

Motivational Strategies and Enhancement of Employees' Performance in the Nigerian Food, Beverage and Tobacco (Fobeto) Industry

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Abstract

This study examined the various motivational strategies available to workers of the Nigerian food, beverage and tobacco industry; and determined employees' perception of the best motivation strategy for enhancing their job performance. Primary and secondary data were sourced for this study. Primary data were collected through administration of questionnaire to employees of five purposively selected companies out of 15 quoted companies in the industry. Stratified random sampling technique was used in selecting respondents from these companies, using the three levels of management for stratification, with a sample fraction of 15 percent. Secondary data were sourced from Nigeria Stock Exchange Factsbook. Data collected were analysed using descriptive and inferential statistics. The results showed various motivational strategies available to workers of the industry, found the best motivational strategy in the industry which, if properly used, would result in 80

Index terms— employee motivation; organisational performance; nigeria; food, beverage and tobacco industry.

1 Introduction

Modern management concepts and strategies are designed to solve identifiable problems and meet the recognizable needs of a particular society. Today, more than ever before Nigeria is beset with a bewildered array of problems that have proved intractable and far from being remedied. A glance at record of Nigerian economy reveals that the industries are totally in despair: the health-care system in shambles; the capacity to uphold justice, law and order is scandalous; there is mass exodus of highly talented Nigerians to other countries, and so also loss of faith in governance. Electricity problem is order of the day, managers are increasingly being asked to boost productivity, quality and customer satisfaction while also reducing costs. These goals can only be met through the cooperation and efforts of all employees by creating positive work environments where people feel valued and appreciated.

In order to get the best out of workers and turn things round in Nigeria, the key factor is motivation of workers. Motivation is concerned with a question: why do people "do what they do?" motivation is a key to understanding many forms of behaviour in organizations. Understanding what motivates employee helps in understanding the dynamics underlying such important behaviours as job performance, absenteeism, turnover and even counter-productive behaviour (Haslam, 2004). If an organization's leaders understand the motive underlying performance, they can predict their employees' future performance. In addition understanding an employees' motivation for performing at work can allow leaders to structure the work environment to encourage productive work behaviour and discourage counter productive work behaviour (Jex and Brett, 2008).

For example, if an organization knows that employees are highly motivated by financial incentives, this knowledge can be used to influence performance through the strategic use of raises. Motivation is a hypothetical

construct; we cannot see it or feel it. However, we can observe the effects or by-products that are indicative of differing levels of motivation. To use an analogy, motivations can be likened to gravity. We cannot see or feel gravity, but its effect would become very clear if one were to jump out of a window of a five-story building (Kanter, 1990).

Motivation determines the form, direction, intensity and duration of work related behaviour. The form of behaviour refers to the types of activities an employee would choose to engage in at work (Pinder, 1998). Motivation is defined as "factors or events that energize, channel and sustain human behaviour overtime (Steers, 1994 and Shapiro, 2004).

Motivation is a critical determinant of behaviour or job performance. It is a goal-oriented behaviour that is cyclic in nature whether or not a worker can produce the best he is capable of producing depends upon the level of motivation which in turn depends on individual factors which include inherited traits, natural abilities to do the job in question, age, sex, race, education, personality characteristics, occupational level, need strength and reward expectations. According to Schewe (2000), there is no substitute for good leadership when it comes to providing motivation. Effective leadership instils an enthusiasm for performing one's tasks. The reward system also affects the level of motivation. Managers and employees must feel that they will be rewarded well if they perform well.

Just like other employees, private enterprises' employees are motivated by both intrinsic and extrinsic rewards. Intrinsic motivation refers to motivation that is driven by an interest or enjoyment in the task itself and exists within the individual rather than rely upon any external pressure. Extrinsic motivation comes from outside of the individual. Common extrinsic motivations are rewards like money and grades, coercion and threat of punishment. Competition is in general extrinsic because it encourages the performer to win and defeat others to win and beat others, not to enjoy the intrinsic rewards of activity. A crowd cheering on the individual and trophies are also extrinsic incentives.

