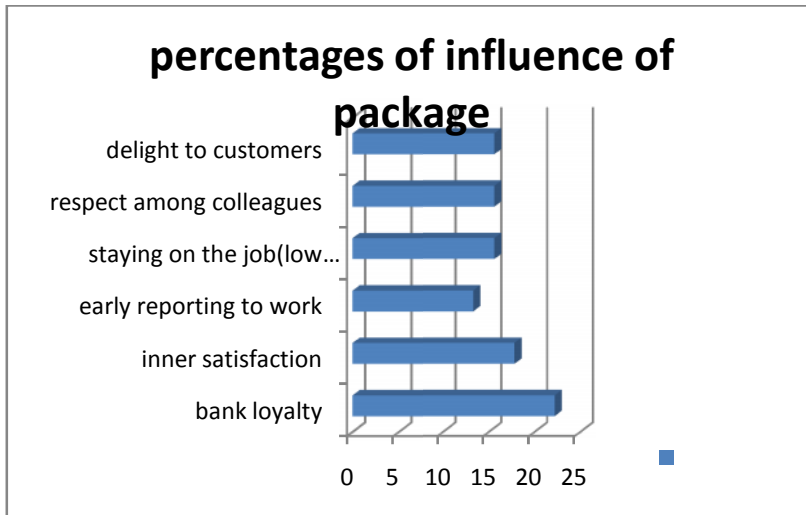
This concept of internal marketing according to Harter et al. (2002) found that employee satisfaction resulted in higher productivity and reduction in employee turnover. Delight to customers, respect among colleagues and staying on the job all earned a percentage of 15.6% of respondents, with the lowest percentage of 13.3% of the respondents opting for early reporting to work. These are depicted in the table and graph below.

Table 4.6 a table showing the Influence of motivational package on employees' attitude to work

Attitude to work	frequency	Percent	Cumulative frequency
Early reporting to work	12	13.3	13.3
Staying on the job	14	15.6	28.9
Delight to customers	14	15.6	44.5
Respect among colleagues	14	15.6	60.1
Inner satisfaction	16	17.8	77.8
Loyalty to the Bank	20	22.2	100
total	90	100	100

Source: Researcher's Fieldwork, April, 2013

Figure 4.10 a bar graph showing the percentages of the influence of package on work attitude



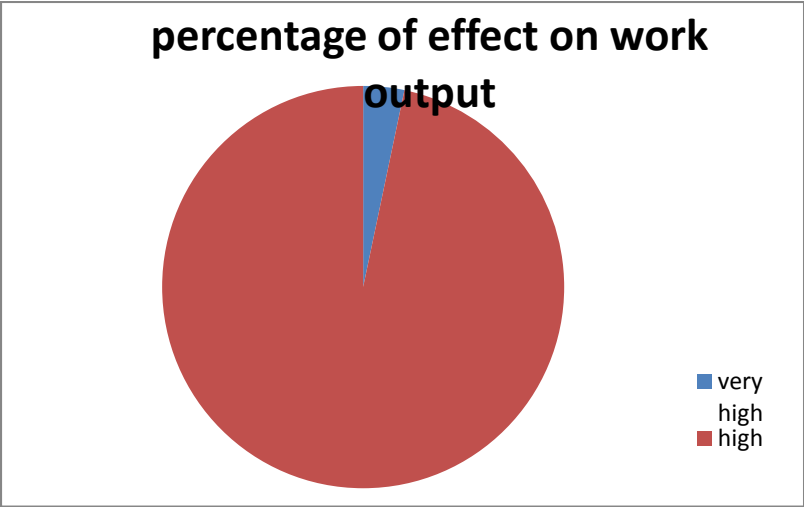
Source: Researcher's Fieldwork, April, 2013

The success of every organization depends on its human resource. This is because the greatest resource for any organization is its human resource. According to Martin Bruce(1962), a motivated employee is a loyal employee and employees who are loyal support the goals of the organization. In addition, Bruce (1962) advanced that the nature of the job that the employee performs has a bearing on the quality of his performance.

4.3.1 Impact of motivational package on work output

The next parameter that was investigated was the effect of these motivational packages on work output. From the responses, 97% of respondents indicated a high work out put with 3% of respondents also indicating a very high work output. This emphasizes the fact that good motivation does affect the work output because employees are satisfied, hence give off their best.

