

THE IMPACT OF FINANCIAL AND NON-FINANCIAL  
INCENTIVES ON EMPLOYEES' ATTITUDE TO WORK IN  
ORGANIZATIONS.  
(A CASE STUDY OF ZARIA ACADEMY, SHIKA - ZARIA.)

BY

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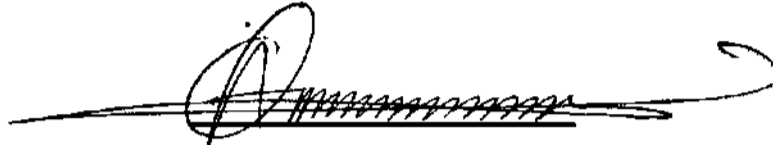
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## DECLARATION

I hereby declare that this project has been conducted solely by me, under the supervision of Mr. O.D.Y. Malachy of the Department of Business Administration, Faculty of Administration, Ahmadu Bello University, Zaria – Kaduna.

All sources of information utilized for the project have been dully acknowledged by means of Bibliography. I therefore accept the responsibility for any error(s) or imperfection, which this project might include.



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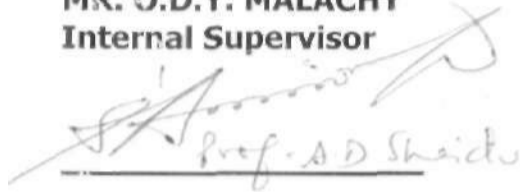
This is to certify that the standard of this project meets the regulations governing the award of the Degree of Master of Business Administration (MBA) of the Ahmadu Bello University, Zaria – kaduna. And is approved for its contribution to knowledge and literary presentation.

  
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## DEDICATION

This project is dedicated to my Late Parents, who both made me realized early in Life, the value of education – They are my source of Inspiration.

## ACKNOWLEDGMENT

I wish to express my fervent thanks to God Almighty, the Most Gracious, Most merciful and most Beneficent, for giving me the health, and will, without which this course would have been a mirage and not success.

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## **CHAPTER ONE: INTRODUCTION**

### **1.1 GENERAL BACKGROUND**

Nigerian Managers like their counterparts else where in the world, are continuously being confronted with the question of how to make workers produce efficiently and effectively, at the best possible level. Hence, Managers are constantly evolving new ways and approaches, they believe might improve employees, productivity, particularly, the area of reward system they offer to their employees, with the aim of inducing and encouraging them to put in more effort in the performance of their tasks.

Management hopes that with good incentive reward system, a positive and right work attitude can be cultivated by the employees, thereby creating a cordial-working relationship with management and, thus enhancing the achievement of organizational goals, through improved productivity.

For a long time, it has been widely held that the average Nigerian worker is lazy, sluggish, unproductive and has a negative attitude to work. That he would prefers to loaf rather than work, or even a proper amount. All these are evident in statements and criticism that had been made about Nigerian workers. Among which are:-

C. Uche (1985), once noted that "The nonchalant attitude to work (of the Nigerian worker) is independent of geopolitical divisions, rural-urban residence, religious affiliation, sex or age". Ex-president Shehu Shagari, in a speech on the

University of Nigeria convocation of 7<sup>th</sup> March, 1982, described Nigerian workers as having one of the worst attitudes to work in the world.

Christopher Kolade in his remarks made at the quarterly luncheon of the Institute of Personal Management of Nigeria, Lagos Branch, on 7<sup>th</sup> August, 1984, did not also forget to talk about the attitude of Nigerian worker to work. He noted the often expressed view that "Nigerians generally have a poor attitude to work--- like most other general statements, the one about attitude to work in this country may be true without necessarily being an accurate assessment of the situation".

These assertions among others have become very disturbing and a cause of concern to the government, as well as, the organised private sector. Both have all tried to find ways, by which the low productivity of the Nigerian worker can be increased.

The concern stems from the realization that an unproductive labour force, whether in the public or private sector, does not augur well for the economic development of the country.

It is this concern that had made the Federal government to launch various campaigns, ranging from war Against Indiscipline (WAI) in 1984, "War Against indiscipline and Corruption" (WAI-C) in 1992. In 1994, she introduced the Failed Bank Tribunal, and in 1996, she brought in the failed Contract Decree, under the current democratic Scenario, the Government had introduced the "Economic and Financial Crimes Commission" (EFCC), and the "Independent

Commission for Corrupt Practices' (ICPC). This is not forgetting the Udoji Review Commission of 1974. All these campaigns lunched over the years, because of the realisation of the negative work attitudes and indiscipline of the Nigerians, and the need for Nigerians to change their attitude to work in a positive way, and put efforts toward higher productivity.

Organisations in the organised private sector, have also tried many approaches to encourage, induce and motivate workers, to put in greater efforts in their work. As a result, incentives like housing and car loans, educational assistance and medical subsidies are being implemented.

What management has failed to appreciate is the fact that, there is no single factor, an incentive, or a reward system that can motivate workers toward higher productivity, but combination of them, which shall be looked at in this research work.

Negative work attitudes in Nigeria are characterized by lateness to work, low performance, turnover, absenteeism, misuse of government or company property, rudeness and general apathy. But, why is the Nigerian worker said to be lazy and non-challant? Is there any thing in the socio-cultural environment that makes the worker to behave the way he does? Or is it that the reward system is not adequate? All these questions and others shall be answered in this research work.

## 1.2 STATEMENT OF THE PROBLEM.

Many Nigerian Managers are constantly emphasising the use of financial incentives like regular and increased salary and wages, housing, promotion and better fringe benefits, as the only means of motivating their workers towards higher productivity. However, it appears that, inspite of all the efforts, the work attitudes of Nigerian employees have not shown significant improvement.

The problem under study is therefore, to find out why the different incentives have failed to motivate the Nigerian workers.

## 1.3 OBJECTIVE OF THE STUDY.

This work is aimed at examining how employees perceive and re-act to compensation generally. This study will basically address the following:-

- (a) Identification of the types of incentives available to staff in Institutions like Zaria Academy.
- (b) To determine whether those incentives were established because of government law or regulations, worker pressures or management initiative.
- (c) To analyse the impact of these incentives on work attitudes and motivation of the employees.
- (d) Is an employee attitude towards a particular incentive affected by his position in the organisational hierarchy.

- (e) To find out if management has an evaluation system to measure the effectiveness of the incentive plans.
- (f) To identify the most preferred incentives by different categories of workers.

#### 1.4 FORMULATION OF HYPOTHESIS

A hypothesis is a statement put forth as a possible explanation of a phenomenon, then reasoned upon as if it were true, in attempt to reach truth not previously known. It presents the researcher's expectation, about the relationship between variables within the problem.

The Null Hypothesis is being presented as  $H_0$ , while the Alternative Hypothesis is being presented as  $H_i$ .

$H_0$ : An employee's attitude towards incentive scheme does not depends on what his particular needs are and at what level of the organization he is in.

$H_i$  : An employee's attitude toward incentive scheme depends on his particular needs and his level in the organization hierarchy.

#### 1.5 SIGNIFICANCE OF THE STUDY

There is no doubt that the quality and productivity of a country's labour force is a contributing factor to her economic development. Hence, government continuous strive to improve and increase the quality of her human resources.

In order to improve the quality and productivity of Nigerian Labour, it is essential to know what motivates workers, and how various incentives plans affect their attitudes to work.

The study will also help organisations to know how best to establish incentives schemes, with a view to improving workers' performance and, thereby increasing organisational efficiency and productivity.

#### **1.6 RESEARCH METHODOLOGY**

Both primary and secondary data shall be used in the study. The sources of the primary data shall be close ended, so as to facilitate data analysis, and to avoid bias, and to ensure that the respondents have a better understanding of the questions being asked.

Similarly, personal interview shall be granted to some staff and management of the institution under study.

Secondary data shall also be obtained from journals, handbooks, Newspapers and texts, as well as, the Internet.

#### **1.7 SCOPE OF THE STUDY**

This study focuses on Zaria Academy's incentive plans and its effects on employees' attitudes and productivity.

The choice of the institution for this study was influenced by a number of factors. Firstly, the institution has a relatively well-defined organizational

structure, with distinct hierarchy, thus, making it possible for meaningful comparison among the different work group.

Secondly, the institution has quite a number of incentive schemes, and these incentive schemes are governed by the institution's condition of service, administered by her management, and review from time to time by her Governing Council.

