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MOTIVATION AS A MANAGEMENT TOOL FOR IMPROVING PERFORMANCE IN THE NIGERIAN BANKING SECTOR:

A CASE STUDY OF FIRST BANK NIGERIA PLC AND STANDARD TRUST BANK PLC.

A PROJECT SUBMITTED TO THE FACULTY OF BUSINESS ADMINISTRATION IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (MBA) IN THE DEPARTMENT OF BANKING AND FINANCE OF THE UNIVERSITY OF NIGERIA ENUGU CAMPUS.

BY

OSHIOKPEKHAI AFE SYLVANUS

PG/MBA/97/20042

JUNE 2000

OSHIKPEKHAI AFE SYLVANUS

PG/MBA/97/20042

JUNE 2000
ACKNOWLEDGEMENTS

"Surround Yourself with Great People" is not only the key to enhancing self motivation, but a strong tool that strengthens sound and wonderful ideas. I have been extremely fortunate to find many great people in the course of my research. I can not but thank God almighty who has given me the spirit of sound mind even to put together this piece.

My debt of gratitude is owed to my family- my wife Haret Oshiopekhai and my son, I van Oshiopekhai for their prayers and support.

I want to thank Dr. Ezeayagu who happened to supervise this project prior to his present unstable health condition. While I pray God to heal him son, I wish him success all the way in his life endeavours.

Dr. Chikeleze has been a father and a mentor to me even for just the little time he took over the supervision of this research work. My heart goes to you and I say thank you very much.

Finally, I say thanks to all my course-mates who were very relevant to me during my sojourn in this great institution. I know you are headed for the top. Triumph!
CERTIFICATION

This is to certify that this project written by OSHIOKPEKHAI AFE SYLVANUS, a Post-PG/MBA/97/20042 presented to the Department of Banking and Finance, University of Nigeria, Enugu Campus (UNEC), is original and has not been submitted for the award any degree or diploma either in this or any other Tertiary Institution.

OSHIOKPEKHAI AFE SYLVANUS, DATE: 28/06/05

This is to certify that this research work by OSHIOKPEKHAI AFE SYLVANUS, PG/MBA/97/20042 presented to the Department of Banking and Finance, University of Nigeria, Enugu Campus (UNEC), was submitted in partial fulfillments for the award of Diploma in Banking and Finance.

DR B.E CHIKELEZE DATE: 17/05
(SUPervisor)

DR B.E CHIKELEZE DATE: 17/05
(HEAD OF DEPARTMENT)
# TABLE OF CONTENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>CERTIFICATION</td>
<td>I</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>II</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>III</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td></td>
</tr>
<tr>
<td>ABSTRACT</td>
<td></td>
</tr>
<tr>
<td>CHAPTER ONE: INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.1 BACKGROUND STUDY</td>
<td>1</td>
</tr>
<tr>
<td>1.2 STATEMENT OF THE PROBLEM</td>
<td>2</td>
</tr>
<tr>
<td>1.3 PURPOSE OF STUDY</td>
<td>5</td>
</tr>
<tr>
<td>1.4 RESEARCH HYPOTHESIS</td>
<td>6</td>
</tr>
<tr>
<td>CHAPTER TWO:</td>
<td></td>
</tr>
<tr>
<td>2.1 LITERATURE REVIEW</td>
<td>8</td>
</tr>
<tr>
<td>2.2 THEORETICAL FRAMEWORK</td>
<td>17</td>
</tr>
<tr>
<td>2.3 PERFORMANCE IN THE NIGERIAN BANKING SECTOR</td>
<td>18</td>
</tr>
<tr>
<td>2.4 MOTIVATION AS A MANAGEMENT TOOL IN THE NIGERIAN BANKING SECTOR</td>
<td>23</td>
</tr>
<tr>
<td>2.4.1 PERSONNEL MANAGEMENT IN FIRST BANK AND STANDARD TRUST BANK</td>
<td>23</td>
</tr>
</tbody>
</table>
DEDICATION

This research work is dedicated to my late younger sister, Miss Theola Emike Oshiorppokha. May her gentle soul rest in peace.
CHAPTER ONE

1.1 BACKGROUND OF STUDY

Motivation has been discussed/described as the process of stimulating employees to work towards the desired goals/objectives of an organization. Researchers have sought to explain how and why people behave the way they do and how they can be made to behave in a manner supportive of organizational goals.

Motivation goes beyond achieving good morale. Employees may be happy but unproductive. Management must therefore take positive steps to influence employees to perform at desired level. To understand motivation to the brim, we must first understand the nature of human needs. There are various ways of classifying human needs, viz:

- Physiological need
- Self Actualization
- Self Esteem
- Safety or protection from harm.
- Belonging, Affection, Acceptance, Friendship & Love

By distinguishing between physiological or primary needs are food, water, air, sex and satisfactory temperature. Example of secondary needs include rivalry, giving, belonging and receiving affection. Recent management efforts regarding motivation have been strongly influenced by the findings of two writers, Abraham Maslow and Fredrick Herzberg. According to Maslow needs exist in a hierarchy like pyramid where one level of needs must be satisfied before one is able to move to the next level.