Financial-based rewards such as bonuses, commissions as well as job promotions form significant component of the reward system, although there are other factors that motivate employees and influence their overall level of performances. In fact according to numerous studies conducted among public employees, the results indicated that among the surveyed, financial rewards was not the most motivating factor (Perry, Mesch, Paarlberg, 2006). The study also established that among public administration managers, financial rewards have a de-motivating effect among employees (Srivasva, 2001). Public administration entities are emphasizing a quality improvement teams and commitment building programmes as opposed to financial incentives.

A research conducted by the University of Texas in 2005 established that financial incentives (Bonuses and Commissions) make up less than 5% of the U.S. public administration employees' compensation (Stajkovic, 2003). The U.S. private sector on the contrary is encouraging financial incentives through implementation of pay for-performance plans that encourage alternative rewards systems. Therefore unlike public sector organizations, food, beverage and tobacco (FOBETO) industry are increasingly adopting alternative reward system in order to boost their competitiveness both locally and internationally. As a result food, beverage and tobacco industry are emphasizing on the need for cost cutting, corporate restructuring while at the same time boosting employee performance. Public organizations are not as profit driven as private enterprises, and therefore prefer using bonuses as their key financial-based reward technique as opposed to commissions. On the contrary, food, beverage and tobacco industry emphasize on pay-for-performance reward esteem. Nonetheless, regardless of the reward system selected by either public or private organizations the selected system must incorporate both financial-based and other alternative reward systems for it to be effective.

Studies have shown that organizations and their workers depend on each other to fulfil their desired expectations. However, a major challenge confronting the Nigerian food, beverage and tobacco industry is how to evolve appropriate motivational strategies to generate high level of performance from its employees, without compromising company's profit motives; hence this study.

The study provided answers to the following questions: What are the various motivational strategies available to workers of food, beverage and tobacco industry? What are employees' perceptions of the best motivation strategy for enhancing their job performance?

The specific objectives of the study therefore were to examine the various motivational strategies available to workers of Nigerian food, beverage and tobacco industry; and determine employee's perception of the best motivational strategy for enhancing their job performance.

2 II.

3 Methodology

This study is on employee motivation and organizational performance. It covered only quoted firms with adequate and consistent data for a period of 2001 to 2010 in the Nigerian food, beverage and tobacco industry. Five companies were selected out of 15 quoted companies in the industry which have complete data till at least 2007 in the Nigeria stock exchange fact book and at the same time with the highest profit before tax in the industry.

These companies included: flour mills of Nigeria plc which primarily engages in flour milling and pasta production. It has a profit before tax of 9, 791,732 as at 31 st Stratified random sampling technique was used in selecting respondents from these companies, using the three levels of management for stratification, with

a sample fraction of 15 percent of employee in each company; totalling 300 respondents. Two hundred and ten copies of questionnaires were retrieved. Data on variables such as motivational programmes and strategies available, tools introduced to enhance productivity were collected from the respondents. The questionnaire was divided into three parts which form the major tool, for the study. The three parts were designed to cover a set of information relating to respondents personal data, job motivation and performance in the quoted firms of Nigeria food, beverage and tobacco industry. The first part sought information on respondents' demographic data; provided information relating to respondents' sex, marital status, age, department and rank. The second part contained a number of statements on job motivation and the extent to which these motivational factors motivate them to improve on their job performance. The third part contain an open ended space where the respondents are free to provide information about factors that could enhance organizational performance in their own opinion and other motivating factors that they felt that their organization could provide to enhance performance.

The secondary data on variables such as profit after tax and number of employees were sourced from NSE Factbook during this study period. Data collected were analysed using descriptive and inferential statistics; these were based on 210 questionnaire retrieved.

4 III.

5 Results

The socio demographic characteristics of the employees of food, beverage and tobacco industry considered in this study included gender, age, marital status, department and rank. Table 1 shows the demographic characteristics of respondents by gender, age, marital status, department and rank of selected firms in the Nigerian food, beverage and tobacco industry.