Finally, the proximity of the institution to the researcher, and her acquaintance with staff of the institution influenced the choice.

#### **1.8 LIMITATION OF THE STUDY**

This study is limited by relevant literature, useful to the topic. Hence, the researcher has to content with the summaries and references made in text books and other studies. Furthermore, most of these literature are related to European countries and the United States of America.

The study is also limited by the degree of accuracy which can be achieved by attitude survey, which depends largely upon the extent of the perception of employees that questionnaires were administered to.

Another limitation to this study is the reluctance of the institution's top management in releasing vital information necessary for detailed analysis of the study, and some employees were reluctant in answering the questionnaire.

## 1.9 DEFINITION OF TERMS

### **ORGANISATION:**

Refers to an arrangement of personnel for facilitating the accomplishment of some agreed purpose through the allocation of functions and responsibilities.

It also refers to major mechanism in modern societies for mobilizing power in the interest of achieving collective objectives.

### **WORK:**

Refers to the activity engaged in by employees towards the accomplishment of a given task or job.

It also refers to the energy both physical and mental put in by an individual for the performance of some task or activity.

It also refers to a set of functions performed by an individual.

### **INCENTIVES:**

Refers to those factors or conditions that are given to employees or members of a group in work situations to induce them to put in efforts towards the achievement of some stated objectives.

As defined by Chartterjee (1963), it is a kind of stimulus that strengthens the motivational force of an individual for acting in a certain way. They stimulate the individual and add further motive to a motive already operating to accelerate his activity.

**ATTITUDE:**

Refers to a stand an individual uphold and cherishes about objectives, issues, persons, groups or institutions with all emotion.

As defined by Jekelle (1986), it is a predisposition to respond in a favourable or unfavourable manner to person or objects in one's environment.

**MOTIVATION:**

Refers to the deriving force that stimulates an individual into action. It is use to describe the various aspects inherent in the process by which behaviour is activated.

Dunnetle (1976), considers it to be the choice of initiate action, the choice to persist in expending effort over a period of time to achieve a given performance objective.

**ATTITUDE TO WORK:**

Refers to a person's general approach to work as a result of accepting or rejecting certain values of his society or group.

**EFFORT:**

Refers to the energy a person puts in doing a thing.

Effort refers to the energy invested, while performance refers to the outcome of that investment.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 CONCEPTUAL FRAMEWORK OF MOTIVATION**

One of the central issues in considering motivation in work situations, concerns the reward system utilized in and by organizations. Reward system in organisations, involves an exchange relationship between the organization and it's workers

Motivation is one of the key ingredients in employee performance and productivity. Even when people have clear work objectives, the right skills, and a supportive work environment. They won't get the job done without sufficient motivation to achieve those work objectives.

Motivation refers to the forces within a person that affect his or her direction, intensity, and persistence of voluntary behaviour (Pinder, 1994).

Studies in human motivation gained prominence during the period after the industrial revolution in Europe and America. There was a desire by many writers at that time to understand the various aspects inherent in the process by which human behaviour is activated. There also was the desire to determine the most effective and efficient ways by which workers could be induced and mobilized to put in better performance on the job.

Early studies on human behaviour include the writings of W.F. Taylor (1911), who came to be regarded as the Father of 'Scientific Management'. Taylor explained that the best way to motivate employees was to pay them using piece rate system and also tie their reward' directly into their output. That job

should also be redesigned into simple, uncomplicated tasks, so that the average worker could maximise his output.

Criticisms of the Scientific Management approach as postulated by Taylor is based on the view that it fails to recognise that incentive systems have many side effect, which may not lead to expected increase in productivity. This approach fails to recognise that extrinsic rewards are not highly important to everyone, and thus not everyone will be motivated by extrinsic reward systems. According to Lawer (1973), the Scientific Management approach has proved to be inadequate because it ignores important individual and situational differences.

Writers like Elton Mayo (1945), began to argue that financial rewards do not have the over-riding importance that Taylor ascribed to them, in explaining motivation. The view by those writers, which became known as the Human Relations Approach, was that employees had motives other than economic ones. The human relations writers emphasised the importance to the workers, of the informal relationship that he engages in at the work place. They argued that the failures to treat employees as human beings was responsible for the existence of organisational problems, such as low morale and low productivity. It was therefore conclude that management had a responsibility to make employees feel useful and important on the job, to provide recognition, as well as, creating an environment that allow the worker to satisfy his social needs.

The Human Relations Approach has been criticised because of a number of weaknesses, such as the narrowness of their perspective, over-simplification,

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lack of use of control groups and over concentration on informal as opposed to the formal organisation (Jekelle, 1986).

The criticisms of the human relation school resulted in the emergence of the Human Resources Approach, which views human beings as being motivated by a complete set of inter-related factors. Such as the nature of the incentive systems, need for affiliation, need for achievement, the nature of the job, supervisory styles, employees values and their perceptions of the work environment. Underlying the Human Resource Approach, is the assumption that different employees want and seek different goals in a job, and they also have different talents. The approach sees workers as a resource of talents, and it is management's responsibility to find ideal ways of harnessing those talents in such a way that both the employees, as well as, organisations goals are achieved.

The managerial implication of this approach is that management should be seen as creating an environment in which members are allowed to meet their goals, at the same time as meeting organisational goals. Management's tasks also include that of encouraging full participation in organisation matters. It is expected that participation will increase an employee's commitment to organisational activities.

Looking at the foundations of employee motivation. Motivation theories fall into two categories: Content theories and process theories, while the content theories of motivation explain the dynamics of employee needs, such as why

people have different needs at different time. They hold that by understanding an employee's needs, we can discover what motivates that person. Process theories of motivation on the other hand, do not directly explain how needs emerge. Instead, they describe the processes through which needs are translated into behaviour. Specifically, process theories explain why someone with a particular need engages in a particular direction, intensity, and persistence of effort, to reduce the need tension.

The content theories of motivation are made up of:-

- (a) **Maslow's Need Hierarchy**:- It identified five basic categories of human needs and placed them in a hierarchy: physiological needs, safety needs, Belongingness, Esteem and self-actualisation (Maslow, 1954). The central idea is that people try to satisfy higher need, when lower need is fulfilled (i.e. satisfaction – progression).
- (b) **Alderfer's ERG Theory**. It overcomes the problems with Maslow's needs hierarchy theory. It groups human needs into three broad categories: existence, relatedness, and growth. (Alderfer, 1972). The central idea is that people try to satisfy higher need when lower need is fulfilled, but where unable to satisfy higher need, they focus on lower need (i.e. satisfaction-progression and frustration-regression).
- (c) **Hezrberg's Motivator** – Hygiene theory: It holds that employees are primarily motivated by growth and esteem needs, not by lower level needs (Herzberg et al, 1959). The central idea is that motivators (job

content, recognition) motivate and satisfy, whereas hygiene factors (work relations, work environment) create dissatisfaction but do not motivate.

- (d) **McClelland's Learned Needs:** It holds that people also have secondary needs or drives, that are learned and re-inforced through childhood learning, parental styles, and social norms (Patchen, 1970). David McClelland devoted his career to studying three secondary needs that is considered particularly important sources of motivation: need for achievement, need for affiliation, and need for power. The central idea is that some needs are learned rather than instinctive, and more than one need can motivate at the same time.

The process theories of motivation are made up of:-

- (a) **Expectancy Theory:** It is based on the idea that work effort is directed toward behaviours that people believe will lead to desired outcomes (Nadler and Lawler, 1983). The central idea is that motivation is determined by perceived expectancies, outcome values and a rational decision making process.
- (b) **Equity Theory:** It explains how people develop perceptions of fairness in the distribution and exchange of resources. It explains what employees are motivated to do when they feel inequitably treated. Its four main elements are:- Outcome/input ratio, comparison other, equity evaluation, and consequences of inequity (Mowday, 1991). The Central idea perceived that equity is formed from outcome/input ratios with a

comparison other, and people are motivated to reduce perceived inequities.

- (c) **Goal Setting**- It is the process of motivating employees and clarifying their role perceptions, by establishing performance objectives. The central idea is that clear, relevant goals increase motivation and performance by stretching the intensity and persistence of effort, and by clarifying role perceptions.

Content theories of motivation suggest that different people have different needs at different times. Some employees are ready to fulfil growth needs, whereas others are still struggling to satisfy their minimum existence needs. Needs change as people enter new stages of their life.