In order that performance may be improved in any organization including the Nigerian Banking Sector, a critical knowledge of motivation is key and necessary for Managers to achieve superior performance vis-a-vis budgets. Motivation is much more than financial reward. It encompasses all the fringe benefits, pat-on-the-back, trainings, promotions that induces job satisfaction in the workplace.
It is no gainsaying that planning is very critical to any good Manager. It must be spelt out in the company’s policy statement on how motivation will be sustained and enhanced, like the practice now witnessed in modern new generation banks where employees are given an opportunity to share in the annual profits of the bank in relation to performance.

The reward system should be clearly stated and the expectations of each employee stated by way of budget guides. This budget should be reviewed regularly in a bid to establish variances to facilitate timely solutions that will enhance budget reviews in line with market realities.

1.2 STATEMENT OF THE PROBLEM

According to Macgregor popular theory X & Y of management motivation is a key factor in the achievement of results in an organization. The crux of the theory is that theory X states the human being by nature detest hate work and should encouraged by way of motivation to perform up to optimum level
There seems to be a general lack of enthusiasm among workers not only in the banking sector but virtually all the sectors of the Nigerian economy and subsequently having a negative impact on Gross National Output. When workers are not adequately motivated, performance and consequently productivity suffers.

The continued neglect of workers' welfare in many establishments, including banks, especially the old generation ones, results often to labour-management conflict with its attendant consequences on the bottom line.

The researcher intends to investigate motivational tools applied by different managements in two organizations within the same industry with a view to bringing out the weaknesses in each to be employed. First Bank Plc, one of the oldest new generation banks in the country was selected with Standard Trust one of the fastest growing new generation bank in Nigeria.
1.3 **PURPOSE OF THE STUDY**

This study is aimed at looking into the effects of motivation on the labour productivity in First Bank and Standard Trust bank with the following objectives:

- To examine the organizational aims and objectives
- To examine the organizational structure, staffing, control and operational strategies employed.
- To identify and appraise the various motivational tools used by different managements and results thereto.
- To appraise the performance of productivity levels of the banks for the past 5 years.
- To identify the problems hindering effective motivation of workers and proffer solutions/recommendations where necessary and to highlight the importance and advantage inherent in the practice of motivating as a management tool.
1.4.1 RESEARCH HYPOTHESIS

On the basis of the objective of the study, the following hypothesis has been formulated:

1. Ho: Motivation has direct relationship with performance in an organization.

Hi: Motivation does not have a direct relationship with performance in an organization.

2. Ho: Motivation is management induced and not people induced.

Hi: Motivation is not management but people induced and remain a natural instinct inherent in mankind.

1.5 THE SCOPE OF STUDY

The scope is limited to the banking industry with specific reference to First Bank Nig. Plc and Standard Trust Limited. The period selected is 1996 - 2001. The researcher have had a
privilege of working as a staff of Standard Trust Bank and has easy access to information in the bank and any other commercial bank in the country.
CHAPTER TWO

LITERATURE REVIEW

2.1 GENERAL APPRAISAL OF THE SUBJECT MOTIVATION

Different authors and experts have written extensively on motivation particularly as it affects workers' performance and productivity.

According to Berelson and Sterner 1964 "a motive is an inner state, that energizes, activates, moves, directs on channels behavior towards a goal". In other words, "motivation is a general term applying to the entire class of drive, desire, needs, riches and similar forces. It is a sine-qua-non for optimum labor productivity in any organization.

The primary task of manager or director in any organization is to get people to act and contribute achieving the goals and objectives upon which such enterprises is established. To say that managers activate their subordinates is to say that they do the
things which they hope will satisfy those drive and desire and induce the subordinate to act in a desired manner.

Boarder pointed out that "improved workers productivity is a persistent challenge to managers".

Some other scholars and authors on this subject matter include Koontz et al, Filippe, Mc Gregos Graham Ub eku, Druckkers, Vroom, Maslow, Herzberg etc."

This list continue, so long as there is no best way known by which workers can be motivated to optimum performance.

Koontz et al 1980 stated lucidly that "to guide peoples' activities in desired direction, requires knowing to the best of any managers ability what leads people to be doing things and what activates them". This implies that motivation should be inbuilt in the entire process of management of any organization in order to achieve optimum labor productivity.

Contribution to the above assertion was Douglas Mc Gregor 1964 propounded two theories related towards behaviors. The theori
of "X" and "Y". Theory "X" assumes that man is naturally lazy, uncooperative, avoids responsibilities and will only work effectively if bribed, or promised to be rewarded or threatened with some form of punishment. He pointed out that most traditional management behavior has been based on the assumptions of this type, which has made it logical to adopt the carrot and stick style of leadership. On the other hand, Theory Y regrets these assumptions and stated that the environment is right, work is as natural as play and once the lower needs are satisfied, man will want to perform effectively to seek responsibility and achievement in job for its own sake.

Although each of these may be an over simplification and may not pay sufficient attention to factors such as social conditions, education and cultural difference, his point is that much wider sector of the working population are capable of reacting in the way that theory "Y" suggests than the selected few envisaged by theory "X".
Frederick Herberg in his works developed a two factors model of motivation, which he called maintenance factors and motivational factor. He believed that employees would be effectively motivated when they were given reasonable task and are allowed to the pace. The two-factor model is still very useful because it drew a distinction between factors that primarily help to maintain employees who are ready to be motivated. Most importantly, the two factors models have thrown more light on the jobs of enrichment and quality of work life.

