EFFECTS OF MOTIVATION ON EMPLOYEES PERFORMANCE AT FIRST ALLIED SAVINGS AND LOANS LIMITED, ADUM BRANCH - KUMASI

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JUNE, 2012
STATEMENT OF AUTHENTICITY

We Have Read The University Regulations Relating To Plagiarism And Certify That This Report Is All Our Own Work And Does Not Contain Any Unacknowledged Work From Any Other Source. We Also Declare That We Have Been Under Supervision For This Report Herein Submitted.

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Supervisor’s Declaration

I Hereby Declare that the Preparation and Presentation of the Dissertation Were Supervised In Accordance With the Guidelines on Supervision Laid Down By Christian Service University College

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ABSTRACT

The study looks at the effects of motivation on employee performance at First Allied Savings and Loans Limited as the case study.

The study adopted the descriptive method and questionnaires was the main instrument for collecting data from a sample size of 35 respondents in the Kumasi Branch – Adum. The purpose of the study was to investigate into the effects of motivation on employee’s performance at First Allied Savings and Loans Limited, Kumasi, Adum Branch.

The study revealed that 21 respondent representing 60% said that their level of motivation is low, 21 respondent representing 60%. With regards to the effects of motivation on employee’s performance, it was discovered that 24 of the respondents representing 68.65% were willing to increase their productivity level if only they are given extrinsic reward. In ranking among the seven selected motivational factors, high salary was ranked as the number one with 11 representing 31.4%.

The study concluded that staff level of motivation at First Allied Savings and Loans Ltd is generally low and is evident in relation to their output of work and will commit themselves in order to work to see the success of the business. It was therefore recommended that motivation should be management’s topmost priority in order for employees to deliver excellent service to its valued customers.
ACKNOWLEDGEMENT

It is quite natural that no academic and research work of this nature can be successfully accomplished without the least form of assistance and contribution from any quarter. We have realized the logic in this notion and magnitude of the assignment relied on certain personalities to produce this work.

We are grateful to the Almighty God for given us strength, wisdom, direction in coming out with this dissertation, we are also indebted to Mrs. Evelyn Owusu Frempong of Department of Business Studies, Christian Service University College, our supervisor for the useful suggestions and contributions and the pains to read through the original manuscript. All staff at First Allied Savings and Loans Limited especially Mrs. Josephine Adjei Sarpomaa.

Last but not least, to our parents and spouses for their financial, moral support and word of encouragement offered us. The list of contributors is so comprehensive that, we cannot mention their names here, and we say big thanks to them all.
DEDICATION

This piece of academic work is dedicated to the Almighty God for his guidance and protection throughout the undertaken of this project work.

It is also dedicated to our loved ones especially to our parents and spouses for their morale, prayers and financial support.

Our lecturers and all those who contributed in one way or the other to make this work a success.
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CHAPTER ONE
INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Even with the best strategy in place and appropriate organizational architecture, an organization will be effective only if it members are motivated to perform at a high level. The types of motivation are intrinsic and extrinsic. “Intrinsic motivation is a psychological force that determines the direction of a person’s behaviour as a result of challenging or interesting work, giving autonomy to work, designed scope to develop skills, abilities, opportunity to develop and grow, etc. Extrinsic is also psychological force that determines behavioural change as a result of tangible and intangible benefit such as salary, fringe benefit and special awards” (Gareth, R Jones and Jennifer M. George, 2003).

It is a fact that success in every organization depends on the quality of its human resources both skilled and unskilled labour which is perhaps the most intangible aspect of the organization, hence the most important. All these things plants, machinery and financing cannot generate income without manpower. Studies have shown that in today’s competitive business environment, success is increasingly a function of effective human resources management (George Ahindo, Executive MBA, 2008). It is therefore necessary to have a workforce that is motivated to yield high performance and productivity towards achieving the organizational goals and objectives.

Irrespective of the industry within which an organization operates, the concept of motivation cannot be looked down upon. With this regard banking being a service industry and therefore having direct contact with customers, the presence or absence of employees’ motivation can
have immediate telling effect on the customer (thus either delighting the customer or otherwise) which eventually results in customer retention and profitability.

It is one of the driving forces that have direct impact on the business productivity. The critical workforce management challenges of the immediate future driven by corporate re-engineering and restructuring efforts, loyalty concerns and fierce competition for key talents are closely linked to the emerging issues of employees’ commitment and productivity.

The role of management therefore in all these is paramount. A transparent style of administration is what is required since it is one of the surest ways to motivate staff. This is because management plays significant and unique role in terms of leadership drive and direction. This role can be considerably a kind of catalyst, able to tap and awaken each employee’s unique talents and convert them to performance. However, it is only through varied organizational strategies that a manager will be able to trigger his/ her employee’s hidden talents which are highly important in the productivity and performance of the organization. These strategies can be external and internal to employees and one of these strategies employed by managers is motivation.

Motivation approaches definitely satisfy the needs of the employees and in return, the employee repays it through their hard work. Identifying the needs and answering it is the most basic approach of every organization to earn the commitment of the employees (Chughtai, 2008). With a well motivated workforce, an employee’s performance can be manifested on the organizational effectiveness, which allows the individuals to focus on the development of their work, in terms of behaviour, skills and knowledge, ethics and effectiveness. It has been noted that motivation tends to energize the workforce which can result in their expected job performance (Byham and Moyer, 2005).
Again, the motivational process increases or influence the job performance and other work outcomes of an individual that can reach to the employees’ outmost performance and even their jobs satisfaction (Strain, 1995 and Chughtai, 2008).

Many organizations are seeking for a suitable means to motivate their staff in order to help increase the total output of their employees. In today’s increasing competitive marketplace, organizations need to have well planned and expected processes for managing and enhancing the performance of their employees. However, the system used to motivate employees may have potentially negative effect on their morale if not properly used or applied. This has become a big challenge to most organization, particularly the service industry or organization.

The service industry is one of the major contributors of Gross Domestic Product (GDP) and the socio-economic development of the country. Quality service delivery is very important and this has called for measures to ensure that services delivered to customers are of good standard.

A well motivated staff will deliver satisfactorily to exceed the expectation of customers and this will intend to attract and retain customers so as to meet the ultimate objective (profitability). However, this is not the case in most organization including the Banking Sector.

Arguably, it can be said that no employees would resist higher pay or an increase in salary since it would offer him/her an opportunity to do a lot of things such as paying his/her utility bills, paying school fees, buying clothes, cars, land and so forth. Because salaries are
generally low in Ghana, some of the employers erroneously feel that once their staffs are given higher salaries, every other thing would naturally follow.

Abraham Maslow the father of motivation (1943) holds the view that “unsatisfied needs serve as a motivation for individual or group of people”. He identified five (5) hierarchy of needs which are physiological need, safety needs, social needs, esteem needs and self actualization. And when a need is satisfied, he says it does not serve as motivation again it is the next need that matters.

1.2 STATEMENT OF PROBLEM

In recent times employees move from one organization to another due to lack /low level of motivation. Some employers try to give high salaries or wages to their employees just to motivate them to give up their best so as to increase productivity. Others also give rent and transportation allowances to their employees so that the employees can put up their best to enhance their performance, yet the whole thing seem to be a mirage.

This tells us that motivation is subjective, that is to say that what motivate someone to put up his best will also de-motivate the other person. Human needs are insatiable for this reason they always struggle for new things in life so that we can live a comfortable life. If someone receives huge salaries, allowances in terms of rent, transportation and yet does not get motivated, it means motivation does not base on extrinsic reward but also on intrinsic reward as well. According to Maslow, individuals attain the next hierarchy of needs after the first one has been achieved. Senior managers are not much motivated extrinsically by money and other physiological needs but are well motivated intrinsically through self esteem and actualization needs and by so doing if their ideas are well transformed into performance , they
feel well motivated. It was in the light of this that we have decided to investigate into First Allied Savings and Loans Limited about the effect of motivation on employees’ performance. These issues have prompted us as Human Resource students to investigate into the effect of motivation on an employee’s performance at First Allied Savings and Loans Ltd.