Most organisations distribute the same reward. But rewards that motivate some people have less effect on those with different needs. Thus, content motivation theories advise organisations to offer employees their choice of rewards. It also warns against relying too heavily on financial rewards as a source of employee motivation (Kohn, 1993). The theories point out that organisations must recognise non-financial, as well as, financial sources of motivation.

The equity theory tells that if feeling of inequity is sufficiently strong, employee may put less into the job, leave the organisation, steal resources or time (e.g. absenteeism), or join a labour union to correct these inequities. But unfortunately, maintaining feelings of equity is not an easy task. As expressed

by Vecchio and Terborg (1987), employees have different opinions regarding which inputs should be reward (e.g., seniority versus performance) and which outcomes are more valuable than other.

One problem with goal setting is that when goals are tied to monetary incentives, some employees are motivated to select easy rather than difficult goals (Wright, 1994). A second concern is that it can interfere with job performance on new or complex tasks, because working on a new or complex task requires a large amount of implicit learning (DeShon and Alexander, 1996).

Finally, motivation theories differ in what they emphasised and the predictions they make. Need theory and equity theory deal with people's satisfactions and dissatisfactions? Reinforcement theory deals with how the consequences of specific behaviour after its repetition. Expectancy theory details the process by which people choose from among alternative actions, based on their expectation of what is to gain from each behaviour. Goal-setting theory focuses on the process of setting goals and how the goals themselves affect motivation.

## **2.2 NEED TO RECOGNISE MOTIVATION**

The need why motivation need to be recognise can be detailed as follows:

Firstly, motivation is commonly belief to be a good thing. A person never feel very good about himself or herself, if he or she is unmotivated in whatever her or she is doing.

Secondly, motivation is one of the several factors that goes into a person's performance. Important, too, are such factors as ability, resources and conditions under which a person performs.

Thirdly, motivation is in short supply, and in need of periodic replenishment. Motivation theory and motivational practices, deal with processes that never really end, since it is belief that motivation can "escape" over time.

Fourthly, motivation is a tool with which managers can arrange job relationship in organisations. If managers know what drives the people working for them, they can tailor job assignments and rewards to what makes these people "tick".

With the recognition of motivation, both the needs of employees and goals of organisation will be achieve in an effective and efficient manner or ways. (James et al, 1995).

### **2.3 FINANCIAL INCENTIVES**

The giving of incentives is largely a process of rewarding workers for putting efforts towards the achievement of organisational goals. These rewards are also aimed at inducing the worker for improved and sustained performance.

Of all the rewards, by far the most obvious in modern organisations are those that may be described as financial or monetary. Prior to industrialization in Europe, during the agricultural period, artisans were paid for their contributions, (Yoder, 1963). With industrialization, wages and salaries became the most

common of all rewards for work, and has frequently been described as the cash nexus between the employers and employees.

The basic wage and salary has now been supplement by a number of other financial rewards given to the workers. The various types of financial incentives will be look at in this section.

Financial incentives include:

a. ***Salaries and Wages:-***

They are considered as one of the most important of the financial incentives. Usually, wages refers to the payments made to hourly rated, production workers, while salaries are paid to the more permanent white collar workers. For salaries and wages to be a good motivators, they need to be based on a workers performance, but the opportunity to achieve, for all the workers should be equal.

Salaries and wages are very important to workers in an organisation, although their effect on a worker's attitude depends on his needs.

b. ***Promotion***

It is considered as the advancement of an employee to a better job-better in terms of greater responsibilities, more prestige or status, grater skills and increased rate of pay or salary.

One of its key advantages is that can cause a chain of other promotion within the organisation. This serves as a strong incentive for other

members of the organisation, because of the opportunity for advancement from within.

c. ***Bonus and Commissions***

Bonus is considered to be a special financial incentives given to workers as a means of recognising performance of output above a certain established standard. Bonuses are usually calculated as part of group incentives plan, whereby each member of the group is given some kind of compensation.

Commission represents current compensation based on performance already delivered.

Terry(1964), has identified some disadvantages of bonuses as an incentive. These include the fact that the employee may develop the motion that the bonus is a sure thing and come to expect it as an annual affair, irrespective of performance.

d. ***Sharing Profit and Stock Ownership***

This incentive seeks to relate compensation to the contribution of a worker and his effort, thereby making the employees see themselves as contributing to their own prosperity.

According to Yoder (1963), one of the effects of this type of incentive is a heightened employee interest in the quality and competence of management.

e. ***Fringe Benefits***

They serve as supplements to wages and salaries. They are also considered as employee welfare services, because they are extra benefits given to employees to supplement their wages, and help in easing such problems like housing, hospital expenses and holiday expenses.

Fringe benefits include: company paid accommodation or subsidised housing facilities, medical facilities, paid holidays, sick leave and allowances, rent and lunch subsidy

Flippo (1971), has cited some advantages, it include: improve morale and loyalty, good public relations and reduced influence of unions.

f. ***Pension and Gratuities***

These refer to compensation that is deferred. Both can be administered within the organisation, or contracted to an outside party. The basic reason for this type of incentive is that it provide for the economic security of the worker at retirement.

In summary, the granting of financial incentives has been widely recognised as one of the most tangible bonds between an employer and his employees. Earlier writers on management have tend to consider salaries and wages as one the primary motivating factors, particularly for rank and file workers. This assumption about money and it's relationship with motivation was shown to be in error, by researchers of the human relation movement. Later,

writers like Herzberg consider pay and other financial incentives as hygiene factors rather than the motivating factors.

Finally, financial incentives represent those rewards given in work situation that are of monetary value and are also tangible in nature. Where they are properly administered, they can be of immense motivational appeal to workers.

#### **2.4 NON-FINANCIAL INCENTIVES**

Incentives are not limited to those of financial nature only. There are also non-financial incentives, which are intrinsic in nature. They include such factors as the recognition accorded to an employee's good work through praise and feedback, a fair system of promotion and an opportunity for achievement.

Non-financial incentives tend to be intrinsic and psychological, and they are related to the inner feelings of the employee. The importance of non-financial rewards first emerges from the works of the human relationships.

All these approaches gained prominence after the realisation those rewarding employees by financial means is not enough because some of their needs are purely psychological in nature. Herzberg's (1959) motivators happens to be a good example of non-financial incentives. They include; Achievement, Recognition, the work itself, responsibility (job enrichment), Advancement and growth.

These potential motivators are factors which can energise a person's "inner generator" and make employees want to put in effort toward the achievement of organisational goals.

According to Lawler (1973), three job characteristics can provide employees with non-financial incentives. These are: the job must allow a worker to feel responsible for a meaningful portion of his work, the job must involve doing something that is intrinsically meaningful or otherwise experienced as worthwhile to the individual and, the job must provide feedback about what is accomplished.

Terry (1964), mentioned that recognition, status, prestige, self-respect and pride in accomplishment are all example of non-financial incentives. He said such quantities have been known to be stimulating to work effort. Other non-financial incentives include such parts as special furniture, large office, accommodation and carpeting, competition etc.

As a summary, the amount of influence a particular incentive has will depend on how far that incentive will go to satisfy an employee's need. For example, salary and wages may be important to an individual because it satisfied his or her needs for security, while for another individual, what is more important is to have a challenging job, that allows for achievement, recognition and responsibility.

Finally, in setting tasks for workers, management should understand what their employee's needs and values are, and also take with consideration the

effect that its orders and job requirements may have upon the employee's realization of his or her needs and values.

## 2.5 **SATISFACTION – PERFORMANCE RELATIONSHIP**

An employee's work attitude refers to his responses to job. That is, the way he feels about the totality of the employment relationship. This involves his feelings on all job facets, such as the work environment, Salaries and wages, Supervisory relationships, fringe benefits, opportunity for growth and the work itself.

A worker attitude could be positive or negative. A positive work attitude is conceptually akin to job satisfaction, while negative work attitudes are equivalent to job dissatisfaction. Consequences of negative work attitudes include fraud, absenteeism, turnover, and low productivity.

Following the finding of the Hawthorn studies and the emergence of the human relations movement, with its emphasis on the well being of the individual at work, it was assumed that satisfaction causes performance. The proposition implies that, workers that are highly satisfied will tend to put in better performance. The propositions reflect the popular belief that a happy worker is a productive worker.