Vroom in his study argued that people perform because they expect some reward. As clearly put by Martin Luther King (1965) is that everything that is done in the world is done in hope. Vroom emphasis that motivation was a product of anticipated reward to a person if an action is perceived probably that, that persons’ goals would be achieved. He also believes that individuals and organizational goals could be harmonized to achieve the organization’s objectives.
Professor A. H Maslow 1954 puts forward the theory that there exist a hierarchy of needs, which man is to satisfy. The operation of these needs would be sequential and fall into basic categories: lower order needs which generated desire for greater expectations and experiences in those areas when satisfied.

The lower needs include:

1. **Physiological needs** - Food, shelter, water, air, etc
2. **Safety needs** - security, comfort, peace
3. **Social needs** - Belonging, affection.

Affiliation

The higher other needs include esteem needs - self respect, achievement, prestige, recognition and confidence.

The basis of this theory is that as a need is satisfied a new higher need takes its place as human wants are insatiable. It recognized that there are exception to this and that is, that the higher needs may sometime emerge not as a result of imposed or voluntary
suppression of those needs, example of these are provided as a result of such things as persecution, rejection and sub limitation.

Though in defense, Maslow points out that this does not contradict his thesis, as it is not claimed that gratification of needs is the exclusive determinants of behavior. He opines that there is a clear difference between basic needs depicted by his hierarchy and those of a pseudo or neurotic motive and strongly agree with the professor.

Maclelends' theory has been widely applied by managers and is found workable and its application in the factories has gone a long way in increasing productivity in the organization.

As Bernard (1938) saw perceptually many years ago on the contribution of group of people in an organization, "if all those who may be in consideration, potential contributors to an organization are arranged in order of willingness to say so, the scale gradual
descents from possibly intense willingness to through natural or zero willingness to intense or opposition or hatred. The preponderance of persons in a modern society always lies on the negative side with reference to any existing or potential organization.

Suffice it to say from the above that not all members of an organization work towards achieving the organizational objectives. While some work in favor, others work against, thus compelling the manager to seek ways of pulling all the people along through various incentives since there is no best way that can appeal to all.

Gortner (1977) noted “the effect of money on moral is important when considering employees satisfaction”. This motivational model simply states that the productivity of a worker is directly proportional to the financial payments and reward made available to him. I also agree with Gortner’s idea.
Filippo (1977) also argued that the manager has an obligation to influence behavior along the line that deemed appropriate to the organizational goals.

Motivational tools according to him which have proved effective over the years are "praises and credit for work done" since interest in subordinates as individual persons, completion, pride in the work and in tasks and money:

A balance between negative and positive motivation, he noted is a work of the skillful manager. "Job performance is not only dependent upon the abilities and skills of the employees but also upon their motivation". This implies that a clear understanding of the needs of the employees and satisfying them reasonably, always leads to achievement of organizational objectives.

The need for Espirit De Corps in the Nigerian situation is supported by Yusufu (1982) when he said that "it is well to understand that workers can only be motivated to a high level of productivity is if they know and understand the objective for whic
the enterprise and are satisfied with what they will get in return or contributing effectively to the attainment of the said objective.

Practical application of motivation in industries reveals that:

(a) Basic physiological needs of workers must be satisfied by wages sufficient for food, shelter, protect the workers and their families. That is, the employer should be able to pay workers well to enable them meet their needs.

(b) Managers must provide safe working environment before incentive designed to provide workers with self-esteem.

(c) Security need is now needed in form of job security.

(d) Love and belongingness: feelings are socially provided within the family or places of work. The studying of motivation as the process of stimulating employees to work towards the desired goals of an organization is a continuous process and will go on
as far as man continues to work for both the banking sector and other sectors of the Economy.

2.2 THEORETICAL FRAMEWORK

Gertner (1977) propounded a theory, which stated that “the effect of money on moral is important when considering employees satisfaction”, the reasons is most appropriate to be adopted in the banking sector. This is because the theory states that the productivity of a worker is directly proportional to the financial payment made available to him.

Patton also opines “money can never be overlooked as a motivator, whether in form of wages or any other incentive, pay bonuses, stock options, company - paid insurance or other thing that may be given to people for performance, money is important.

The researcher also uses the human relation theory, which human oriented. It is emphasized that the capabilities and perceptions of the worker cannot be ignored.
The basic logic of the human relations approach was to increase concern for the workers being. More friendly in social relations and calling people by their first names etc would improve workers satisfaction and moral.

The human relation theory moved toward bringing management and staff in any organization to be friendly and as one big family.

2.3 PERFORMANCE IN THE NIGERIAN BANKING SECTOR

The Nigerian Banking industry is striving very well. It is today ranking behind the Energy sector in all efficiency and measurement indices. The industry is very viable and presently account for up to 10% of the labor force in the Nigerian economy. Today, the industry has two outlook; with the orthodox banks popularly called the old generation banks while the new ones are called the New Generation banks.
The services offered by these banks are basically the same, but the manner, mode of service. It is been reveal from experience that the new generation banks grow faster than the old generation one. Though the old one possess the financial muscle and stability, the new ones have been able the attain strategic positioning by offering superior services.

In 1981, by sheer act of providence, five young Nigerian bankers met in Athens, Greece and laid the foundation of a "coalition" inspired by their common beliefs about the ideals of modern commercial banking. By December 1986, they had begun giving a serious thought to the idea of coming together from their various organization and setting up a truly indigenous bank that would endure over the long term.