1.3 OBJECTIVES OF THE STUDY
The general objective of the study is to investigate into the effects of motivation on employee’s performance at First Allied Savings and Loans Limited, Kumasi, Adum Branch.

1.3.1 The Objectives of the Study
1. To identify the factors that motivates and de-motivates employees at First Allied Savings and Loans Ltd.
2. To identify the level motivation for workers at First Allied Savings and Loans Ltd.
3. To determine the extent to which motivation affect productivity
4. To make appropriate recommendations for motivating staff to improve productivity at First Allied Savings and Loans Ltd.

1.4 RESEARCH QUESTIONS
1. What factors motivate and de-motivate the employees at First Allied Savings and Loans Ltd.
2. Does motivation affect productivity at First Allied Saving and Loans Ltd.?
3. What are the sources of factors of motivation for employees at First Allied Savings and Loans Ltd?
1.5 SIGNIFICANCE OF THE STUDY

The aim of every organization is to outweigh its competitors in terms of rendering better service to its customers to enable the company sustain in the market. The company cannot do without having well motivated employees who can help the organization to achieve its aims and objectives.

The company gaining more knowledge about motivation and its effect on the performance will device concrete strategies to keep their employees and also make them happy both at home and at work. This research is going to help the employees to render good and quality service to their valued customers. The customers will remain loyal to the company since they render good and quality service to them. This is also going to help management by way of getting a good image and increasing productivity at First Allied Savings and Loans Ltd. It is also anticipated that the findings of the study will pave way for the authorities of First Allied Savings and Loans Ltd, Adum-Kumasi to accept the factors that influence managerial behaviour and its impact on employees towards organizational performance. Finally, the results of the study will throw more light on factors that serve as satisfiers or dissatisfies to employees. It will serve as a blue print for determining what actually motivates and boosts morale of workers and managerial behaviours required to yield optimum performance.

1.6 SCOPE OF THE STUDY

Our area of study is focused on the staff of First Allied Savings and Loans Limited which has its head office located at Asomfo road in Adum, Kumasi. And their main target is the traders especially market women in order to grant them loans to expand their business. First Allied Savings and Loans Ltd has been in existence for about 15years now and has opened their tentacles to the six(6) regions and also has twenty (20)branches in Ghana. Some of their
branches are located at Adum, Asafo, Roman Hill, Suame, Sokoban, Adabraka, Tudu, Madina, Abossey Okai, Techiman, Nkoranza, Mpreaso, Berekum, Nkawkaw, Takoradi, Cape Coast, Obuasi, Kasoa. They deal in savings and loans to people and international money transfer such as Vigo and Western Union money transfer.

1.7 Organisation of the Study

This study is made up of five chapters and is grouped as follows: Chapter one covers the introduction which includes the background to the study, statement of the problem, objectives of the study, research questions, significance of the study, scope and the organization of the study. Chapter two deals with the review of existing literature which covers the concepts of motivation and the conceptual framework of existing theories of motivation, management of the motivation system, staff morale, motivation, staff morale and performance and the theoretical framework, Chapter three deals with the methodology adopted for the study. The issues to be covered includes the research design, population and sample size, sample techniques, instrumentation, mode of data collection, method of data analysis, Chapter four focused on the analysis of data and discussion of findings and Chapter five provides a summary of the findings, conclusions and recommendations of the study.

1.8 LIMITATION OF THE STUDY

First Allied Savings and Loans limited were not willing to provide us with the necessary information needed for this research. Another challenge was time constraint on the part of the researchers which made it impossible to use a larger sample size.
CHAPTER TWO
LITERATURE REVIEW

2.0 INTRODUCTION

This chapter reviews literature for the study. It discusses the concept of motivation, types of motivation, factors affecting motivation at the workplace, conceptual framework of motivational theories, and organizational/managerial applications of Maslow Needs theory, motivation and organizational performance.

2.1 THE CONCEPT OF MOTIVATION

The word motivation has been derived from motive which means any idea, need or emotion that prompt a man into action. Whatever may be the behaviour of man, there is some stimulus behind it. Stimulus is dependent upon the motive of the person concern. Motive can be known by studying a person’s needs and desires.

There is no universal theory that can explain the factors influencing motives which control man’s behaviour at any particular point in time. In general, the different motives operate at different times among different people and influence their behaviours. The process of motivation studies the motives of individuals which cause different type of behaviour.

Kreitner(1995), Buford, Bedeian and Linder(1995),Higgins (19940 cited in Linder(1998) defined motivation as “the psychological process that gives behaviour purpose and direction, a predisposition to behave in a purposive manner to achieve specific unmet needs, an unsatisfied need and the will to achieve, respectively.
Young (2000) also defined motivation as the force within an individual that account for the level, direction, persistence of effort at work. Halepota (2005) definition of motivation is “a person's active participation and commitment to achieve the prescribed results”. Halepota further presents that the concept of motivation is abstract because different strategies produce different results at different times and there is no single strategy that can produce guaranteed favourable results at all times.”

According to Antonioni (1999), “the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organization prevents them from attaining good outcomes. It can be observed from the above definitions that, motivation in general, is more or less basically concern with factors or events that leads and drives certain human action or inaction over a given period of time given the prevailing conditions.

Furthermore, the definitions suggest that there is the need to be an “invisible force “to push people to do something in return. It could also be deduced from the definition that having a motivated workforce or creating an environment in which high levels of motivation is maintained for the challenge for management today. Its challenge may emanate from the simple fact that motivation is not a fixed trait as it could change with changes in personal, psychological, financial or social factors.

For this research, the definition of motivation by Greenberg and Baron (2003) is adopted, as it is more realistic and simple as it considers the individuals and his performance.
Greenberg and Baron defined motivation as “the set of processes that arouse, direct, and maintain human behaviour towards attaining goals.

Jones (1955) argues that “motivation is concerned with how behaviour gets started, is energised, is sustained, is directed, and is stopped and what kind of subjective reaction is present in the organization while all this is going on.

2.2 TYPES OF MOTIVATION

According to Crabbe, researchers identified two sources of motivation; these are internal and external sources which have also been labelled as the intrinsic and extrinsic motivation.

i. Intrinsic motivation – this arises between the relationship between the worker and the task and is usually self applied. Feelings of accomplishment, achievement challenge and competence derived from performing ones work are examples of intrinsic motivation.

ii. Extrinsic Motivation – this stems from work environment external to the task itself and is usually applied by someone other than the person being motivated. Pay, fringe benefits, favoured company policies and various forms of supervision are examples of extrinsic motivation.

2.3 FACTORS AFFECTING WORKPLACE MOTIVATION

An incentive is something which stimulates a person towards some goal. It activates human needs and creates the desire to work. Thus, an incentive is a means of motivation. In organisations, increase in incentive leads to better performance and vice versa.
Man is a wanting animal, he continues to want something or other. He is never satisfied. If one need is satisfied, the other need arises. In order to motivate the employees, the management should try to satisfy their needs. For this purpose, both financial and non-financial incentives may be used by the management to motivate the employees. Financial incentives or motivators are those which are associated with money. These include wages and salaries, fringe benefits, bonus, retirement benefits, stock option etc. Non-financial motivators are those which are not associated with monetary rewards. They include intangible incentives like satisfaction, self-actualization and responsibility.

2.4 MOTIVATIONAL THEORIES

Motivational theories can be classified under three broad categories according to Stoner and Freedman (1989). These are content theories, process theories and reinforcement theories. Each of these perspectives sheds light on how motivation influences work performance.

Even though much research has been conducted on the field of motivation and many researchers and writers have proposed theories on the concept and its role in enhancing employees’ performance in every organization, some of these models have been widely used and accepted by today’s organizations leaders.