The relationship between satisfaction and performance has been reflected also in the work of Lawler and porter (1967). In their work, satisfaction is considered not as a cause, but as an effect of performance. The view is based

on the premise that reward cause satisfaction, and that in some cases, performance comes about through the action of a third variable-Reward. The authors classified rewards into intrinsic (less tangible, more a state of mind of the individual), and extrinsic rewards, such as pay, promotion, job security, and fringe benefits. Their work was supported by Greene (1972) and Charrigton, Reitz and Scott (1971), in their studies.

Empirical research findings show that employees that enjoy their job, have a great desire to come to work, and that voluntary absence rate are much more closely related to satisfaction, than are overall absence rates (vroom, 1964).

Turnover and absenteeism have a very direct influence on organisational effectiveness. Absenteeism is costly, because it interrupts production programmes,. Creates a need for over staffing, increased fringe benefits and so on. The cost involved with high turnover is the recruitment and training expenses.

The reviews on the performance-satisfaction relationship indicate that managers who desire to enhance the satisfaction of his subordinates may do so, but there is no guarantee that productivity will increase. However, increased satisfaction will have a positive effect on outcomes of work attitude, like absenteeism and labour turnover. If a manager is more concerned with increasing performance, then he needs to do some work on the reward system of the organisation. For there is empirical evidence that show that rewards that

are based on performance cause improved and sustained improvement in performance (Charrigton et al, 1971).

## 2.6 WORK ATTITUDE OF NIGERIAN WORKERS

According to Uche (1984), Nigerians do not take their work seriously. The nonchalant attitude to work is independent of geo-political division, religions affiliation, sex or age. He identified various attitudinal types in the Nigeria labour force, and further suggested that the structure of the workers' attitude is dependent upon the environment of employment and the reward within the organisation.

The various attitudinal types he identified were as follows:-

- (a) High or positive attitude in private sector work and self employed work situations. Those role occupants usually have high educational qualification or professional attainment, high income or benefits, more initiative and loose supervision, among other factors.
- (b) Medium – high positive attitude among junior workers in self-employed situation, and also in the private sectors. That attributes of such workers include: little or moderate education, low or moderate income, long hours of work and close supervision by supervisors.
- (c) Medium – high negative attitude mainly common but not exclusively in the junior staff section of public sector. The attitude is somewhat

repressed in the private sector, because of the prerogative of the owner or manager hire and fire, without much bureaucratisation.

From the above, it could be deduce that workers in the junior staff cadre tend to have a more positive attitude towards work, as compared to those in the junior category. Furthermore, even for those in the senior positions, those in self-employment in the private sector have a more positive attitude than their colleagues in the public sector.

Part of the reasons for this behaviour is the fact that in the private sector, progress on job is usually tied to a person's performance. As a result, workers believe that their effort will be rewarded. This contrasts with the public sector, where it is belief that rewards are distributed not on merit, but on such factors as tribe, whom you know and other subjective reasons.

From the analysis, it shows that those in the public sector tend to exhibit the most negative attitude towards their job.

Uche (1984), has stated that Nigerian attitude to work cannot be fully understood, without reference to two factors. These are:

- i. The influence of cultural values and perceptives, in relation to work.
- ii. The effect of external environment on the organizational maintenance inputs of motivation and morale.

In explaining the first factor, the author mentioned that prior to the colonial period, employee-employer relationship was non-existent. Age was the normal basis for leadership; all adult males participated in decision-making. As a

result of these cultural factors, the Nigerian worker finds the hierarchical structure of work in modern organisation as too alien for him. Further more, decisions about organisational goals are not co-operatively arrived at. Modern organisational order of seniority is not based on age, but other factors not acceptable in the traditional setting. The reward system also appear unfair, because the junior worker who does all the 'hand' tasks, get paid much less than the younger officer, who seems to sit and write only. Also, the division between management and workers, makes the worker feel not a part of the organisation, and as such does not put in his very best.

The second factor refers to the external environmental effects on the worker's attitude, such as the extended family system, and the bonded nature of the Nigerian worker to his village, tribe and clan. As a result of this external influence, workers seem to find the protection of ethnic and religious interest, more important than the goals of the organisation.

## **2.7 THE IMPACT ON ORGANISATION PERFORMANCE**

A primary managerial concern is tapping latent human capability in organisational endeavours for both benefit of the person and organisation. Before this can be properly done, one needs to ascertain the degree to which motivation is relevant in determining the individual performance (Mitchell, 1982).

Once it is accepted or established that motivation can make a difference in individual performance, it then makes sense to design systems, and create the conditions that are most likely to be motivating for participants.

Whether we believe the thinking, feeling, reasoning view of drive or expectancy theory or whether we believe the non—thinking, external, operant conditioning view of behaviour, positive reinforcement play a major role in both the performance of an individual, and the organisation that individual works (Miles, 1975).

Positively reinforced behaviour is likely to continue and increase the organisation performance, whether it is viewed as an automatic process or whether it is filtered through the conscious process of increased satisfaction, and a decisions to exert effort in a future period.

Although criticism and punishment are used extensively to control negative behaviour, they are short-run solution, which will not augur well for the performance of the organisation in the long run. This is because, while seemingly effective to control a specific negative behaviour, it (punishment) has potential secondary consequences, such as increased tension, reduced communication, and a tendency to avoid the punisher or perhaps 'get even'. Criticism on the other hand, is a negative approach; it concentrates on what not to do. All these negatively affect an organisation performance.

Positive re-enforcement focuses on desired behaviour, and is more effective in the long run, which augur well for an organisation performance, in terms of

efficiency and effectiveness. The opportunity to provide, positive re-enforcement is always available in most organisations. The most effective means are:

- (i) Money (if it tied to performance);
- (ii) Praise or recognition;
- (iii) Freedom to choose one's own activity;
- (iv) Opportunity to see oneself becoming better, more important, or more useful; and
- (v) Power to influence both co-workers and management.

All these provide positive feedback and thereby reward good performance for the organisation (Fremont et al, 1985).

In this chapter, we have discuss a number of theories and approaches to the study of motivation, and have tried to highlight the importance of rewards in organisations. We have seen that the reward system utilized in an organisation, and the way in which these rewards are distributed within the organisation, has a strong influence on employee motivation.

We saw that while earlier management writers have thought that man's motivation to work is greatly influenced by his desire for monetary gain. Later writers have shown that man is basically a social being, who is motivated by a complete set of factors, both monetary and non-monetary.

Furthermore, each worker has his own needs and desires, and his motivation can come about only where the rewards given in the organisation satisfy these needs. While some employees may be motivated by routine, simple

and repetitive jobs, others are motivated only by those jobs that are meaningful, challenging and involve responsibility.

Finally, for workers to be well motivated, management must ensure that whatever reward system is in place, it should be one that is meaningful to the workers and meets their needs. Where this is not done, the worker's attitude to the job will tend to be negative. The consequences of this behaviour of the worker, will result in such effects as tardiness, absenteeism, turnover and overall fall in organisational effectiveness.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 RESEARCH METHODS USED**

For this study, information was obtained through the use of primary and secondary sources.

The primary sources of data for this study were basically questionnaires and personal interview of some staff of the institution.

The secondary sources of data collection include data obtained from sources like textbooks, handbooks, journals, newspapers, publication and the Internet.

### **3.2 INSTRUMENT FOR GATHERING DATA**

The researcher made use of the following instrument for the collection of data.

- (a) Questionnaires
- (b) Interviews
- (c) Observation
- (d) Documentary sources.

For this study, the researcher relied mostly on the secondary sources for basic data and made use of the primary sources for comparative purposes.

The researcher examined some relevant records from the institution, for the purpose of validating findings from other sources.

Apart from the questionnaires distributed to staff of the institution, personal interview was also used. This is as an auxiliary research techniques, with the aim of verifying some information gathered from the responses of some of the staff on some pertinent issues raised by the researcher.

### **3.3 DATA ANALYSIS PROCEDURES**

The research problem, hypothesis and the scales in which collected or available data are presented guard the task of analysing data.

While Ratio and Interval data are appropriate for parametric analysis, ordinal and nominal data are best treated by means of non-parametric procedures, notably chi-square tests.

For the purpose of this study, the researcher had adopted the following techniques in analysing data:

- (i) Tabular
- (ii) Percentage
- (iii) Descriptive and
- (iv) Chi Square test.