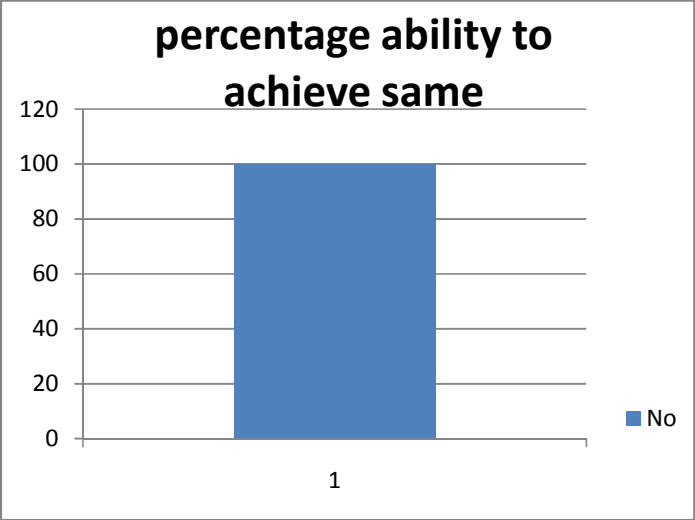
Figure 4.11 a pie chart showing the effect of package on work output



Source: Researcher’s Fieldwork, April, 2013

Respondents were further engaged to ascertain whether the same output could be achieved without the motivational package and the response was a 100% no by all respondents.

Figure 4.12 a bar graph to show percentage ability to achieve same without motivational package

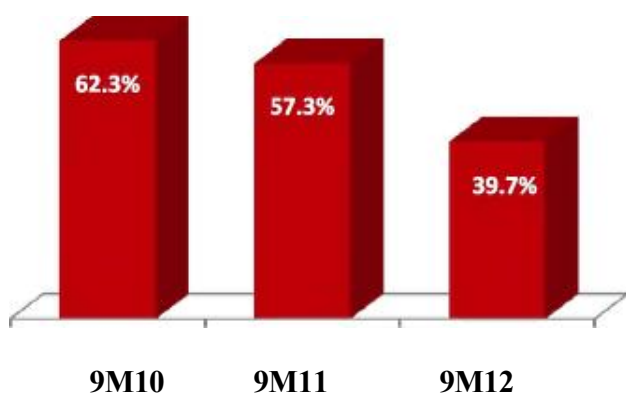


Source: Researcher’s Fieldwork, April, 2013

4.4 EFFECT OF MOTIVATIONAL PACKAGE ON BANKS PERFORMANCE

Respondents were further asked on the effect of these motivational packages on the performance of the bank. The indicators used were its effect on profitability, deposit mobilization, loan default, efficiency, and customer base and staff retention. From the respondents, the most indicators that will be affected is the efficiency with 33.3%. This was evident in the achievement of the bank for the past three years with an efficient cost to income ratio of 39.7% in 2012.

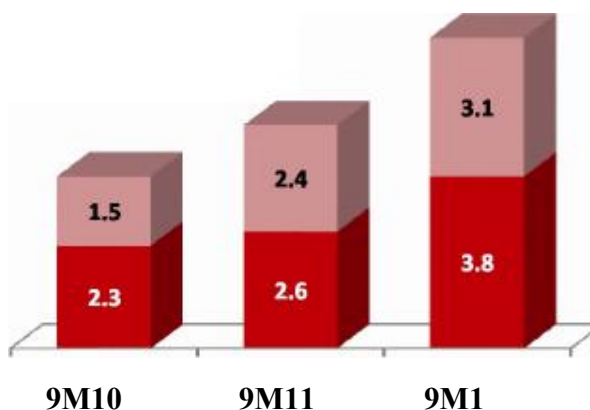
Efficient cost to income ratio: The least-cost to service provider with 39.7% cost to income ratio



Source: UBA financial report

This is followed by an increase in the profitability with a percentage of 28.9% with a subsequent increase in deposit mobilization with 25.6%.

- strong growth in revenues as seen in the financial report of UBA, 2012



Source: UBA financial report, 2012.