This discussion on the motivational theories explains the fact that the concept of employees’ motivation has been a critical factor addressed by previous authors as what determines the core competence of every organization in achieving a competitive position. The personality-based perspective of work motivation within which Maslow need theory of motivation and Herzberg theory falls will provide the main support and serves as a foundation for this
research and in the process determines a ranking order of factors that motivates employees. The Maslow and Herzberg theories formed the basis for this study.

Maslow (1943) suggests that human needs can be classified into five categories and that these categories can be arranged in a hierarchy of importance. These include physiological, security, belongings, esteem and self-actualization needs. According to him a person is motivated first and foremost to satisfy physiological needs. As long as the employees remain unsatisfied, they turn to be motivated only to fulfil them.

When physiological needs are satisfied they cause to act as primary motivational factors and individual moves “up” the hierarchy and seek to satisfy security needs. This process continues until finally self actualization needs are satisfied. According to Maslow the rationale is quite simple because employees who are too hungry or too ill work will hardly be able to make much contribution to productivity.

Maslow’s theory says that need can never be fully met, but a need that is almost fulfilled does not longer motivate. According to Maslow you need to know where a person is on the hierarchical pyramid in order to motivate him/her, then you need to focus on meeting that persons needs at that level (Robbins, 2001). According Greenberg and Baron (2003) the five needs identified by Maslow corresponds with the three needs of Alderfer’s ERG theory. Whereas Maslow theory specifies that the needs be activated in order from lowest to highest Alderfer’s theory specifies that the needs can be activated in any order. His approach is much simpler than Maslow’s.
Alderfer’s theory specifies that there exist three main needs as opposed to five mentioned by Maslow. This human basic needs include existence, relatedness and growth. These needs according to Alderfer’s need not necessarily activated in any specific order and may be activated at any time. According to him existence needs, needs corresponds to Maslow’s physiological needs and satisfy needs, relatedness needs corresponds to Maslow’s social needs and growth needs corresponds to esteem and self-actualization needs by Maslow. These needs are divided into deficiency needs (physiological, safety, social needs) and growth needs (esteem self-actualization needs).

Physiological needs are the need at the bottom of the needs hierarchy and include the lowest order need and most basic. This includes the need to satisfy the fundamental needs such as food, air, water and shelter. According to Maslow, organizations must provide employees with a salary that enable them to afford adequate living conditions. The rationale here is that, any hungry employees will hardly be able to make much of any contribution to his organization by Maslow (1943).

Safety needs, this occupies the second level of needs. Safety needs are activated after physiological needs are met. They refer to the need for a secure working environment free from any threats or harm. Organizations can provide these need by providing employees with safety working equipment example health insurance plans, fire protection etc. The rationale is that employees working environment free of harm to do their jobs without fear of harm.

Social Needs: This represent the third level of needs. They are activated after safety needs are met. A social need refers to the need to be affiliated that is (the needed to be loved and
accepted by other people). To meet these needs organization encourages employees’ participation in social events such as picnics etc.

Esteem Need: This represents the fourth level of needs. It includes the need for self-respect and approve of others. Organizations introduce awards, banquets to recognise distinguish achievements.

Self – actualization: This occupies the last level at the one top of the needs hierarchy. This refers to the need to become all that one is capable of being to develop ones fullest potential. The rationale here holds to the point that self-actualization employees represent valuable assets to the organization human resource.

Most research on the application of need theory found that although lower-level managers are able to satisfy only their deficiency needs on the job, managers at the top level of organizations are able to satisfy both their deficiency and growth needs (Greenberg & Baron, 2003). This view was supported by Shipley and Kiely (1988), they argued that as “need satisfaction is an attitude, and that is perfectly possible for a worker to be satisfied with his/her need, but not be motivated the reverse of which hold equally true. Hence, need satisfaction and motivation are not synonymous and both need fulfilment can have negative as well as positive influence on motivation.

2.4.1 Organizational /Managerial Application of Maslow Need Theory

The greatest value of Maslow’s need theory lies in the practical implications it has for every management of organizations, Greenberg and Baron (2003). The rationale behind the theory lies on the fact that it’s able to suggest to managers how they can make their employees or
subordinates become self-actualized. This is because self-actualised employees are likely to work at their maximum creative potentials. Therefore it is important to make employees meet this stage by helping meet these strategies at this stage.

Recognising employee’s accomplishments is an important way to make them satisfy their esteem needs. This could take the form of awards, plagues etc. According to (Greenberg & Baron, 2003) research carried out in GTE Data services in Temple Terrace in Florida shows that awards are given to employees who develop ways of improving customer’s satisfaction or business performance. But note that awards are effective at enhancing esteem only when they are clearly linked to desired behaviours. Awards that are too general fail to meet this specification.

Financial security is an important type of safety need. Organizations should therefore motivate their employees to make them financially secured by involving them in profit sharing of the organization. Furthermore, there is the need to promote a healthy workforce among workers. Companies can help in keeping their employees physiological needs by providing incentives to keep them healthy both physical and mentally.

Socialization need is one of the factors that keep employees feel the spirit of working as a team. When employees work as a team they tend to increase their performance. When an organization hold programmes such as “family day”, picnic or games among the staff, it helps build team spirit among staff.
2.4.2 Maslow’ Need Hierarchy

![Maslow's Hierarchy of Needs](image)

**Figure 1**

*Mullins, 2010*

2.4.3 Herzberg’s Motivation and Hygiene factors

Herzberg’s motivation hygiene theory is divided into two different categories of factors affecting the motivation to work. The first category is labelled as motivation factors, and the second category is labelled as hygiene factors. The basic assumption theorized by Herzberg is that the presence of hygiene factors prevent employees from feeling unhappy (dissatisfied) with their job.

Hygiene factors include extrinsic factors like technical supervision, interpersonal relations, physical working conditions, salary, company policies, and administrative practices, benefits
and job security. The maintenance of hygiene factors therefore only ensures that employees are not feeling unhappy or frustrated with their job.

In comparison, motivation factors include intrinsic factors such as achievement, recognition and status, responsibility, challenging work and advancement in the organization, which are factors that can potentially make employees happy with their job and motivated to excel at work.

Therefore Herzberg’s motivation theory emphasis that only motivation factors have the potential of increasing job satisfaction. Compared to these motivation factors, hygiene factors can only be used to prevent dissatisfaction and thus not be used as incentives to create satisfaction. An employee may therefore very well be satisfied with his/her overall working conditions, but not especially motivated to work and perform to his/her full potential.

This distinction between the different effects of motivation factors and hygiene factors seems somewhat static and inflexible and later research has pinpointed flaws in the Herzberg’s motivation theory. For example, Maidani (1991) conducted research based on Herzberg’s motivation hygiene theory, which showed new interesting insights into the validity of Herzberg’s theory and its rather normative approach. In short, the research conducted by Maidani concluded that both intrinsic motivation factors and extrinsic hygiene factors can influence overall job motivation. This stands in contrast to the original terminology of Herzberg, where only motivation factors were theorized as factors increasing job satisfaction and motivation.
Presently there appears to be some agreements that the crucial thread that distinguishes employees motivated behaviours from other behaviour is that is goal directed behaviour, Bandura (2003) argues that the core of motivating individuals lays in the goal directed aspect of behaviour. Jones suggested “motivation is concern with how behaviour gets started, is energised, is sustained, is directed, is stopped and what kind of subjective re-action is present in the organization while this is going on. The Jones statement can be converted into a diagram which shows the employee motivational process as it influences performance.

Bandura (2000) established that the process of employee motivation begins because of tension within drives or needs of an employee. Next there is a search within the company or groups or within employee to fulfil his/her desires. When the employee is satisfied with his financial motivation he redefines his desires and needs and the process is initiated again. These groups of researchers were over the years divided into what was later labelled the content and process theories of motivation.