Recognizing that the death of professional management has been the bane of indigenous organization, these five young professionals were determined to put an end to that inglorious...
legacy which had resulted in a rather high mortality rate amongst indigenous enterprises.

First Bank was established in 1984 as Standard Bank. The name was later changed to First Bank of Nigeria Plc. With eleven area/regional offices in Nigeria and more than two hundred and ten branch offices in urban and rural areas, First Bank falls under the category of the old generation banks while Standard Trust Bank falls under the category of new generation Banks. New generation banks are mostly found in the urban centers. Limited number of the new generation banks in the rural areas could be attributed to the inadequate infrastructural support facilities such as electricity, telecommunication among others that could create conducive business environment.

First Bank and Standard Trust Bank are founded on the following:

- Observe as a rule, a fundamental respect for the individual.
• Seek to be market-driven, by understanding our customers' needs and providing appropriate products and services of the highest quality.

• Focus on selected products and market segments rather than try to be all things to all people.

• Achieve differentiation from competitors by developing an uncompromising commitment to superior quality in all respects of business.

• Seek to establish a culture that will foster dynamism, professionalism, high ethical standards, teamwork.

• Seek to promote the long term good of the bank and all our constituencies, shareholders, staff, customers and communities in which we operate.

First Bank and Standard Trust Bank both have training schools located at their headquarters in Lagos. The schools cater for the training needs of the bank’s staff in specialized areas of banking like customer services, funds transfer, operations, corporate banking and treasury management. Staff are usually assigned to
attend courses at the training school. Among the program of courses run in school include:

1. **Banking Operation Courses**

   This is designed mainly for newly employed staff to acquire the banking techniques to be used in the course of carrying out their duty. The ethics of the banking profession, credit creation, reaction policies of the apex bank, foreign exchange transactions etc.

2. **Information Technology Courses**

   Information technology courses, which include training on office operating systems, data processing systems and decision support systems. This is to modernize the operations. Banks also use information technology to build competitive advantage.

3. **Basic Credit**

   To highlight the different types of loan available to customer noting their risks and mitigants, which will enable marketing, officers service their customers very well.
4. Others include Service Excellence Course, Face to Face Marketing skills, Managing problem loans to mention a few.

2.4 MOTIVATION AS A MANAGEMENT TOOL IN THE NIGERIAN BANKING SECTOR

2.4.1 Personnel Management in First Bank and Standard Trust Bank

Management of individuals in an organization is a very important issue, which any manager cannot toy with if the goals of the establishment will be achieved. It is a mistake to assume that leadership only exists when a senior man is obeyed or followed by a subordinate person. It is wiser to see every human encounter or interaction as an exercise in leadership.

A.K. Ubeku (1975) examined personnel management from two different dimension: firstly as a function or responsibilities of every manager or supervisor who has people under him, all of whom
are working toward the achievement of objective that is required; secondly as a function in an organization which is performed by a particular department – the personnel department.

Managers should also ensure that employees are well integrated into the organizational goals and objectives.

First Bank Plc and Standard Trust Bank Plc are banks distinguished in excellent performance. They each have a management board members with a Managing Director appointed by the Board. The management board takes charge of the policy formulation of the banks. The managing Director is the chief executive of the bank and sits at the apex of the administrative helm of affairs. He is responsible for planning, organizing, directing, controlling and coordinating the overall activities of the organization nationwide.

Below the managing director are four principal and functional general managers in charge of the four sections of the bank.
These departmental heads are accountable to the managing director though the communication at that level is lateral while the rest of the staff communicates vertically. It is pertinent to point out here that each of the departments are independent of the other and are under the control of its own departmental head though their role are complimentary.

Decision-making in the banks is taken by the heads of department.

The decision is consequential upon the input of information from within and outside the organization. The decision taken by the organization’s managing director and the general managers are in turn implemented through the sub-departmental heads along with their subordinates towards the achievement of the goals of the bank.

Termination can occur in the bank when there is a proven case of gross and deliberate misconduct as stipulated in the rules and
regulations but before the case gets up to this stage, it must have been tied sectionally, sub-departmentally and departmentally.

2.4.2 MOTIVATION MEASURE IN FIRST BANK AND STANDARD TRUST BANK

People want job enrichment and not job enlargement. Job enrichment is the best means of building motivation since it include an enriched job content and self-actualization opportunities. Enriched jobs usually include responsibility, achievements recognition, advancement and growth. To get your staff motivated, these attributes have to be built into your organizational culture. One of the most demanding tasks facing any superior or manager is to motivate his/her staff.

Management means getting work done through other people so the manager who cannot get other people committed enough to doing their work cannot carry out his responsibility as effectively as he might, with a dedicated or motivated group of people.
It is against this background that attempt is made here to consider the measure adopted in the Banks under study to motivate their staff.

**Salaries and Wages**

According to Professor Edgar Scheme (1965), man is primarily motivated by economic rewards. In the early years of the banks, they maintained a salary structure, which was higher than what was obtained in the private sector generally.

This wage structure was retained until 1988 when First Bank reviewed its salary upward to bring the salary structure into parity with that of other banks in the banking industry.

Standard Trust Bank had always had a very high wage structure being among the highest in the industry. As a result of this high wage structure, people (staff) hardly move from First Bank and
Standard Trust Bank to other banks. Staffs of these banks are highly motivated by this salary structure.