Tabular contains summarized information, it provides a convenient means of compiling data in a form for easy reference. Data to be compared are placed in parallel column.

Percentage is used to illustrate the proportion of the sample size of respondents that support or oppose a particular view.

Descriptive enable for summarizing data and comparing sample and population characteristics.

Chi-Square test enables one to find the significance of differences among the proportions of subjects, object, events, e.t.c. That falls into different categories.

#### **3.4 DESIGN OF THE RESEARCH**

Apart from the closed ended questionnaires, the researcher used personal and unstructured interviews. This is with a view to identify and assess the true state of the impact of financial and non-financial incentives on the institutions' employees and how it had been affecting their attitude to work.

The researcher also made effective use of some of the secondary records of the institution.

#### **3.5 LIMITATION OF THE METHODS USED**

The major limitations of the methods used are those, which characterise the use of the primary and secondary sources of data.

These include among others:

- (a) Some of the questionnaires not being returned back
- (b) Bias of writers
- (c) Degree of reliability of the source of data.

Despite these limitations and others, the data presented in chapter four is based partly, on the responses recorded from the questionnaires that were returned and the oral interview conducted.

The result obtained will definitely generate or raise some policy issues, which is one of the purposes of this study.

There are indeed other different methods, through which data could be collected. However, the methods used are not only found to be adequate for this study, but also efficient, effective and convenient for the researcher.

It is hoped that the inferences drawn from the analysis, will state the impact of incentives (both financial and non-financial) on employees' attitude to work in organisations.

Finally, it is to the best of the researcher's knowledge, correct and accurate and will be used as a basic for evaluating the research problem and the objective of the study.

## **CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS**

### **4.1 HISTORICAL BACKGROUND OF ZARIA ACADEMY, SHIKA - ZARIA**

The high demand for secondary education in Kaduna State, and most especially, Zaria, coupled with the activities of visionary academics, led to the birth of Zaria Academy – a Boarding secondary school located at Shika, near the New Ahmadu Bello University Teaching Hospital.

The School came into existence in 1998, through the combined efforts of these visionary group and other public-spirited individuals who made fat donations, with which a site was acquired. It took the group almost five years to get seventy - thousand (70,000) cement blocks moulded, to put the basic structures in place, most especially the perimeter walls.

These laudable efforts pleased the community in which the school was sited, and thus subsequently attracted more donations from other groups, organizations and private individuals, who contributed generously to accelerate the constructions efforts, which made the school to stand the way it is today.

In the furtherance of this historical analysis, the school took another giant step forward in securing a highly skilled, competent, able, seasoned and capable administrative head to set the intellectual tone for the school. In this process, Mr. Malcom F. Forsyth was discovered and immediately employed to pilot the affairs of the school. Mr.. Malcom swung into action and ingeniously led the hitch-free preparation for the initial and supplementary entrance examinations,

which ran in six centres. In the same vein, interviews were conducted smoothly and the results were released without hitches.

After the admission of the students, the next challenge was to face the recruitment of the academic and non-academic staff, on whose shoulder the academic future of the students rest. To facilitate this process, adverts were placed far and wide staff were interviewed and recruited. The whole issue began like a drama years ago, but now it is a reality. The institution has just turned out her first set of students to face WAEC and NECO this year. These students it is believe, will make history and do the school proud, in years to come.

#### **4.2 MISSION OF ZARIA ACADEMY, SHIKA – ZARIA.**

The school – Zaria Academy, has a big dream not only for the students, but for the society as a whole. The mission as a school and as a social institution include the following:

- (a) Teaching the curriculum as defined by the National Policy on education.
- (b) Involving in moral and character development of the students.
- (c) Getting fully committed to the intellectual development of the students.
- (d) Involving students in the extra-curricular activities, to train and build them physically and emotionally.

- (e) Getting the students involved in social activities, by joining social and literary clubs in the school.
- (f) Organising frequent and periodic educational visits, to create positive exposures for the students.
- (g) Turning out competent and highly-skilled secondary school leavers, to feed the tertiary institutions.

Finally, discipline is the institution's cornerstone.

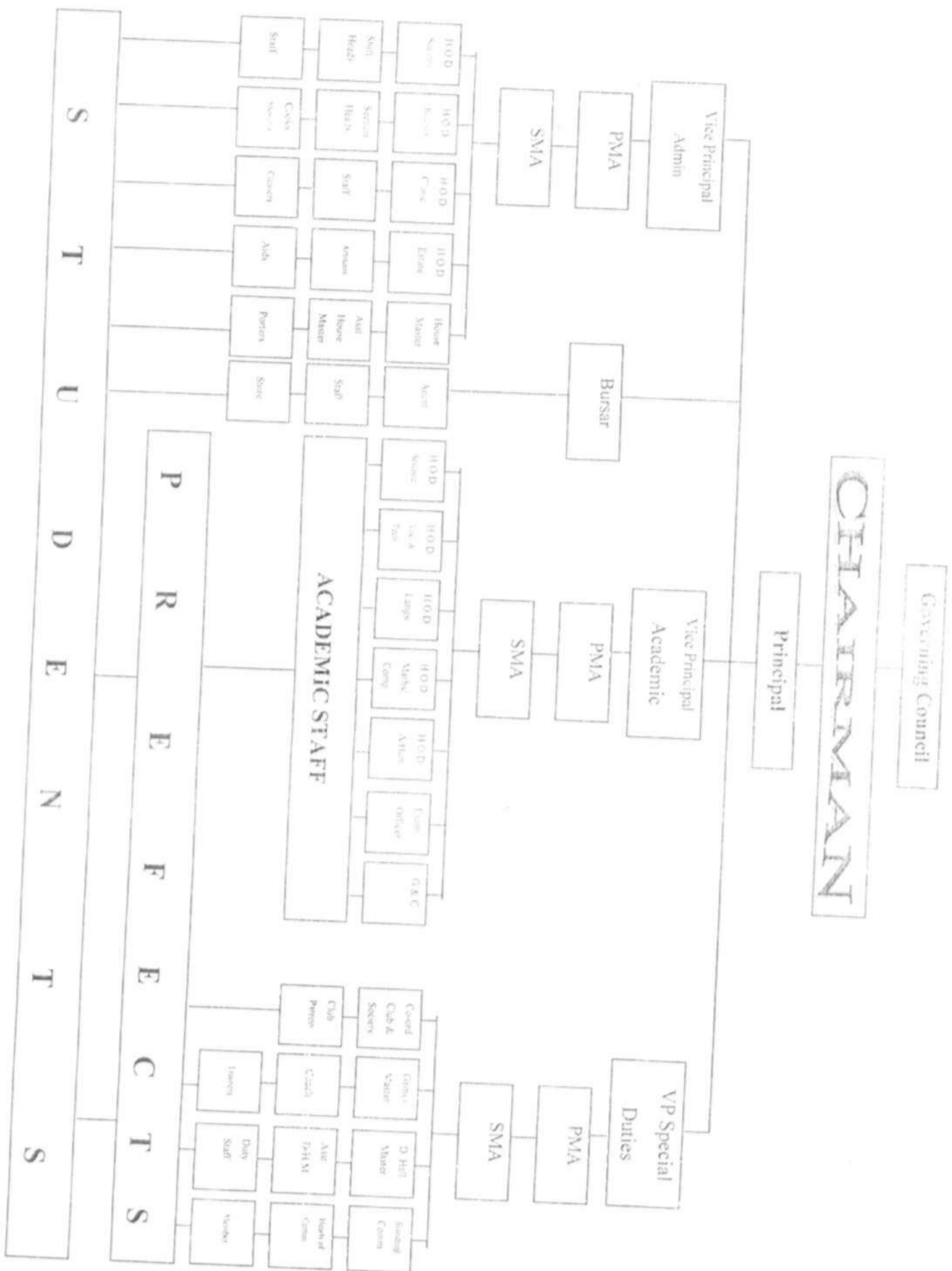
#### 4.3 **ORGANISATIONAL STRUCTURE OF ZARIA-ACADEMY, SHIKA – ZARIA.**

Organizational structure refers to the division of labour, as well as, the patterns of coordination, communication, work flow and formal power that direct organisational activities (Bedeian and Zammuto,1991). It reflects its culture and power relationships.

The size of an organisation's hierarchy depends on two factors: the average span of control and the number of people employed by the organisation.