Bassett-Jones and Lloyd(2005) suggests that the “content theorist led by Herzberg, assumed a more complex interaction between both internal and external factors, and explored the circumstances in which individuals respond to different internal and external stimuli. On the other hand, process theory, where Vroom (1964) was the first exponent considers how internal factors available to a person results in different behaviours. From the focus point of these two groups, one could observe that the process theories attempt or try to understand the thinking processes an individual might go through in determining how to behave in a workplace. The primary focus was on how and why questions of motivation, how certain behaviour starts, developed and sustained over time.
2.4.4 Content (Needs) Theory

This theory focuses on the content of motivation in the shape of needs. Its basis is the belief that an unsatisfied need creates tension and a state of disequilibrium. To restore the balance, a goal is identified that will satisfy need and a behaviour pathway is selected that will lead to the achievement of the goal and the satisfaction of the need. All behaviour is therefore motivated by unsatisfied need.

This is the way it is being Modelled.

Model 2.1

Process of motivation.

There three points that emerge from this model. First, people have a multiplicity of needs depending on themselves and the situation they are in. Second, they can select all sorts of goals and actions to satisfy those needs. Third, while we can observe their behaviour we cannot be certain of the needs and goals that motivated it. It is unwise to assume that any one approach to motivation will appeal to all affected by it. Motivation policies must recognize that people are different (Armstrong, 11th Edition).
2.4.5 Equity Theory

Equity theory (Adams, 1965) is concerned with the perceptions people have about how they are being treated as compared to others. To be dealt with equitably is to be treated fairly in comparison with another group of people (a reference group) or a relevant other person. Equity involves feelings and perceptions and it always a comparative process. It is not synonymous with equality, which means treating everyone the same, since this would be inequitable if they deserve to be treated fairly.

Equity theory, in effect, that people will be better motivated if they are treated equitably and de-motivated if they are treated inequitably. It explains only one aspect of the process of motivation and job satisfaction, although it may be significant in terms of morale.

There are two forms of equity, which are distributive equity, which is concerned with the fairness with which people feel they are rewarded in accordance with their contribution and in comparison with others and procedural equity, which is concerned with the perception employees have about fairness with which company procedures in such areas as performance appraisal, promotion and discipline are being operated.

2.4.6 McClelland’s Achievement-Affiliation –Power Theory

Another alternative way of classifying needs was developed by McClelland (1961), who based it mainly on studies of managers. He identifies three needs as being important:

1. The need for achievement, defined as the need for competitive success measured against a personal standard of excellence.
2. The need for affiliation, defined as the need for warm, friendly, compassionate relationship with others.
3. The need for power, defined as the need to control or influence others.

Different individuals have different levels of these needs. Some have greater need for achievement, others a stronger need for affiliation and others a stronger need for power. Management jobs where it is possible to feel direct responsibility for task accomplishment.

2.4.7 Expectancy theory

Expectancy theory states that motivation will be high when people know what they have to do to get reward, expect that they will be able to get the reward and expect that the reward will be worthwhile.

The concept of expectancy was originally contained in the Valency-instrumentality-expectancy (VIE) theory formulated by Vroom (1964). Valency stands for value, instrumentality the belief that if we do one thing it will lead to another, and expectancy is the probability that action or effort will lead to an outcome. Motivation is only when a clearly perceived and usable relationship exist between performance and outcome, and the outcome is seen as a means of satisfying needs. This explains why extrinsic financial motivation, for example, an incentive or bonus scheme works only if the link (line of sight) between effort and reward is clear and the value of the reward is worth the effort. It also explains why intrinsic motivation arising from the work itself can be more powerful than extrinsic motivation; intrinsic motivation outcomes are more under control of individuals, who can place reliance on their past experience to indicate the extent to which positive an advantageous results are likely to be obtained by their behaviour. This theory was developed by Porter and Lawler (1968) into a model that follows Vroom’s ideas by suggesting that there are two factors determining the effort people put into their jobs:
first the value of the rewards to individuals in so far as they satisfy their needs for security, social esteem, autonomy, and self-actualization and the second the probability that rewards depend on effort as perceived by individuals—in other words, their expectations about the relationships between effort and reward. Thus the greater the value of set awards and the higher the probability that receiving each of these rewards depends on effort, the greater the effort that will be expended in a given situation.

But as Porter and Lawler emphasize, mere effort is not enough. It has to be effective effort if it is to produce the desired performance. The two variables addition to effort that affect task achievement are

1. Ability – Individuals’ characteristic such as intelligent, knowledge, skills.

2. Role perceptions- what individuals want to do. These are good from the viewpoint of the organization if they correspond with what it thinks the individual ought to be doing. They are poor if the views of the individual and the organization do not coincide.

This model shows their theory.

![Motivation Model 2.2](Porter and Lawler)
According to Vroom, people choose the behaviours that they expect will maximize the payoff. When this theory is applied to pay, an employee must believe that greater effort will increase performance, increase in performance will lead to more pay and more pay is the reward that the employee wants most.

2.4.8 Douglas Macgregor’s Theory X and Theory Y

In his 1960 book, the human side of enterprise, Douglas McGregor proposed two theories by which to view employee motivation. He avoided descriptive labels and simply called the theories Theory X and Theory Y. Both of these theories begins with the premise that management’s role is to assemble the factors of production, including people, for the economic benefits of the firm. Beyond this point, the two theories of management diverge.

2.4.9 Theory X

Theory X assumes that the average person:

- Dislikes work and attempt to avoid it
- Has no ambition, wants no responsibility and would rather follow than lead
- Is self-centred and therefore does not care about organizational goals.
- Resists change
- Is gullible and particularly intelligent.

Essentially, Theory X assumes that people are lazy and work only for money and security.

2.4.10 The problem with Theory X

Drawing on Maslow’s hierarchy, MacGregor argues that a satisfied need no longer motivates. Under theory X the firm relies on money and benefits to satisfy employees’ lower needs and once those needs are satisfied the source of motivation is lost. Theory X management styles
in fact hinder the satisfaction of high level needs. Consequently, the only needs in their work is employees can attempt to satisfy their higher level needs in their work is by seeking more compensation, so as it is quite predictable that they will focus on monetary rewards. While money may not be the effective way to self fulfilment, in a Theory X environment it may be the only way. Under Theory X, people use work to satisfy their lower needs, and seek to satisfy their higher needs in their leisure time.

MacGregor makes the point that a command and control environment is not effective because it relies on lower needs as levers of motivation, but in modern society those needs already are satisfied and thus no longer are motivators. In this situation, one would expect employees to dislike their change etc, thus making Theory X a self-fulfilling prophecy. From this reason MacGregor proposed an alternative Theory Y (Desimone R.L and Harris D.M, 1998).

2.4.11 Theory Y

Theory Y makes the following general assumptions:

- Work can be as naturally as play and rest.
- People will be self-directed to meet their work objectives if they are committed to them
- People will be committed to their objectives if reward are in place that address higher needs such as self-fulfilment.
- Under these conditions, people will seek responsibility.
- Most people can handle responsibility because creativity and ingenuity are common in the population.
Under these assumptions, there is an opportunity to align personal goals with organizational goals by using the employees own quest for fulfilment as the motivator by Desimone R.L and Harris D.M,( 1998).

2.4.12 Theory Y Management Implications

If Theory Y holds, the firm can do many things to harness motivational energy of its employees:

- Decentralization and Delegation- if firms decentralize control and reduce the number of management , each manager will have more subordinates and consequently will be forced to delegate some responsibility and decision making to them.
- Job Enlargement- Broadening the scope of an employees’ job adds variety and opportunities to satisfy needs.
- Participative management- consulting employees in the decision making process to tap their creative capacity and provides them with some control over their working environment.
- Performance Appraisals- having the employee set objectives and participate in the process of evaluating how well they are met.

If properly implemented, such environment would result in a high level of motivation as employees work to satisfy their higher level personal needs through their jobs Douglas Macgregor (1960).