This situation also attracted the best brains in the economy to work in the banks. Even now, when the banks run the same salary structure with other banks in the sector on the average, prompt payment of approved salaries and allowances have contributed in no small measure to motivate its staff.

**Condition of Service**

In an organization, if you do all you have agreed to do, you will not have a problem with your supervisor, and no one can rightfully interfere with your rights, including the security of tenure. Survival is intertwined with the drive to stay competitive. The keener the competition the more difficult it is for any company to survive without highly committed staff. This is the situation in the banking industry. Conditions of service are not effective deterrents to wrong doing. People will try to beat the system and get away with it despite the Laws. Stringent rules are costly to the
organization. On top of all the costs of complying with stringent conditions of service, there is the cost that they impose in the form of delays in the decision process, time wasted in processing documents, frustration due to communication problems, and so on. It is contended that overzealous administrative conditions of service contribute to productive slow down.

The condition of service approved for the staff of the banks under study is not less attractive than those of the other banks in the financial sector. In addition, it has well articulated staff welfare scheme. The banks under study provide fund for the promotion for the promotion of staff qualifications. Staff are allowed special arrangements to run career advancement courses. They enjoy free medical services for themselves and members of their families. In order to ensure that staff obtain quick medical attention, there is retainership with private hospitals for serious cases apart from the private medical clinics kept by the banks under study. Staff with specialist cases because of poor medical facilities locally at the bank’s expense.
Training and Development

Excellence is the apex of human endeavors. Excellence has no frontier nor does it have a limit. Even those who have been honoured with Nobel Prizes still feel there is yet more to be done. For individuals with the quest for excellence, the process of achieving excellence is to recognize that improvement is always possible. The first step is to know where we are coming from and where we are today. Each improvement in our work must be consistent with the overall quest for achieving excellence and must be introduced in a way that reflects continuity with the past.

Of all the aspects of personnel management, perhaps the most important for us here in Nigeria today is training. Thus the importance of training is re-emphasized. Training is a specializing process through which one learns to perform discrete tasks of varying complexity and acquires expected job behaviors; staff development on the other hand in addition to focusing on the present job, prepares officers for higher responsibilities in the banks or any other establishment.
The training policy adopted in the banks under study anchors on human resources management, manpower development and staff motivation. They are basically interrelated or almost the same; what differs is the method and manner of administering the prescribed training. This is so because passing some of the training courses are contingent for those concerned advancing further in their career in the bank.

These banks under study have well equipped training schools whose responsibility it is, to organize training courses both internal and external. The internal courses are conducted mainly in the areas of finance while external courses take management training for consultants organize senior officers.

Certain professional groups in the banks like lawyers, accountants, architects etc have their career program tied to passing specific level of courses, for example an accountant who qualifies as a chartered accountant is expected to attend the
mandatory continuing professional courses in conjunction with the bank courses which determines growth and upliftment.

Other cadres of staff in the bank especially those whose training cannot be adequately catered for in the staff training school are sponsored for courses in other institution. The banks sponsor staff for various courses for proficiency. Viewed against the performance of other banks in the industry, training schemes are highly motivational. Some staff of the banks under study like accountants, engineers and administrators have been able to achieve an excellent level of performance through the training schemes.

A comprehensive appraisal of the staff motivation measure adopted in the banks under study clearly indicated that they have positive effect on the performance of its staff toward achieving the goal of the organization. Staff are highly motivated because they receive their salary and allowances promptly. Their medical taken care of, by the banks and they enjoy other social recreational
facilities necessary to elevate their spirit. In the circumstance they put their best in the service of the banks. The banks provide the climate for personal and professional growth but individuals must accept responsibility for their own development. Individual careers are evaluated and monitored frequently in order to ensure that their development occurs as quickly as possible with a minimum of personal and organizational side effects.

**Promotion**

Although staff promotion is usually based on availability of vacancy, merit has been the most critical issue of consideration for promotion. This has an overall impact on staff performance. In order to be eligible for promotion, staff performance appraisal rating for the years are considered as this will reveal the totality of the jobs activities for the period. His performance rating will also encourage or otherwise move the chances of his being picked for further training.
Healthy competition exists amongst staff, which helps in no small measure to increase work output and personal development. Employees' desire and potential to perform in at least the next higher position is just as important in the promotion decision. One of the banks' policy on promotion is that a manager is barred from promotion until he has trained his own successor.

This is not only advantageous to the employees not to be indispensable; it is only fair for the organization to be able to replace the currently active staff at short notice. Promotion carries additional weight and responsibilities for which compensation is nearly always inadequate. Many people accept promotion for fear of punishment. It is the fear of working under someone lesser in quality and intellect that drive others to accept promotions. Promotion in the banks under study is expected by the management to serve as reward for excellence and leadership qualities. They believe that one of the greatest sources of energy is pride in what one is doing. Promotion is seen as a form of
successful career. Lack of promotion when one feels entitled to it or a thwarted ambition in the career line, tend to heighten anxiety, thus creating a sense of insecurity, emotional imbalance and eventually stress. Promotion of serving staff is not only a motivational factor for the staff promoted, but it reassures the staff that the company cares for hard work.