Zaria Academy, with staff numbering over an hundred, has a structure that could be describe to be tall structure/narrow span of control, where each subordinate is answerable to the immediate supervisor.

The structure of the institution is depicted below.



#### 4.4 PRESENTATION OF DATA

Cross tabulation were made in respect of questionnaires with regard different variables.

##### Question 3

Are the Staff of Zaria Academy the most highly paid amongst private institutions in Zaria?

Table 1

SUBJECT	AGREED	DISAGREED	TOTAL
Top Management	3	1	4
Middle Management	7	10	17
Lower Management	4	5	9
Total	14	16	30

Source: Fieldwork

##### Question 4

Have you chosen to work with Zaria Academy because of the high level of job security?

Table 2

SUBJECT	AGREED	DISAGREED	TOTAL
Married	7	19	26
Unmarried	1	3	4
Total	8	22	30

Source: Fieldwork

##### Question 5

How do you assess your present salary?

Table 3

SUBJECT	SATISFACTORY	UNSATISFACTORY	TOTAL
Top Management	3	1	4
Middle Management	9	8	17
Lower Management	3	6	9
Total	15	15	30

Source: Fieldwork

**Question 6**

How do you assess job evaluation and appraisal in the institution?.

Table 4

SUBJECT	SATISFACTORY	UNSATISFACTORY	TOTAL
Married	10	19	26
Unmarried	3	3	4
Total	14	16	30

Source: Fieldwork

**Question 7**

What is your opinion about the promotion policies of the Institution?

Table 5

SUBJECT	SATISFACTORY	UNSATISFACTORY	TOTAL
Top Management	3	1	4
Middle Management	4	13	17
Lower Management	2	7	9
Total	9	21	30

Source: Fieldwork

### Question 8

How do you assess the institution compensation policies?

Table 6

SUBJECT	SATISFACTORY	UNSATISFACTORY	TOTAL
Married	7	19	26
Unmarried	2	2	4
Total	9	21	30

Source: Fieldwork

### Question 9

How do you assess the level of employees involvement in decision making in the institution?

Table 7

SUBJECT	SATISFACTORY	UNSATISFACTORY	TOTAL
Top Management	3	1	4
Middle Management	6	11	17
Lower Management	1	8	9
Total	10	21	30

Source: Fieldwork

### Question 10

How do you assess the criterion use for distribution/allocation of tasks in the institution?

Table 8

SUBJECT	SATISFACTORY	UNSATISFACTORY	TOTAL
Married	10	16	26
Unmarried	2	2	4
Total	12	18	30

Source: Fieldwork

### Question 11

Are employees satisfied with the conditions of service in this institution?

Table 9

SUBJECT	SATISFACTORY	UNSATISFACTORY	TOTAL
Top Management	3	1	4
Middle Management	5	12	17
Lower Management	3	6	9
Total	11	19	30

Source: Fieldwork

### Question 12

Are you satisfied with your job?

Table 10

SUBJECT	SATISFACTORY	UNSATISFACTORY	TOTAL
Married	13	13	26
Unmarried	2	2	4
Total	15	15	30

Source: Fieldwork

## 4.5 ANALYSIS OF DATA

For the purpose of data analysis, the descriptive technique is being use.

It enables one to organise, summarize and describe his/her observations.

### Question 1

What is your present staff level in the institution?

Off the respondents, 13% were at top management level, 57% at middle management level, while the remaining 30% were at lower management level.

**Question 2**

What is your marital status?

Off the respondents, 87% were married and 13% were yet to marry.

**Question 3**

Are staff of Zaria Academy the most highly paid amongst private institutions in Zaria?

75% of those in top management agreed, 41% of those in middle management affirmed, while 56% of those in lower management disagreed.

**Question 4**

Have you chosen to work with Zaria Academy because of the high level of job security?

While 63% of the married staff disagreed, 25% of the unmarried staff agreed.

**Question 5**

How do you assess your present salary?

75% of those in top management felt satisfied, 53% of those in middle management also felt satisfied, while only 33% of those in lower management felt satisfied.

**Question 6**

How do you assess job evaluation and appraisal in the institution?

While 62% of the married staff felt it is unsatisfactory, only 25% of the unmarried staff felt so.

#### **Question 7**

What is your opinion about the promotion policies of the Institution?

75% of top management staff felt it is satisfactory, while only 24% of middle management staff felt so. 78% of lower management staff felt it is unsatisfactory.

#### **Question 8**

How do you assess the institution compensation policies?

While 50% of the unmarried staff felt it is okay, only 27% of the married staff felt so.

#### **Question 9**

How do you assess the level of employee's involvement in decision making in the institution?

75% of top management staff are satisfied with the level of involvement, while 89% of lower management staff are unsatisfied with the level, and 65% of middle management staff also felt the same way.

#### **Question 10**

How do you assess the criterion use for distribution/allocation of tasks in the institution?

Of the married staff, 62% felt unsatisfied with the criterion, while 50% of the unmarried staff felt satisfied.

### **Question 11**

Are employees satisfied with the conditions of service in the institution?  
75% of those in top management agreed that employees are satisfied with the institution's conditions of service, while 71% of middle management staff disagreed. Staff in lower management, 67% also disagreed.

### **Question 12**

Are you satisfied with your job?

While 50% of the married staff said they are satisfied, 50% of the unmarried staff said they are not satisfied.

## **4.6 TESTING OF HYPOTHESIS**

For the purpose of testing of hypothesis, the statistical method of chi-square ( $\chi^2$ ) test is being use.

For this purpose, the following is being define:

$\chi^2$	=	Value of chi-square
O	=	Observed frequency
E	=	Expected frequency
df	=	Number of degree of freedom
C	=	Number of columns
R	=	Number of rows
$H_0$	=	Null hypothesis

The level of significance that is being consider is 95%,i.e. 0.05 level. It is being consider as critical point.

It is also important to note the following formulae:-

$$X^2 = \sum \left( \frac{O-E}{E} \right)^2$$

$$df = (C-1)(R-1)$$

H<sub>0</sub>: There is no relationship between a person's staff level and perception of salary being paid in an organisation.

Table 11

Response	Staff Level							
	Top. Mgt.		Middle Mgt.		Lower Mgt.		Total	
	O	E	O	E	O	E	O	E
Agreed	3	2	7	8	4	4	14	14
Disagreed	1	2	10	9	5	5	16	16
Total	4	4	17	17	9	9	30	30

Source: Table 1

$$X^2 = \sum \left( \frac{O-E}{E} \right)^2 = \left( \frac{3-2}{2} \right)^2 + \left( \frac{7-8}{8} \right)^2 + \left( \frac{4-4}{4} \right)^2 + \left( \frac{1-2}{2} \right)^2 + \left( \frac{10-9}{9} \right)^2 + \left( \frac{5-5}{5} \right)^2$$

$$= 0.5 + 0.125 + 0 + 0.5 + 0.111 + 0$$

$$= 1.236$$

$$df = (3-1)(2-1) = 2$$

Decision:- critical value at 2df=5.991

Since  $X^2 < X^2_{0.05}$  at 2df, we accept H<sub>0</sub>

$H_0$ : There is no relationship between a person's marital status and perception of job security in an organisation.

Table 12

Response	Married		Unmarried		Total	
	O	E	O	E	O	E
Agreed	7	7	1	1	8	8
Disagreed	19	19	3	3	22	22
Total	26	26	4	4	30	30

Source: Table 2

$$\begin{aligned}
 X^2 &= \sum \left( \frac{(O-E)^2}{E} \right) = \left( \frac{7-7}{7} \right)^2 + \left( \frac{1-1}{1} \right)^2 + \left( \frac{19-19}{19} \right)^2 + \left( \frac{3-3}{3} \right)^2 \\
 &= 0 + 0 + 0 + 0 \\
 &= 0
 \end{aligned}$$

$$df = (2-1)(2-1) = 1$$

Decision: critical value at 1df = 3.841

Calculated value of  $X^2 = 0$

Since  $X^2 < X^2_{0.05}$  at 1df, we accept  $H_0$

$H_0$ : There is no relationship between a person's staff level and perception of the salary being earned in an organisation.