2.4.13 Motivation as the Key to Performance Improvement

According to (Shahid KV, Chavakkad, 2009), people will do what they want to do or otherwise motivated to do either by themselves or through external stimulus. Are they born with self motivation or drive? Yes and no. If no, they can be motivated, for motivation is a
skill which can and must be learnt. This is essential for any business to survive and succeed. He stated further that performance is considered to be a function of ability and motivation. Thus:

Job performance = f (ability) (motivation)

Ability in turn depends on education, experience and training and its improvement is slow and a long process. On the other hand motivation can be improve quickly. There are many options and initiated manager may not even know where to start. As a guideline, there are broadly seven strategies for motivation. These strategies for motivation are:

- Positive reinforcement/high expectations
- Effective discipline and punishment
- Treating people fairly
- Satisfying employees needs
- Setting work related goals
- Restructuring jobs
- Base rewards on performance

Essentially, there is a gap between an individual’s actual state and some desired state where by the manager tries to reduce this gap. Motivation is a means to reduce this gap. Motivation involves getting the members of the group to pull weight effectively, to give their loyalty to the group, to carry out properly the purpose of the organization. The following results may be expected if the employees are properly motivated.

- The employees will be better satisfied if the management provides them with opportunities to fulfil their physiological and psychological needs. The workers will
cooperate voluntarily with management and will contribute their maximum towards the goals of the organization.

- Employees will intend to be efficient as possible by improving upon their skills and knowledge so that they are able to contribute to the progress of the organisation.
- The rate of labour turnover and absenteeism among employees will be low.
- There will be good human relations in the organization as friction among the employees themselves and between employees and management will decrease.
- The number of complaint and grievances will come down and accident will also be low.
- There will be increase in the quantity and quality of product. Wastage and scrap will be less. Better quality of products will also increase the public image of the organization by Shahid KV, Chavakkad,(2009).
CHAPTER THREE
RESEARCH METHODOLOGY AND ORGANIZATIONAL PROFILE

3.1 INTRODUCTION

This chapter deals with the methodology that will be used for this study. The methodology comprised research design, population for the study, sampling procedures, research instruments, data collection and data analysis procedures etc.

3.2 RESEARCH DESIGN

The design that was used for this study is the descriptive method. A descriptive research is a collection and interpretation of data by (Ghosh, 1992). Information collected by asking a greater number of people from the sample chosen with known backgrounds some questions; helped us to get possible, broad and accurate view of responses to certain issues and then test theories on social relationships (Peil, 1995; Babbie 1992; Gill & Johnson, 1991). The study is looking at social issues because it has to do with the behaviour of workers in relation to how they react to different form of motivation given by supervisors and managers.

3.3 PRIMARY AND SECONDARY SOURCE OF DATA

Both primary and secondary sources of data were used during the study. Secondary sources include books on management, journals, and the internet. Information was also gathered from the files of the Human Resource Department.

Primary sources include the administration of questionnaires, by observation and interviews. The questionnaires include open ended questions. The open ended questionnaire was to allow for further satisfactory expression on respondents and members of the administration of First Allied Savings and Loans Ltd.
3.4 THE POPULATION FOR THE STUDY

The targeted sample for this study comprises of senior management and Junior management at the First Allied Savings and Loans Ltd Kumasi, Adum Branch. The workers population stands at 39.

3.5 SAMPLING AND SAMPLING PROCEDURES

A sample size of 35 was selected by using convenience sampling method. Convenience sampling is a simple approach where a sample is selected according to the convenience of the researcher. This convenience may be in respect of availability of data, accessibility of the elements.

3.6 TECHNIQUES FOR DATA COLLECTION

The procedures for collection of data for this study were basically questionnaires and observation. Only one type of questionnaire was given to both junior and senior management to answer. These questionnaires were made up of 25 questions of which most of the questions were close-ended.

Observation is critically studying the behaviours of employees in the working environment when they are been motivated. That is the behaviours they put up either positive or negative and the effects it can have on their performance in the organization.

Questionnaires: This process consists of setting questions relevant to the subject of enquiry which are self administered to selected list of persons with a request to return them duly filled in or collected personally at designated point.
Questionnaires consist of mainly open and close ended questionnaires were used to collect the primary data for the study. The close-ended questionnaires are the type that provides control over the providing specific response alternatives.

However, open ended questionnaires were partially. This type of questionnaires was to allow respondents to express their opinions and views on the study.

A total of 39 questionnaires were distributed and we were able to retrieve 35 of it representing 89.7% of the total population. Our concentration was on all workers irrespective of their position in the bank; the only concern was on the qualification indicated on the form.

3.7 DATA ANALYSIS PROCEDURE
Data collected using the questionnaires were edited for clarity and then frequency tables were drawn to show the final results using Statistical Package for Social Scientist (SPSS) software. The SPSS was used to analyse the information gathered which was used in development of charts and graphs.
CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 INTRODUCTION

This chapter deals with the data analysis and interpretation of the findings. The results have been grouped under major headings namely, background of staff, staff level of motivation, source of motivation, the extent to which motivation affects performance and the factors that motivate staff to be able to perform effectively. The results have been presented in both tables and figures showing frequencies and percentages of the responses given by the staff of First Allied Savings and Loans Ltd.

4.2 BACKGROUND OF THE STAFF

This section looks at the background of the staff. These include data on where they work, sex, age, educational background and length of service. The respondents were made up of 35 staff from one (1) branch in Kumasi. It was revealed that 12 of the respondents who made up 34.3% of the staff were male whilst 23 of the respondents representing about 65.7% of the staff were females. Thus majority of the respondents were females. Though the number of Males in the service industries and particularly the financial sector has seen an appreciable growth over the period, their Females counterparts still dominate the field.

4.3 AGES OF THE STAFF

Data on the ages of the respondents are shown in the Table 4.1 below. It can be observed that 11 of them representing 31.4% fell within the ages of 20-30, 17 fell within the ages of 31- 40 representing 48.6%, 5 fell within the ages of 41-50 representing 14.3% and 2 within the ages of 51- 60 representing 5.7%. This is illustrated in the table below Table 4.1.
Table 4.1 Ages of the staff

<table>
<thead>
<tr>
<th>Ages</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>11</td>
<td>31.4%</td>
</tr>
<tr>
<td>31-40</td>
<td>17</td>
<td>48.6%</td>
</tr>
<tr>
<td>41-50</td>
<td>5</td>
<td>14.3%</td>
</tr>
<tr>
<td>51-60</td>
<td>2</td>
<td>5.7%</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field work May, 2012

Figure 4.1

The results in Table 4.1 show that First Allied Savings and Loans Ltd have a very youthful working population. This is because, 11 (31.4%) of the staff were in the 20-30 years and 17 (48.6%) were in the 31-40 years. This clearly shows that majority (80%) were in active age group. In effect if the human resource at First Allied Savings and Loans Ltd are well managed and motivated, the bank is likely to benefits from this resource through its youthful exuberance, talents, skills and innovation which can be harnessed and tapped for business purpose.
4.4 EDUCATIONAL BACKGROUND

The educational background of the staff at First Allied Savings and Loans Ltd ranges from Ordinary Level through Advance Level, Diploma, Degree, Masters and Professional. This also reflects varied operational duties and job performed at the First Allied Savings and Loans Ltd. The data for the study shows that the workforce at First Allied Savings and Loans Ltd has attained higher educational level to the extent that only 7 (20%) were below Diploma, Diploma 8 representing 22.9% of the workers, Degree 14 representing 40%, Masters 4 representing 11.4% and Professionals 2 representing 5.7% of the workers. This revealed that 40% of the workers are Degree holders as shown in the Table 4.2 below.