**Bonus Award**

For individuals with the quest for excellence, the process of achieving excellence is to recognize that improvement is always possible. The first step is to know where we are coming from and where we are today. Each improvement in our work must be consistent with the overall quest for achieving excellence and must be introduced in a way that reflects continuity with the past. Achieving excellence starts with selling performance standard to guide the individual or organization. Once a performance standard is set and there is a will to achieve excellence, all that is required to achieve the desired goal is perseverance and monitoring of progress. The problem is how to measure
excellence. Until one is awarded a prize, one will not know that one was "first among equals". For as an individual, good appraisal report may be used as an indication toward attainment of excellence. is real; it can be touched, felt and measured. It calls for a high level of commitment, self-denial and selfless contribution. It is not an academic exercise.

It calls for continuous training and practice and ability to turn failure to progressive advantage. The only resource needed to achieve excellence is self-motivation. At times, one may be harsh on himself. Staff with recorded outstanding performance in various departments are usually presented with cash award before other staff as a means of inspiring other staff for greater output.

**Delegation of Authority and Responsibility**

Power is like love, the more you give, the more you receive in return. In the
banks under study, top management delegates' authority to others with corresponding powers to help the delegates exercise the authority. This is power sharing. Power destroys the person that hoards it. Power is a heavy substance and too much of it is dangerous. It brings envy and can leave one isolated.

A manager's output is the sum of individual activities having varying degrees of leverage. If power is not shared among participating elements, the total output at the end of the day will be less than where power is shared. Powerlessness is social poverty. Even the lowest staff in organizational rank wants and deserves power. Power sharing motivates people to work hard to keep their newfound status. To be able "to boss people around" even if it's cosmetic, energizes people's social ego.

In management setting, the best way of sharing power is through delegation.
Managers must delegate. In the banks under study, it is believed that in getting high performance, it is one thing for the right decision to be taken, but it is equally important that the decision should be owned and carried out with enthusiasm by those directly affected. Although delegation is critical to effective development of both the organization and staff, some managers shy away from delegation.

Delegation of authority is the organizational process that permits the transfer of authority from a superior to a subordinate. Nwachukwu (1988), it empowers a subordinate to make commitments, use resources and take action in relation to duties assigned for delegation of authority and responsibility to work, there must be three factors and they are:-

1. There is assignment and responsibility
2. There is delegation of authority
3. There is creation of accountability
A supervisor who refuses to delegate, frustrates his employees as he deprives them the intrinsic and extrinsic satisfaction derived from accomplishing a task and after all, delegation helps in training employees to assume responsibility and learn to be accountable for assignment. Where this delegation is being practiced like in the banks under study, the effect is motivational on the employees, so one can say that it is one of the motivational measures being adopted in the banks.

**Performance Evaluation**

Managers are expected to be transparent. Many find it difficult to accept this concept and believe that is not a good management style therefore thought that it is tantamount to “peaceful invasion” of their managerial territory. People resist what they do not understand better and what they feel is threatening to their ego and survival. But transparency in management does not threaten any one’s ego, nor does it hinder exercise of anyone’s authority within the system.
Transparency does not mean making public classified information. It does not mean that confidential information should not be kept confidential. It is not a new word for the garrulous, neither is it a tool for forcing management to tell employees everything about the organization. Transparency in management recognizes the importance of group thinking of collaborative action. It represents a new management philosophy in which participation and consultation among people, vertically and horizontally, is emphasized. The ultimate objective is to encourage exchange of information and ideas.

Managers are held accountable for the achievement of results and the effective management of human and material resources. Managers can only achieve results by working through people. Managers can't work towards results they do not know. This is why transparency is important. Transparency in the elaboration of specific management plans, the establishment of performance indicators, the establishment of a functional performance
evaluation system, all pave the way for the achievement of planned results.

Evaluation can be defined as the process of monitoring the activities of employees to determine whether individual units in the organization as well as the organization in general are obtaining and utilizing their resources effectively. In other words, evaluation is all about measuring performance of employee, comparing it to set standards and where necessary implementing correctional action. This serves as a means of motivation, achievement and orientation of employees, in that it helps him to know his weakness and strength and gives him feedback on how management perceive his contribution to the organization. It shows the employees the aspect of his job he needs to improve on and praises the aspects he is good at and that will naturally boost his morale by giving him a feeling of being recognized.
Good Communication Network

Communication is very vital in any organization. People, however, are better informed today about what is happening in and around them than the situation in the yesteryears. They expect that to continue, and even more. Communication is an effective antidote for poor relationship, even among people of institutions. It is crucial to organizational success and a primary component of every manager's job. An effective communication is the two-way flow that is from top to bottom and bottom to top. Horizontal communication, that is among colleagues, should not be underestimated. It is more crucial than to-button communication flow. It must be encouraged.

Where there is a good communication network in an organization, feedback often gets back to employees concerning what management thinks of their efforts in the organization. This is motivational to the employee in that the employee knows exactly what he should be doing for the organization and how far he has gone in doing it and just what he needs to do to meet up with
standards. It also makes him feel he is an important member of the big organization as they also get to know how the organization is being run and by whom.
CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 SOURCES OF DATA

Different Levels of The total staff of the Banks under study was selected for the research. A sample of 404 established staff of the corporation was used in the study and these include: management, senior, intermediate and junior.

3.2 INTERVIEW QUESTIONS

The questions are directly related to what were the main measures of staff motivation employed by the two banks under study. The responses are shown in the table II.