Table 13

Response	Staff Level							
	Top. Mgt.		Middle Mgt.		Lower Mgt.		Total	
	O	E	O	E	O	E	O	E
Agreed	3	2	9	9	3	5	15	16
Disagreed	1	2	8	8	6	4	15	14
Total	4	4	17	17	9	9	30	30

Source: Table 3

$$X^2 = \sum \left( \frac{(O-E)^2}{E} \right) = \left( \frac{3-2}{2} \right)^2 + \left( \frac{9-9}{9} \right)^2 + \left( \frac{3-5}{5} \right)^2 + \left( \frac{1-2}{2} \right)^2 + \left( \frac{8-8}{8} \right)^2 + \left( \frac{6-4}{4} \right)^2$$

$$= 0.5 + 0 + 0.8 + 0.5 + 0 + 1$$

$$= 2.8$$

$$df = (3-1)(2-1) = 2.$$

Decision: critical value of  $X^2_{.05}$  at 2df = 5.991

Calculated value of  $X^2 = 2.8$

Since  $X^2 < X^2_{.05}$  at 2df, we accept  $H_0$

$H_0$ : There is no relationship between a person's marital status and perception of job evaluation and appraisal in the organisation..

Table 14

Response	Married		Unmarried		Total	
	O	E	O	E	O	E
Agreed	10	11	3	2	13	13
Disagreed	16	15	1	2	17	17
Total	26	26	4	4	30	30

Source: Table 4

$$X^2 = \sum \left( \frac{O-E}{E} \right)^2 = \left( \frac{10-11}{11} \right)^2 + \left( \frac{3-2}{2} \right)^2 + \left( \frac{16-15}{15} \right)^2 + \left( \frac{1-2}{2} \right)^2$$

$$= 0.091 + 0.5 + 0.067 + 0.5$$

$$= 1.158$$

$$df = (2-1)(2-1) = 1$$

Decision: critical value of  $X^2_{0.05}$  at 1df = 3.841

Calculated value of  $X^2 = 1.158$

Since  $X^2 < X^2_{0.05}$  at 1df, we accept  $H_0$

$H_0$ : There is no relationship between a person's staff and perception of promotion policy of an organisation.

Table 15

Response	Staff Level							
	Top. Mgt.		Middle Mgt.		Lower Mgt.		Total	
	O	E	O	E	O	E	O	E
Agreed	3	1	4	5	2	3	9	9
Disagreed	1	3	13	12	7	6	21	21
Total	4	4	17	17	9	9	30	30

Source: Table 5

$$X^2 = \sum \left( \frac{O-E}{E} \right)^2 = \left( \frac{3-1}{1} \right)^2 + \left( \frac{4-5}{5} \right)^2 + \left( \frac{2-3}{3} \right)^2 + \left( \frac{1-4}{4} \right)^2 + \left( \frac{13-12}{12} \right)^2 + \left( \frac{7-6}{6} \right)^2$$

$$= 4 + 0.2 + 0.333 + 1.333 + 0.083 + 0.167$$

$$= 6.116$$

$$df = (3-1)(2-1) = 2$$

Decision: critical value of  $X^2_{0.05}$  at 2df = 5.991

Calculated value of  $X^2 = 6.116$

Since  $X^2 > X^2_{0.05}$  at 2df, we reject  $H_0$

$H_0$ : There is no relationship between a person's marital status and perception of compensation policies in an organisation.

Table 16

Response	Married		Unmarried		Total	
	O	E	O	E	O	E
Agreed	7	9	2	1	9	10
Disagreed	19	17	23	3	21	20
Total	26	26	4	4	30	30

Source: Table 6

$$X^2 = \sum \left( \frac{O-E}{E} \right)^2 = \left( \frac{7-9}{9} \right)^2 + \left( \frac{2-1}{1} \right)^2 + \left( \frac{19-17}{17} \right)^2 + \left( \frac{2-3}{3} \right)^2$$
$$= 0.444 + 1 + 0.234 + 0.333$$

$$= 2.012$$

$$df = (2-1)(2-1) = 1$$

Decision: critical value of  $X^2_{0.05}$  at 1df = 3.841

Calculated value of  $X^2 = 2.012$

Since  $X^2 < X^2_{0.05}$  at 1df, we accept  $H_0$

$H_0$ : There is no relationship between a person's staff level and perception of employee's involvement in decision-making in an organisation.

Table 17

Response	Staff Level							
	Top. Mgt.		Middle Mgt.		Lower Mgt.		Total	
	O	E	O	E	O	E	O	E
Agreed	3	1	6	6	1	3	10	10
Disagreed	1	3	11	11	8	6	20	20
Total	4	4	17	17	9	9	30	30

**Source: Table 7**

$$\begin{aligned}
 X^2 &= \sum \left( \frac{(O-E)^2}{E} \right) = \left( \frac{3-1}{1} \right)^2 + \left( \frac{6-6}{6} \right)^2 + \left( \frac{1-3}{3} \right)^2 + \left( \frac{11-11}{11} \right)^2 + \left( \frac{8-6}{6} \right)^2 \\
 &= 4+0+1.333+1.333+0+0.667 \\
 &= 7.333
 \end{aligned}$$

$$df = (3-1)(2-1)=2$$

Decision: critical value of  $X^2_{0.05}$  at  $2df = 5.991$

Calculated value of  $X^2 = 7.333$

Since  $X^2 > X^2_{0.05}$  at  $1df$ , we reject  $H_0$

$H_0$ : There is no relationship between a person's marital status and perception of criterion use for distribution/allocation of tasks in an organisation.

Table 18

Response	Married		Unmarried		Total	
	O	E	O	E	O	E
Agreed	10	10	2	2	12	12
Disagreed	16	16	2	2	18	18
Total	26	26	4	4	30	30

**Source: Table 8**

$$\begin{aligned}
 X^2 &= \sum \left( \frac{(O-E)^2}{E} \right) = \left( \frac{3-1}{1} \right)^2 + \left( \frac{4-5}{5} \right)^2 + \left( \frac{2-3}{3} \right)^2 + \left( \frac{1-4}{4} \right)^2 + \left( \frac{13-12}{12} \right)^2 + \left( \frac{7-6}{6} \right)^2 \\
 &= 0+0+0+0 \\
 &= 0
 \end{aligned}$$

$$df = (2-1)(2-1)=1$$

Decision: critical value of  $X^2_{0.05}$  at 1df = 3.841

Calculated value of  $X^2 = 0$

Since  $X^2 < X^2_{0.05}$  at 1df, we accept  $H_0$

$H_0$ : There is no relationship between a person's staff level and perception of condition of service in an organisation.

Table 19

Response	Staff Level							
	Top. Mgt.		Middle Mgt.		Lower Mgt.		Total	
	O	E	O	E	O	E	O	E
Agreed	3	1	5	6	3	3	11	10
Disagreed	1	3	12	11	6	6	19	20
Total	4	4	17	17	9	9	30	30

Source: Table 9

$$\begin{aligned}
 X^2 &= \sum \left( \frac{(O-E)^2}{E} \right) = \left( \frac{3-1}{2} \right)^2 + \left( \frac{5-6}{6} \right)^2 + \left( \frac{3-3}{3} \right)^2 + \left( \frac{1-3}{3} \right)^2 + \left( \frac{12-11}{11} \right)^2 + \left( \frac{6-6}{6} \right)^2 \\
 &= 4+0.167+0+1.33+0.091+0 \\
 &= 5.591
 \end{aligned}$$

$$df = (3-1)(2-1)=2$$

Decision: critical value of  $X^2_{0.05}$  at 2df = 5.991

Calculated value of  $X^2 = 5.591$

Since  $X^2 < X^2_{0.05}$  at 1df, we accept  $H_0$

$H_0$ : There is no relationship between a person's marital status and perception of job satisfaction.

Table 20

Response	Married		Unmarried		Total	
	O	E	O	E	O	E
Agreed	13	13	2	2	15	15
Disagreed	13	13	2	2	15	15
Total	26	26	4	4	30	30

Source: Table 9

$$\begin{aligned}
 X^2 &= \sum \left( \frac{O-E}{E} \right)^2 = \left( \frac{13-13}{13} \right)^2 + \left( \frac{2-2}{2} \right)^2 + \left( \frac{13-13}{13} \right)^2 + \left( \frac{2-2}{2} \right)^2 \\
 &= 0+0+0+0 \\
 &= 0
 \end{aligned}$$

$$df = (2-1)(2-1)=1$$

Decision: critical value of  $X^2_{0.05}$  at 1df = 3.841

Calculated value of  $X^2 = 0$

Since  $X^2 < X^2_{0.05}$  at 1df, we accept  $H_0$

#### 4.7 SUMMARY OF FINDING

Base on the questionnaires administered, analysed and the interviews conducted, the following are the summary of findings.