Table 4.2 Educational Background of the staff

<table>
<thead>
<tr>
<th>Educational background</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHS, GCE, O&amp;A Level</td>
<td>7</td>
<td>20%</td>
</tr>
<tr>
<td>Diploma</td>
<td>8</td>
<td>22.9%</td>
</tr>
<tr>
<td>Degree</td>
<td>14</td>
<td>40%</td>
</tr>
<tr>
<td>Masters</td>
<td>4</td>
<td>11.4%</td>
</tr>
<tr>
<td>Professional</td>
<td>2</td>
<td>5.7%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field work May, 2012
4.5 LENGTH OF SERVICE OF THE STAFF

As shown in Table 4.3 below, 19 staff representing 54.3% have worked with First Allied Saving and Loans Ltd between 1-3 years, 9 representing 25.7% have worked between 4-7 years, 5 representing 14.3% have worked between 8-12 years and 2 representing 5.7% have worked with First Allied Savings and Loans between 13-15 years. This indicates that the staff of First Allied do not stay at post for a very long period.

Table 4.3 length of service of respondents

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>19</td>
<td>54.3%</td>
</tr>
<tr>
<td>4-7</td>
<td>9</td>
<td>25.7%</td>
</tr>
<tr>
<td>8-12</td>
<td>5</td>
<td>14.3%</td>
</tr>
<tr>
<td>13-15</td>
<td>2</td>
<td>5.7%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field work May, 2012
The reason why the majority of staff do not work beyond 10 years or more could be attributable to different reasons. Perhaps one of the reasons could be due to the low level of motivation. When majority of staff leave after a number of years, the subsequent effect is that, First Allied Savings and Loans Ltd loses the rich knowledge and experiences that it could access organizational benefits. Most of them eventually end up becoming assets to other competitors in the same industry. This and many others should be the reason why management would have to take another look at staff motivation again for its own benefits.

4.6 LEVEL OF MOTIVATION OF STAFF

When the respondents rated the level of motivation towards their job in the organization. The results in Table 4.4 below were obtained. 2 representing 5.7% said that their level of motivation is very low, 21 representing 60% said it is low, 7 representing 20% said average, 4 representing 11.4% said high and 1 representing 2.9% said very high. This shows that majority of the employees are not well motivated.

Table 4.4 level of motivation of staff

<table>
<thead>
<tr>
<th>Level of Motivation of staff</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very low</td>
<td>2</td>
<td>5.7%</td>
</tr>
<tr>
<td>Low</td>
<td>21</td>
<td>60%</td>
</tr>
<tr>
<td>Average</td>
<td>7</td>
<td>20%</td>
</tr>
<tr>
<td>High</td>
<td>4</td>
<td>11.4%</td>
</tr>
<tr>
<td>Very High</td>
<td>1</td>
<td>2.9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field work May, 2012.
It was deduced from the figures and tables that most of the employees do not feel motivated with the source of motivation from their employers. In table 4.1 which represented the ages of the staff, it was realised that employees within the ages of 20-40 years forms the greater percentage of the total workforce of the organization. In administering the questionnaires, it was revealed that most of the employees who fell within these ages does not feel well motivated and as such needs other sources of extrinsic motivation such as cash benefits, increment in salaries etc from their employers.

This situation is likely to affect the performance level of staff at work. The workload would end up being done by a few minorities who upon realizing that they cannot shoulder all the responsibilities might short change the quality of service they do. In the final analysis performance level at work would suffer.
Southern (2007) proposes that boosting employee morale and enthusiasm in the organization is one of the most important things that can be done by management. If management is not paying attention to the morale of employees, they can be assured that the business will begin to see a drop in productivity, as well as a lack of loyalty. The keys to raising the morale of your office or workplace begin with you simply paying attention. Boosting morale is not difficult if you are paying attention to how you would like to be treated. Chances are if you would not like a particular rule heaped on your back, then employees would not either.

### 4.7 MOTIVATIONAL FACTORS

Table 4.5 motivation factors according to respondents

Source: Field Work May, 2012

<table>
<thead>
<tr>
<th>Rank</th>
<th>Factors</th>
<th>Number of times ranked</th>
<th>Most important factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Career advancement</td>
<td>10</td>
<td>28.6%</td>
</tr>
<tr>
<td>2</td>
<td>Good salary</td>
<td>12</td>
<td>34.3%</td>
</tr>
<tr>
<td>3</td>
<td>Sense of achievement</td>
<td>6</td>
<td>17.1%</td>
</tr>
<tr>
<td>4</td>
<td>recognition</td>
<td>4</td>
<td>11.4%</td>
</tr>
<tr>
<td>5</td>
<td>Training &amp; development opportunities</td>
<td>3</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

One of the questions posed to staff was to rank the motivational factors according to how each factor would influence them at work. The most important factor was to be ranked 5 and the least important was to be ranked 1. All factors were ranked and no rank could be used more than once.

The results in table 4.5 shows the collective rank order of the 5 motivational factors according to how important each is influencing the staff. It can be observed 12 representing
34.3% of the staff ranked high salary as the most important motivational factors, followed by 10 representing 28.6% as career advancement, sense of achievement was 6 representing 17.1%, recognition ranked 4 representing 11.4% and training and development opportunity ranked 3 representing 8.6%. This indicates that the most staff will be well motivated when given high salary.

4.8 STAFF COMMITMENT TO COMPANY SUCCESS.

Commitment to a worthy course is one of the attributes of motivation. According to Joe Love and JLM and Associates (2005) many of the world’s corporations today suffer from low employees morale and performance, which lead to poor-quality products and services, and higher costs. This is because managers today in most corporations lack the listening, feedback, and delegation skills needed to enhance employee commitment and improve productivity. In order to ascertain staff commitment to First Allied Saving and Loans Ltd respondents were asked to indicate the extent to which they agreed with the statement that First Allied deserves every little sacrifice and be prepared to give the very best of myself to ensure it succeeds.

Table 4.6 staff commitment to company success

<table>
<thead>
<tr>
<th>First Allied deserves 100% commitment</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>3</td>
<td>8.6%</td>
</tr>
<tr>
<td>Agree</td>
<td>6</td>
<td>17.1%</td>
</tr>
<tr>
<td>Disagree</td>
<td>15</td>
<td>42.9%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>11</td>
<td>31.4%</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field work May, 2012
Figure 4.4

It can be observed that only 3 staff representing about 8.6% strongly agreed with the statement as against 11 staff representing 31.4% who strongly disagreed with the statement. Low staff commitment level at work is very risky to the success and survival of First Allied Savings and Loans Ltd. It affects the general attitude, behaviour and the approach of staff to work. This becomes evident in the increase in staff absenteeism, excuses from work, poor quality of service rendered to customer’s apathy etc. Respondents were not so obsessive and passionate about their work as 42.9% and 31.4% of the total staff respectively disagreed and strongly disagreed with the statement, “First Allied Savings and Loans Ltd deserves 100% commitment in executing their work”. This shows that the Company should put in much effort to motivate the workers so that they can succeed.

4.9 EFFECT OF MOTIVATION ON PERFORMANCE

The opinions of staff were sought as to whether motivation has an effect on their level of performance. Out of the total respondents, 29 representing 82.9% indicated that there would be a corresponding increase in their performance level if they were motivated to work; only 6
out of the total representing 17.1% responded in the negative. Thus, motivation is directly proportional to performance as revealed from the response. This result clearly presupposes that the more motivated the workforce, the higher their level of input into work and hence increase in performance. Furthermore, the staff could do much better than they are currently doing. It would therefore take motivation to draw from respondents as far as their performance on job is concerned.

4.9.10 STAFF PREPAREDNESS TO GO EXTRA-MILE IN DELIGHTING CUSTOMERS

This research also sought to determine the level of preparedness of staff to go the extra-mile to better serve the customer irrespective of the challenges that they may face. When the respondents were asked about their preparedness to go extra mile to delight customers as far as provision of quality service to customers were concern, the data for the study shows that only 12 staff representing 34.3% answered in the affirmative whilst 23 staff representing 65.7% answered otherwise. Thus majority of the staff indicated that they were not prepared to go extra mile to delight customers.