6 a) Socio-demographic Characteristics of Respondents i. Gender Distribution of Respondents

Table 1 shows that 58.1% of respondent were male, while 41.9% were female. This reflected that males were predominant among the workers of food, beverage and tobacco industry.

ii. Age Distributions of Respondents.

The result showed that 50% of the respondents were below the ages of 25 and 34 years. This showed that a larger percentage of the workers were youths. Nine percent of the respondents were 45 years and above and only one percent was below 15 years, the implication of this result was that active working age dominated food, beverage and tobacco industry relative to other age ranges. This was because the industry required people who have more mental and physical energy in order to function effectively and efficiently.

iii.

7 Distribution of Respondents by Marital Status

Results show that 45.7% of respondents were married while 43.8% were single. This showed that most workers of Nigeria's food, beverage and tobacco industry were married (Table 1).

8 iv. Distribution of Respondents by Department

Table 1 shows that marketing department absorbed the highest percentage of respondents with total percentage of 37% this is followed by production department with total percentage of 23.1%.

9 v. Distribution of employee by rank

From Table 1, about 28% of workers of Nigerian FOBETO industry falls within sales representatives rank, this showed to us that sales representative dominate the rank of workers in the industry. This was closely followed by clerical officer with 26.7% least on the ranks was assistant manager with 4.8%.

10 b) The various motivational strategies available to workers of FOBETO industry.

From the results obtain from the respondents; twelve different motivational strategies were being employed by workers of food, beverage and tobacco industry. Bonuses, commission, profit sharing, non-cash incentives were grouped under high salary and fringe benefits. Enriched job and employee stock ownership were under good welfare packages strategy. The workers could also enjoy prompt promotion on their various jobs. In order to avoid monotony of working situation, employees of Nigeria FOBETO industry have access to provision of enriched job. Since human being are political animal, and are being encourage to express their own opinion on issues that can move the organization forward, this is expressed on voting right of the employee, and a host of other motivational strategies in place. However it could be deduced that job promotion recorded the highest mean value among the strategies with team related reward as having the lowest mean point. The implication of the result is that job promotion, bonuses, good working environment etc were considered by the workers to be used in

food beverage and tobacco industry. It was discovered that the industry make use of bonuses and commission as part of strategies employed to motivate their workers. This was in line with the study carried out by (Stajkovic 2003).

11 c) The Employees' perception of the best motivational strategies for enhancing organizational performance.

The employees of Nigerian FOBETO industry perceived high salaries and fringe benefits as the best motivational strategy in the industry (Table ??4); and that when properly used; it resulted in 80% increase in organizational performance (Table 5). Other motivational strategies that contributed to organizational performance as well as their contributions, as perceived by employees in the industry were as summarized in Tables 4 and 5.

IV.

12 Discussion of Findings

In order to avoid marginalization and sustaining its competitive advantage, organizations today are required to adapt to cost effective motivational strate-

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A gies, that have proofing results, so as to achieve its target, greater levels of skills, commitment and intelligence of employees are required and organization have to make a huge amount of investment. However, due to various aspects such as distrust on employees, economic issues, investment of extra effort and greater level of doubt and ambiguity, managers are averse to redesign the work place ??vroom, 1990). Nowadays, organizations are employing new technologies and downsizing the numbers of workers, outsourcing or employing temporary workers in order to save cost. This situation can trigger a negative impact on employees motivation since they feel that companies turn out to be less loyal and dependable to them ??Boldman and Deal, 2003).

From the finding of this study Nigerian FOBETO industry make use of knowledge of gender balance in their recruitment exercise as the gap between male and female employees of the company is very close 58.1% male to 41.9% female. The youth dominating the total number of employees, as 50% of the employees falls between ages 25 and 34 years, and this point to the facts that most of the employees are able bodies and this is the reason why the Nigerian FOBETO industries still managed and survive in this challenging and volatile market environment.