- (i) Pay it was discovered is an influential factor in determining work attitudes and behaviour. Where workers feel that their pay is not fair

compare to others, they tend to be dissatisfied and disgruntled. There is an observable trend which depicts that those at the lower hierarchy are mostly not satisfied with what they are being paid or what they were earning, they believe that the pay are not complementary to what they do.

- (ii) Promotion it was discovered is significant to influences work attitudes and behaviours. It was observed that where promotional opportunities are perceived as inequitable, workers tend to be dissatisfied and disgruntled.
- (iii) Another observable point is that junior/lower staff whom many writers have considered to be more interested in financial incentives have responded to indicate that they want some form of participation in decision-making.
- (iv) The finding also shows that special allowances influence work attitudes and behaviours. That the provision of various allowances can foster higher worker commitment to their jobs and the organisation. Where these lack, it leads to dissatisfaction and dissatisfaction has a negative impact on workers morale and this manifested in such work behaviour as lateness to work, tardiness among others.
- (v) Another incentive, which was discovered to be valued by employees, is pension schemes or gratuity, which was discovered to be a significant source of satisfaction, because it provides future security for workers

when they retire. It was observed that it has the tendency of committing workers to an organisation, as they want to wait to collect their accumulated benefits, gained over the years. This minimizes the rate of employee turnover.

- (vi) All the respondents sampled (30 staffs) considered housing accommodation very important. Where this is absent, staff are paid housing allowance. They held that where such are not available, staff members will be unhappy.
- (vii) Transportation allowance and vehicle loans, according to the findings are incentives valued by the staff. All the three categories of staff favoured these incentives as being essential to their staying on the job.
- (viii) The finding shows that irrespective of a worker's level in the institution, medical facilities are perceived as an important incentive. Where it lacks, it influences work attitudes and leads to negative behaviours towards the work.
- (ix) Based on the finding, leave grants is highly valued by all the three level of staff in the sampled population. It is highly valued because it serves as a supplement to basic pay and it eases the expenses incurred by a worker. Although most worker felt that it might not improve performance, but it would enhance satisfaction and commitment to the institution.

- (x) It was observed from the finding, that while top management believe that employees are satisfied with condition of service being offered, the lower staffs tends to disagreed. They tend to argued that most fringe benefits are mostly given to the senlor staff. Although, this position had not been supported by the tested hypothesis. .

Finally, the following were established from the tested hypotheses.

- (a) That a person's perception of job security, compensation policies, job allocation and distribution of tasks in an organisation, does not depend on marital status.
- (b) That a person's perception of what is being paid, earn and condition of service does not depend on hierarchical level.

## CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

### 5.1 SUMMARY

This research work examined the impact to which financial and non-financial incentives influence employees work attitude in organizations, with particular reference to Zaria Academy.

We have seen from the proceeding chapters of this study, why the answer of how best to motivate workers to put in better performance has continued to elude management the world over.

We have seen that incentives are considered under two headings. These are financial or extrinsic and non-financial or intrinsic incentives.

Financial incentives include a fair system of pay bonuses, commissions, gratuity and a host of other fringe benefits, such as housing allowance, transport allowance, medical allowance etc. Non-financial incentives are not monetary factors, such as recognition of a good work, a fair system of promotion, feedback and participation in decision making.

Finally, from the review of literature, we have seen that financial incentives on their own cannot guarantee motivation of a worker, without some form of non-financial incentives.

### 5.2 CONCLUSION

Finding of the study shows that most workers value incentives that are of a monetary nature. It is also significant to point out or note that there is no

much difference between what lower, middle and top management staff want in their jobs in terms of incentive, whether married or unmarried.

Of the incentives given by the institution, the following seems to be highly valued by all level of staff.

- (a) Fair salaries and wages
- (b) Participation in decision making
- (c) Special allowance, e.g. responsibility allowance
- (d) Transportation allowance or vehicle loan
- (e) Leave grant
- (f) Medical facilities
- (g) Gratuity given to staff when they decide to leave after a certain number of years.

Promotion was also found to be a job factor that is highly valued by all level of staff. Although, there is a feeling among lower staff that promotion is not done fairly.

Another significant finding of this study is that contrary to the general opinion; Nigerian workers could also be motivated by non-financial incentives. Even the lower staff in the institution considered that participation in decision-making is very important. Lower staff also felt that it is important for their superiors to give them some kind of feedback on their performance.

Finally, what was surprising from the outcome of the responses by interview is that most staff did not consider incentives like availability of Mosque or church as being important to them.

### 5.3 RECOMMENDATION

In the light of the finding and the conclusion drawn off from this study, the following recommendations are made:-

- (1) Organisations should have a planned incentives scheme, which should be geared toward motivating the workers. Incentives should be drawn up only after a thorough analysis of what the workers need and wants are. One way of doing this, is through a mini-survey, where employees shall be asked to indicate among a given list of incentives, which one are preferred.
- 2) Organisations should establish a system of evaluating the outcomes of incentives plans, to see the extent of their success. One way of doing this is by comparing performance before the establishment of a new plan and after. Workers can also be interviewed to measure their reactions.
- 3) Reward systems within an organisation should be structured in such a way or manner, that they are tied to performance, and workers should be made to understand the basis by which they will be evaluated.
- 4) Promotion of workers should be done fairly with a combination of both merit and seniority. Again, one superior only should not evaluate

workers, because this will help to ease workers complaint that sometimes biases, ethnicity and tribalism comes in when they are to be promoted.

- 5) In addition to financial incentives, organisations should use intrinsic methods to motivate their employees. Organisations should include such methods like praises, feedback, and allowing employees to participate in decisions that will affect them. One way of doing this is for regular departmental or sectional meeting to be held, and for supervisors to stop by occasionally to comment on workers performance.
- 6) Facilities like transportation, housing and medical should be provided and improved by organisation. This is in order to make employees match their income with the increasing inflation trends.

Finally, it is hope that if all these recommendations are adhered to, followed and implemented, it shall enhance the cultivation of positive attitudes and behaviours among employees in an organisation.

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Dept. of Business Administration  
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Dear Respondent.

**QUESTIONNAIRE**

This question is meant to seek information on the impact of financial and non-financial incentives on employees' attitude to work in organisations, with particular reference to Zaria Academy, Shika Zaria.

The responses obtained shall be used purely for academic purpose in partial fulfilment for the award of Degree of master of Business Administration (MBA), Ahmadu Bello University, Zaria-Kaduna

All information obtained would be treated confidentially. Your honest and personal responses are highly solicited.

Thank you

Yours faithfully,

Hakeem Suleiman.

## QUESTIONNAIRE

### Introduction:

Please supply information to the following. Mark (x) where appropriate.

1. What is your present staff level in the Institution?
  - (a) Top management level { }
  - (b) Middle Management level ( )
  - (c) Lower Management level ( )
  
2. What is your marital status?
  - (a) Married ( )
  - (b) Unmarried ( )
  
3. Are staff of Zaria Academy the mostly paid amongst private Institutions in Zaria?
  - (a) Agreed { }
  - (b) Disagreed { }
  
4. Have you chosen to work with Zaria Academy because of the high level of job security?
  - (a) Agreed { }
  - (b) Disagreed { }
  
5. How do you assess your present salary?
  - (a) Satisfactory { }
  - (b) Unsatisfactory { }
  
6. How do you assess job evaluation and appraisal in the Institution?
  - (c) Satisfactory { }
  - (d) Unsatisfactory { }
  
7. What is your opinion about the promotion policies of the Institution?
  - (a) Satisfactory { }
  - (b) Unsatisfactory { }

8. How do you assess the Institution compensation policies?
- (a) Satisfactory { }  
(b) Unsatisfactory { }
9. How do you assess the level of employee's involvement in decision making in the Institution?
- (a) Satisfactory { }  
(b) Unsatisfactory { }
10. How do you assess criterion use for distribution/allocation of tasks in your Institution?
- (a) Satisfactory { }  
(b) Unsatisfactory { }
11. Are employees satisfied with the conditions of service in the Institution?
- (a) Agreed { }  
(b) Disagreed { }
12. Are you satisfied with your job?
- (a) Satisfactory { }  
(b) Unsatisfactory { }