It is argued that excellent service delivery retains customers and First Allied Savings and Loans Ltd should make every effort to ensure that customers are delighted so as to remain competitive in the market.

4.9.11 MAKING A CHOICE TO WORK WITH FIRST ALLIED SAVINGS IF GIVEN A SECOND OPPORTUNITY.

When the staffs were asked whether they would like to work with First Allied Savings and Loans Ltd if given the opportunity to decide, 27 of staff representing 77.1 % stated otherwise with only 8 of the staff representing 22.9% answering in the affirmative. Thus the majority of
staff sampled would not like to work with First Allied Savings and Loans Ltd when given a second opportunity. In other words, staffs are not so passionate about the business and hence when an opportunity presents itself to leave, staff would not hesitate to resign from their current role. Hence instead of contributing his/her time and energy to ensuring that the business succeeds rather makes to time to look around for an opportunity to quit.

4.9.12 SOURCE OF STAFF MOTIVATION

In order to ascertain the staff source of motivation and drive towards work, respondents were asked to select which factor among four major selected factors motivates them most to be more productive and effective at work. The factors were later grouped under intrinsic and extrinsic sources of motivation.

Table 4.6 Extrinsic Sources of Motivational Factors

<table>
<thead>
<tr>
<th>EXTRINSIC</th>
<th>Rank</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High salary</td>
<td>11</td>
<td>31.4%</td>
</tr>
<tr>
<td>Recognition</td>
<td>5</td>
<td>14.3%</td>
</tr>
<tr>
<td>Benefit</td>
<td>8</td>
<td>22.9%</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>68.6%</td>
</tr>
</tbody>
</table>

From the table 4.6 above it indicated that high salary was ranked 11 which represent 31.4%, recognition was ranked 5 representing 14.3% and benefits being 8 representing 22.9%. This shows that the staffs’ feels motivated when they are given high salary.

Table 4.7 Intrinsic Source of Motivation

<table>
<thead>
<tr>
<th>INTRINSIC</th>
<th>Rank</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of achievement</td>
<td>3</td>
<td>8.6%</td>
</tr>
<tr>
<td>Career advancement</td>
<td>3</td>
<td>8.6%</td>
</tr>
<tr>
<td>Sense of belonging</td>
<td>1</td>
<td>2.8%</td>
</tr>
<tr>
<td>Promotion</td>
<td>4</td>
<td>11.4%</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----</td>
<td>-------</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>31.4%</td>
</tr>
</tbody>
</table>

Source: Field work May, 2012

From table 4.7 ranked sense of achievement and career advancement 3 each representing 8.6%, sense of belonging was ranked 1 representing 2.8% and promotion was also ranked 4 representing 11.4%. This indicates that workers are well motivated when they are been promoted.

Bainbridge (2011) defines Extrinsic Motivation – this stems from work environment external to the task itself and is usually applied by someone other than the person being motivated. Pay, fringe benefits, favoured company policies and various forms of supervision are examples of extrinsic motivation

Intrinsic motivation as motivation that comes from the inside of an individual rather than from any external such as money. The motivation of First Allied staff therefore comes from high salary in completion or even working on a task. However, intrinsic motivation does not mean the staffs do not seek for rewards but it means that such external rewards are not enough to keep a person motivated. Looking at the two it was observed that the staff are motivated by extrinsic factors/reward.

4.9.13 STAFF REWARD/COMPENSATION AT FIRST ALLIED SAVINGS AND LOANS LTD AGAINST OTHERS IN THE BANKING SECTOR

Perceived fairness and equitability or otherwise within First Allied and Savings Ltd and any other organization for that matter is very crucial to its success. When staffs feel they are not treated fairly, it results in negative consequences with regards to his/her level of input into
business. She/he is emotionally and psychologically affected. We the researchers wanted to find out the staffs perception on how they think they are being treated. That is, how fair or equitable their treatment is regarding compensation and reward they receive from First Allied Savings and Loans Ltd. Table 4.7 gives us staff response on the subject matter.

Table 4.7 Perceived Rate of Reward and Compensation

<table>
<thead>
<tr>
<th>Perceived Rate Of Reward And Compensation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very poor</td>
<td>4</td>
<td>11.4%</td>
</tr>
<tr>
<td>Poor</td>
<td>10</td>
<td>28.6%</td>
</tr>
<tr>
<td>Average</td>
<td>15</td>
<td>42.9%</td>
</tr>
<tr>
<td>Very good</td>
<td>4</td>
<td>11.4%</td>
</tr>
<tr>
<td>Excellence</td>
<td>2</td>
<td>5.7%</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>


Figure 4.5

perceived rate of reward and compensation

42.90%
11.40%
5.7%
11.40%
28.60%
Out of the total number sampled, 14 of the staff representing 40% pointed out that the reward/compensation at First Allied is low, where as 15 staff representing 42.9% feels average and only 6 staff representing 17.1% were of the view that reward and compensation are very good. Consequently, 21 representing majority of 60% were of the view that reward and compensation is not too exceptional from the others in the same industry. In this study, all respondents irrespective of age and gender considered wages to be of motivational importance but perhaps not so.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION
This chapter gives a summary of the study, draws conclusions from the study and also makes recommendations as to how to address the critical issues that emerge from the study.

5.2 SUMMARY
The primary objective of this study was to assess the “effects of motivation on employees’ performance”. By using Maslow Need Theory of motivation as a foundation, the original need factors, which have over the years been modified by other researchers, were adopted for use in this study. Questionnaires were prepared and administered to 50 of which 35 were usable. In general, the level of motivation among staff at First Allied Savings and Loans Ltd is low and these reflect on their level of input into the job. From the study conducted, 23 of the sample representing 65.7% indicated that their level of enthusiasm and passion towards work is low as against 5 representing 14.3% with the remaining 7 (20%) being average. This indeed is a worrying situation since it has a negative effect of performance of staff input into the job.

From the study there is a direct relationship between employee and their performance at work. That is, the more motivated they are, the more effective they become at work. This claim was supported from the findings by 32 which is 91.4% of the sample whilst 3 staff representing 8.6% claim that there will not be effect on their performance if their motivational level increases.
With regards to employee source of motivation, staffs are more geared towards intrinsic sources of motivation than they are with extrinsic motivation. Out of the total sample gathered, 24 representing 68.6% derive their source of motivation to work from the satisfaction they draw from the work they do whereas 11 representing 31.4% drawing their sense of joy and satisfaction externally.

Furthermore, it also emerge from our findings that commitment level of staff to First Allied Savings and Loans Ltd is very weak. From the findings 26 of the staff representing 74.3% do not agree with the statement that “First Allied Savings and Loans Ltd deserves every little sacrifice of theirs and were not prepared to give off their best to ensure it succeed. However, 9 staff representing 25.7% agrees with the statement above. The eventual outcome of this statement is that performance suffers. In order for First Allied Savings and Loans Ltd to succeed, all the major stakeholders must make a conscious effort to increase the level of employee motivation and zeal to work.

Another major finding emerge from this study is the clear indication of job satisfaction as a top motivational factor among First Allied Savings and Loans Ltd employees. As many as 14 of the staff representing 40% claimed that among the five major motivational factors: job satisfaction, is the topmost factor that influences them to work. Good salary came second with 28.6% followed by the sense of satisfaction 17.1%, recognition 11.4% and availability of training and development opportunities 2.9% as the least. Respondents in this study placed high emphasis on job satisfaction and other factors, which are largely basic in nature.
5.3 CONCLUSION

The results of the findings form the basis for the conclusions and recommendations on this chapter and have brought to light the importance of motivation to employees’ performance. Having examined the critical issues raised by the respondents, it has come to light that the importance of motivation should not be overlooked. Indeed the long-term survival of any organization depends largely on the motivation of its employees be it financial or non-financial. Generally, good wages should not be regarded as purely a basic need factor as in Maslow’s Theory of motivation, but a factor that can lead to motivation may also have the potential to de-motivate employees. Staff motivation at First Allied Savings and Loans is very low and is to the extent to which they are unwilling to wholeheartedly place business first and commit themselves to work to see the success of the organization. Respondents were not so obsessive and passionate about their work. About 70% of the total staff disagreed with the statement “First Allied Savings and Loans Ltd deserves every little sacrifice and be prepared to give the very best of myself to ensure it succeeds.” Although an important motivational factor has been identified as wages by previous studies, since the things that motivates people to perform their best are different and distinct. Learning about what workers wants from their jobs, or what is more important for them, may generate essential information for effective human resource management.