Table II

<table>
<thead>
<tr>
<th>Position</th>
<th>SA</th>
<th>A</th>
<th>W</th>
<th>D</th>
<th>SD</th>
<th>Past</th>
</tr>
</thead>
</table>

44
Table I shows the response to the measures of motivation adopted in First Bank Plc and Standard Trust Bank Plc. 96 - 53 present members of staff strongly agreed that prompt payment of salaries and allowances motivate them. 49% staff believe that training schemes motivated by welfare scheme for staff, which 22% believe that incentives bonus award annually motivate them.

3.3 SAMPLE USED

Two major instruments were used - structural oral interview and relevant books and journals researches on motivation. To give every staff a chance of recording his/her ideas, the researcher first obtained the number of staff in each group selected on their official status and salary grade levels. Then listed them under
each group, and constructing a table of random digit selected numbers.

See Table 1.1

Table 1.1

Representing Population and Sample of Staff

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Senior Staff</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td>Intermediate Staff</td>
<td>111</td>
<td>50</td>
</tr>
<tr>
<td>Junior Staff</td>
<td>200</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>384</td>
<td>160</td>
</tr>
</tbody>
</table>

3.4 METHOD OF INVESTIGATION
This chapter presents the design of study. It comprises the historical method, which involves the analysis of the past activities of the banks, a direct linkage with the present.

Area of Study

The area of study is motivation as a management tool in the First Bank Plc and Standard Trust Bank Limited.

3.5 VALIDITY AND RELIABILITY

Oral questionnaire was administered personally by the researcher through regular visits to the banks and taking records of the inputs of staff at their various work places.

3.6 HYPOTHESIS

The researcher proposes to test the following hypothesis:

(i) That inadequate motivation does not hinder productivity in an organization.

(ii) Remuneration of employees affects employment satisfaction in an organisation.
CHAPTER FOUR
PRESENTATION AND ANALYSIS OF DATA

4.1 INTRODUCTION

In the preceding chapters, the main purpose and objective of this research work were recognized. We reviewed the relevant literature and also stated the scope and methodology of the study.

The objective of this chapter is to analyse as much as possible the data collected from the sample population and relate the findings from the analysis to the research hypothesis stated in chapter one.

4.2 HYPOTHESIS TESTING

In order to test the research hypothesis stated in chapter one, certain questions pertinent to them were asked, of the sample population and their responses to these questions were now analysed and used.
4.2.1 CHI-SQUARE TEST

The Chi-square $\chi^2$ test provides the basis for testing whether more than two population proportions may be considered equal. It furnishes a conclusion on whether a set of observed frequencies differs so greatly from a set of theoretical frequencies that the hypothesis under which the theoretical or expected frequencies were derived should be rejected.

Thus, the theoretical frequencies are computed using the formula:

$$(F_t)_{ij} = (E_{row i})(E_{column j})$$

Where $(F_t)_{ij}$ = Theoretical (expected) frequency for a cell in the $i$th row and $j$th column

$E_{row i}$ = The total of the frequencies in the $i$th row

$E_{column j}$ = Total of the frequencies in the $j$th column; and,

Grand Total = The total of all the frequencies in the table.

It is purpose of Chi-square test to provide an answer to the question as to how great a departure from the expected
frequencies can be tolerated before we reject the hypothesis. The test statistic used to make this determination is "$X^2$ test", thus:

$$X^2 = \frac{(\sum F_o - F_t)^2}{F_t}$$

Where:
- $F_o$ = an observed frequency
- $F_t$ = a theoretical (expected) frequency
- $X^2$ = Chi-square test.

By this test, we wish to answer the question, "Is the computed value of $X^2$ so large that we are required to reject the Hypothesis?" In other words, "Are the aggregate discrepancies, $F_o$, and the theoretical frequencies, $F_t$, so large that we are unwilling to attribute them to chance and therefore, have to reject the Hypothesis?"

In order to apply the $X^2$ test, a certain level of confidence or margin of error has to be assumed, and also the number of degrees of freedom in the table determined.
From a Chi-square ($X^2$) Distribution Table, we determine the value of $X^2$ in terms of an assumed level of significance.

**DECISION RULE 6:**
Reject $H_0$ & $H_1$ if $X^2_{cal}$ calculated is greater than $X^2_{critical value}$ ($X^2_{Table}$).

Thus:
- Accept $H_0$ & $H_1$ if $X^2_{cal} \leq X^2_{tab}$
- Reject $H_0$ & $H_1$ if $X^2_{cal} > X^2_{tab}$

**4.2.2. APPLICATION OF CHI-SQUARE TEST TO DETERMINE EFFECTIVENESS OF MOTIVATION TO PRODUCTIVITY**

Here the researcher is going to use the Chi-square technique described above to test the main Hypothesis ($H_a$). The analysis is aimed at finding out whether there is really an effect on productivity by motivation of employees in Nigeria banks.
That is, whether the difference in their opinion is significant:

A step-by-step approach for testing hypothesis would be adopted in carrying out this exercise.

STEP 1: FORMULATING THE HYPOTHESIS

H₀: Inadequate motivation hinders productivity in Nigerian Banks.
H₁: Remuneration of employees affect employee satisfaction in Nigerian Banks.

STEP 2: STATING THE LEVEL OF SIGNIFICANCE

The researcher will utilize a 90% confidence interval; an allowance of 10% error in the workings is assumed.