The least indicators affected are loan default and staff retention with percentages of 4.4 and 1.1 respectively. These responses are shown in the table and chart below:

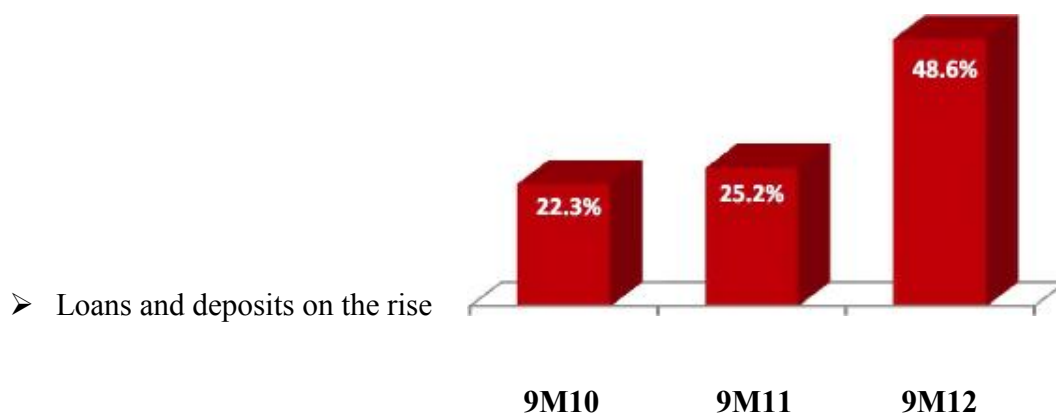
Table 4.7 a table showing the effect on Banks Performance

Indicators	frequency	percent	Cumulative Frequency
Profitability	6	28.9	28.9
Deposit mobilization	23	25.6	54.5
Loan default	4	4.4	58.9
Efficiency	30	33.3	92.2
Increases customer base	26	6.7	98.9
Staff retention	1	1.1	100
Total	90	100	100

Source: Researcher's Fieldwork, April, 2013

A chart showing the loan-deposit ratio of the bank contained in its annual report. 2012

Loan-deposit ratio



And growing loans and deposits in billions in naira as depicted below

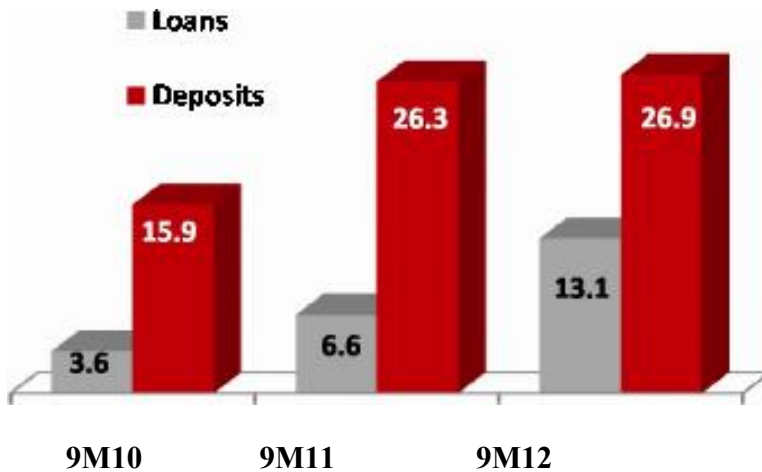
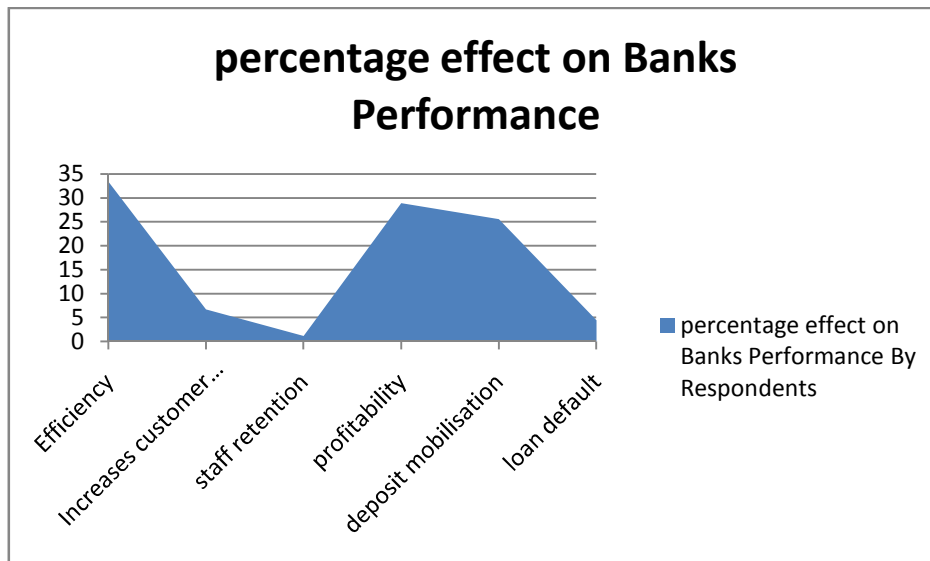