Money is certainly a motivator and a major one at that. Success of companies such as that of banks at least to some extent, a result of such motivation. There are other factors particularly job satisfaction as shown in the study.

Rewarding employees financially does improve levels of employee motivation and thus enhance performance, which ultimately translates into increase in productivity.
5.4 RECOMMENDATIONS

Based on the findings, the following recommendations are made:

- Based on the research questions, some factors that motivate and demotivate employees include extrinsic and intrinsic factors. It was observed that the factor that motivates employees mostly is the extrinsic factors which include salary increment and other cash benefits. The other intrinsic factors are less motivating to most of the employees. Therefore, we concluded that since most of the employees feel well motivated by the extrinsic motivation, management of the bank should lay much emphasis on motivating employees extrinsically by providing other cash benefits to supplement their fixed or base pay.

- Employees’ accomplishments, contributions and exceptional performance towards corporate goals and objectives should be recognized by management during staff durbars and general meetings. Crabbe (2001) supports this position when she pointed that it is important that employees are made to see a clear relation between successful performance on their part and receipt of their desired rewards. It therefore become incumbent upon management to be able to identify superior performance and rewards them accordingly. When rewards are not based upon performance, we expect motivational levels to be reduced especially in a growing economy. When someone does a good job it’s important to recognize their achievements.

- In line with the first research which this project would answer, it was observed that most of the employees feel much motivated extrinsically as compared to
the intrinsic motivation. Management should consider the use of extrinsic motivation such as incentives and other case benefits in motivating staff more often than the intrinsic source of motivation. This is because it has the ability to stimulate a person towards a stated goal or objective according to the questionnaire answered by the staff. An increase in incentives will lead to higher performance.

- In addressing the next research question which is to find out the effect of motivation on employees performance, it was deduced from the questionnaires that most of the employees do not feel well motivated and thus do not give out their best performance. In motivating the needs of the individuals who are being motivated must be considered. Therefore, it is recommended to management of this bank to motivate the employees with what they need most and this will transform into a higher level of performance on part of the employees. This can be based on the concept of expectancy which stipulates that motivation will be high when people know what they have to do to get reward, expert that they will be able to get the reward and expert that the reward will be worthwhile.

Finally, the results of this study and those presented and discussed in this thesis could be useful in helping organizations determine what’s motivates employees or job related motivational preferences of their employees today and in the future.
REFERENCES

TEXT BOOKS


ARTICLES
HR Magazine (2010) Motivation in today’s Workplace: the link to performance

JOURNALS
APPENDIX 1

CHRISTIAN SERVICE UNIVERSITY COLLEGE
DEPARTMENT OF BUSINESS STUDIES
Questionnaires for First Allied Savings and Loans Limited Workers.

This research is to find your opinion on motivation and its effect on the employee’s performance at First Allied Savings and Loans Limited, Adum Kumasi. Please we would be very please if you could spare us some time and complete this questionnaires for us. The information provided will be used for academic purpose and as such going to be confidential.

Thank you.

In all questions, please tick [✓] only unless otherwise indicated.

1. Sex: a) Male [ ] b) Female [ ]
2. Age of respondent a) 20-30 [ ] b)31-40 [ ] c) 41-50 [ ] d)51-60 [ ]
3. Level of education: a) SHS, GBCE,O/A level [ ] b)Diploma [ ] c)Degree [ ] d) Masters [ ] e) Professionals[ ] f) Others (please specify) ..............................................................
4. For how long have you been working with your present organization? a) 1-3 years[ ] b)4-7 years[ ] c) 8-15years [ ]
5. Department /Branch..............................................................
6. Position. a) Junior level [ ] b) Senior level [ ] c) Management level [ ] d) Others (please specify) ......................................................
7. If you were considering leaving First Allied Savings and Loans Ltd, which of the following would be your reason(s)
   • Poor remuneration and fringe benefits [ ]
   • Better job offer [ ]
• Lack of motivation [  ]
• Others (please specify)……………………………………………………………………

8. Do you feel motivated enough to go extra mile in delighting your customers (both internal and external?)
   a) Yes[  ]  b) No [  ]

9. How would you rate your level of enthusiasm and morale towards your job and the organization?
   A) Very low[  ]  b) low[  ]  c) average [  ]  d) high [  ]  e) very high [  ]

10. Having experienced the working environment, given the opportunity would you have considered working with First Allied Savings and Loans Ltd if you had a fore knowledge?
    a) Yes [  ]  b) No [  ]

11. How would you describe the general zeal and attitude of staff in your department towards work, with regards to reporting time, involvement in organizational activities etc?
    A) Very high[  ]  B) High[  ]  b) average [  ]  d) low [  ]

12. To what extent do you agree with this statement” First Savings and Loans Ltd deserve every little sacrifice and am prepared to give the very best of myself to ensure it succeeds”.
    a) I strongly agree [  ]  b) I agree [  ]  c) I disagree [  ]  d) I strongly disagree[  ]

13. Would there be an increase in your current level of performance if you felt well motivated to work?
    a) Yes [  ]  b) No [  ]
14. Which of the following motivates you most to be effective and productive at work?
   a) Higher salary [ ]  
   b) sense of achievement [ ]  
   c) Recognition [ ]  
   d) career advancement [ ]

15. Which of the following de-motivates you most from being effective and productive at work?
   a) Inadequate reward system [ ]  
   b) Uninteresting and routine job schedule [ ]  
   c) Lack of requisite training for employees [ ]  
   d) Poor working conditions [ ]

16. Have you ever been praised or given recognition for good job done by your superiors?
   a) Yes [ ]  
   b) No [ ]

17. If ‘Yes’, how did it affect your performance?
   a) Encourage to work harder [ ]  
   b) Indifferent [ ]  
   c) Others please specify

18. If ‘No’, how did it affect your performance?
   a) Felt discourage to work harder [ ]  
   b) Indifferent [ ]  
   c) Others (please specify)…………………………………………………………………………

19. How do you rate the reward and compensation systems of First Saving and Loans Ltd against others in the same industry?
   a) Very poor [ ]  
   b) poor [ ]  
   c) good [ ]  
   d) very good [ ]  
   d) excellent [ ]
20. Is the reward system fair and equitable to encourage high performance?
   A) Yes [   ]  b) No [   ]

21. Which factor in your opinion contributes to high staff turnover and employee apathy at First Allied Savings and Loans Ltd?
   A) Lack of career advancement [   ]
   b) Poor reward system [   ]
   c) Uninteresting and routine job schedule [   ]
   D) Lack of requisite training for employees [   ]
   e) Others (please Specify)

22. In your opinion, what can be done to motivate staff at First Allied Saving and Loans Ltd?
   a) Appropriate remuneration to reward high performance
   b) Introduction of challenging but interesting job schedule
   c) Career path- goal should be well defined and vigorously pursued
   d) Specify if any other…………………………………………………………………………

24. How do you think the current motivational system at First Allied Savings and Loans Ltd can be improved?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
25. Kingly indicate by circling the corresponding number against each factor of motivation you consider the most important that would influence performance at work.

1- below average  2- average  3- above average  4- credit and 5- excellent

<table>
<thead>
<tr>
<th>MOTIVATIONAL FACTORS</th>
<th>RANKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>i Job Satisfaction</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>ii Recognition</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>iii Sense of Achievement</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>iv Good Salary</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>v Training &amp; Development Opportunities</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>