Marketing department absorbed the highest percentage of respondent with total percentage of 37%, this shows to us that enough attention was place to sales of the products been manufactured and this serve as pointer to the outstanding profit of the organization, followed closely is the production department.

From the findings, job promotion recorded the highest mean value among the strategies used to motivate the workers of Nigerian FOBETO industries this is in line with findings of Collins and Porras (1994) which encourages both organization and employees to invest time and resources in upgrading skills, provided powerful incentive and also reduces serious errors by new comers unfamiliar with history and proven ways. The employees of Nigerian FOBETO industry perceived high salaries and fringe benefits as the best motivational strategy in the industry and when properly used, it resulted in 80% increase in organizational performance. This is in line with the findings of Stajkovic (2003) from the research conducted by the university of Texas, that U.S. private sectors are motivated by financial incentives as oppose to the public administration employees' that are not motivated by financial incentives.

Nigerian FOBETO employees perceived high salaries and fringe benefits as the best motivational strategies that can enhance their performance in this ever increasing and volatile market situation.

V.

14 Conclusion

Motivation and performance are critical characteristics of organization especially in the Nigeria food, beverage and tobacco industry where the industry are competing with local manufacturer of the same type of product as Multinational Corporations and Nigeria also serve as a dumping ground for foreign goods and with the problem of Nigerian preferential taste for imported goods. The study therefore concluded that if the perceived best motivational strategy by employees of the Nigerian FOBETO industry is used effectively, it could bring about remarkable improvement in organizational performance in the industry.

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Figure 1: 2

Figure 2:

ground, meta-analysis and test of alternative model

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Tables

Figure 3: 2

1

Demographic Variable	Divisions of Variable	Frequency	% Frequency
1. Gender	Male	122	58.1
	Female	88	41.9
	Total	210	100.0
2. Age	under 15 years	2	1.0
	15-24 years	60	29.1
	25-34 years	103	50.0
	35-44 years	32	15.5
	Above 45 years	9	4.4
	Total	206	100.0
3. Marital Status	Single	92	43.8
	Married	96	45.7
	Widowed	14	6.7
	Divorced	8	3.8
	Total	210	100.0
4. Department	Marketing	77	37.0
	Human resource	43	20.7
	Account and finance	19	9.1
	Production	48	23.1
	Administration	13	6.3
	Supply chain	3	1.4
	Procurement	5	2.4
	Total	208	100.0
5. Rank	Manager	19	9.0
	Clerical Officer	56	26.7
	Accountant	18	8.6
	Supervisor	24	11.4
	Admin. Officer	18	8.6
	Sales Representative	59	28.1
	Director	6	2.9
	Assistant Manager	10	4.8
	Total	210	100.0

Source:
Field
Survey,
2012

Figure 4: Table 1 :

2

Responses

Figure 5: Table 2 :

3

Motivational Strategy	N	Mean	Std. Devia- tion
job promotion	210	.56	.498
Bonuses	210	.38	.486
good working environment	210	.31	.465
training and development	210	.30	.457
Commission	210	.28	.451
non-cash incentives	210	.25	.433
enrich job	210	.21	.408
voting right	210	.21	.408
profit sharing	210	.20	.404
employee stock ownership	210	.17	.378
corporate funded group dinner	210	.14	.346
team related reward	210	.12	.330
Valid N (listwise)	210		

Source: Field Survey, 2012

Figure 6: Table 3 :

4

High Salary and Fringe Benefits	5	1	14	54	136
Provision of Allowances	1	9	23	85	90
Good Welfare Package	2	7	58	48	93
Recognition and Award	4	27	57	67	53
Autonomy and Freedom of Performance	17	33	39	90	27
Training and Development	6	14	9	95	84
Good Working Condition	5	10	32	63	96
Prompt Promotion on the Job	0	43	44	48	73

Source: Field Survey: 2012

Figure 7: Table 4 :

5

Descriptives

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Figure 8: Table 5 :

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