Figure 4.13 a chart showing the percentage effect of packages on performance of the bank



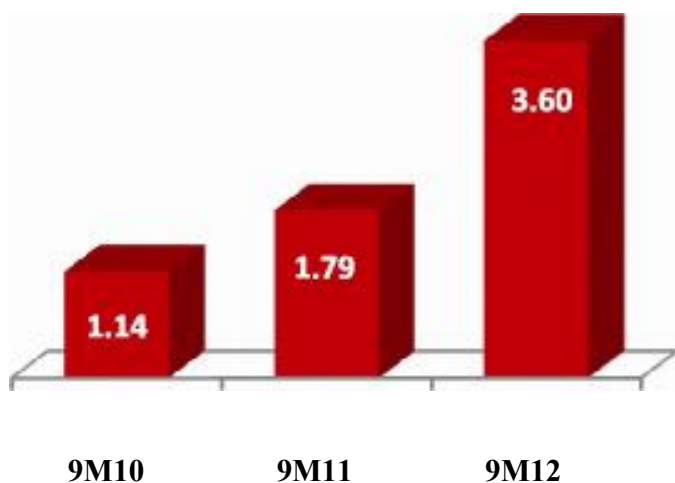
Source: Researcher's Fieldwork, April, 2013

According to UBA'S official performance, a clear increase in profitability is realized. In the 2012 financial statement of UBA Bank Ghana published on Monday March 11, 2013, the Bank posted a profit before tax (PBT) of GH¢62.9 million compared with GH¢30.1 million in 2011, representing an incremental growth rate of 108 per cent. In profit after tax (PAT) terms the Bank grew by 112 per cent from GH¢22.4 million in 2011 to GH¢47.5 million in 2012. There was also

an appreciable growth in total assets of 23 per cent from December 2011 to December 2012.

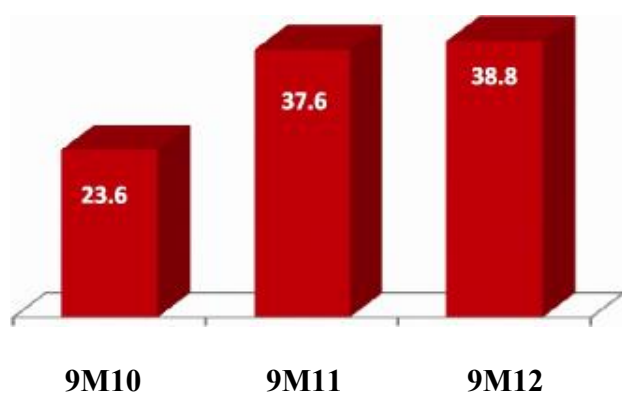
These are shown in the graphs below

Profit before tax(N'bn)



- A graph showing a highly profitable business, a two-year of 78% increase in profit before tax with a consequent and Impressive growth in total assets as shown below:

Total assets, N'bn



The Chief Finance Officer (CFO) of the Bank, Mr. Charles Appiah, said that UBA Ghana was simply efficient, adding “We have put in place several cost-efficient initiatives and strong risk management framework that optimize the use of our resources which have resulted in making UBA Ghana one of the best banks in cost-income ratio (CIR) and NPL ratio both of which were 35 per cent and 1.4 per cent, respectively by 2012 year-end.”The period under review also saw significant improvement in the bank’s return on equity and return on assets. Return on equity increased from 32 per cent in 2011 to 50.3 per cent in 2012 while return on assets rose from 5.3 per cent in 2011 to 8.9 per cent in 2012.(**Source: The Ghanaian Times, March, 2013**)

This sums up the performance of UBA bank Ghana on the whole.