Thus,  \( \alpha = 0.0 \)

STEP 3: STATING THE CRITICAL VALUE \( X^2 \) \( \alpha \) CORRESPONDING TO THE GIVEN LEVEL OF SIGNIFICANCE

The \( X^2 \) depends on the number of degree of freedom. In general, in a table containing \( C_r \) rows and \( C_c \) columns, there are \((r-1)(c-1)\) degrees of freedom.
Since a table 9 below is a 4x4 contingency table, the degree of freedom would be \((4-1)(4-1) = 9\).

Then from the Chi-square \(X^2\) Distribution Table in Appendix F, we get \(X^2,10\) for 9 degrees of freedom as 14.684. Thus, the critical value of \(X^2 = 14.684\).

**STEP 4: DRAWING A RANDOM SAMPLE**

A sample has been drawn from amongst the Bank personnel, Bank senior Officers, other banks personnel, and management personnel and the observed frequencies are as shown in Table 7 and 8 above. The next step is to compute the expected (theoretical) frequencies of the responses from each of the four groups under each response option using the formulae stated and described under 4.2.1 of this study.

Thus, table 9 below showing the observed and expected frequencies of the effect of motivation on productivity in Nigerian
banks is compiled from above data depicting the perceptions of the four groups of respondents on the hypothesis.

**Fig 16:4:1**

**OBSERVED AND EXPECTED FREQUENCIES OF THE EFFECT OF MOTIVATION TO PRODUCTIVITY IN NIGERIAN BANKS**

<table>
<thead>
<tr>
<th>Position</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>GL 14 – 17</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>(2.36)</td>
<td>(0.64)</td>
<td>3</td>
</tr>
<tr>
<td>GL 10 – 13</td>
<td>40</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>(19.0)</td>
<td>(3.72)</td>
<td>19</td>
</tr>
<tr>
<td>GL 07 – 09</td>
<td>38</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>(15.23)</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>GL 01 – 06</td>
<td>32</td>
<td>28</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>(2.76)</td>
<td>(.42)</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td><strong>116</strong></td>
<td><strong>44</strong></td>
<td><strong>160</strong></td>
</tr>
</tbody>
</table>
Note: The expected (or theoretical) frequencies are shown in brackets in the table above.

STEP 5: COMPUTING THE TEST STATISTIC

Table 10, below shows the computation of the test statistic given by:

\[
\chi^2 = \frac{(F_o - F_i)^2}{F_i}
\]

TABLE 10: CALCULATION OF THE \( \chi^2 \) STATISTIC FOR THE EFFECT OF MOTIVATION IN THE PRODUCTIVITY OF PERSONNEL IN NIGERIAN BANKS.

<table>
<thead>
<tr>
<th>( F_o )</th>
<th>( F_i )</th>
<th>( F_o - F_i )</th>
<th>( (F_o - F_i)^2 )</th>
<th>( (F_o - F_i)^2 / F_i )</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.30</td>
<td>0.70</td>
<td>0.49</td>
<td>1.633</td>
</tr>
<tr>
<td>1</td>
<td>0.64</td>
<td>0.36</td>
<td>0.1296</td>
<td>0.203</td>
</tr>
<tr>
<td>1</td>
<td>1.11</td>
<td>-0.11</td>
<td>0.0121</td>
<td>0.011</td>
</tr>
<tr>
<td>0</td>
<td>0.95</td>
<td>-0.95</td>
<td>0.9025</td>
<td>0.950</td>
</tr>
</tbody>
</table>
Thus, $X^2 = (F_o - F_i)^2 = 1.45$

STEP 6: TAKING A DECISION

Our Decision Rule, as stated under 4.2.1. of this study is

Accept $H_0$ & $H_1$ if $x_0$ cal $\leq X^2_{tab}$
Reject $H_0$ & $H_1$ if $x_2 \text{cal} > X_2 \text{tab}$

Since the computed or calculated $2 (12.457)$ is less than the table or critical value (14.684), we accept the Hypothesis ($H_0, H_1$).

This means that the aggregate discrepancies between the observed perceptions, ($F_o$) and the Expected perceptions, ($F_t$), of the four groups about the effect of motivation on productivity of personnel in Nigerian banks are insignificant, and thus provides such a good 'fit' that the aggregate discrepancies in their opinions are attributable to chance.

Therefore, we ACCEPT the $H_0, H_1$, and statistically conclude that inadequate motivation hinders productivity in Nigerian Banks'
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION.

5.1 SUMMARY OF FINDINGS

The study set out to find how effectively motivation can help increase labour productivity. In First Bank PLC and Standard Trust Bank Ltd., the following are the findings of the study:

1. The banks under study were opened due to the need to have financial institutions in the economy.

2. The financial market occupies an important place in most economies of the world.

3. The financial institutions play the role of intermediaries between savers and investors and this is a very critical process to capital formulation.
4. The First Bank Plc was established in 1894. It has a Managing Director at the top with General Managers running the various departments. It has eleven area offices and more than two hundred and fifty branch offices both in the urban and rural areas. The Standard Trust Bank was established in 1997. It has most of its branches in the urban areas and limited numbers in the rural areas.

5. Some of the measures employed by the banks under study to motivate its workers include regular payment of salaries, gratuity and retirement benefits, staff training schemes, promotion etc.

6. The major problem hindering the implementation of motivational measures effectively is adverse economic situation in the country, followed by over staffing, especially during the second republic.
7. A test of the hypothesis that adequate and effective motivation is a sine-qua-non for optimum productivity as it affects the operations referring to the respondents among the junior and intermediate officers indicated that there were some of the problems affecting the operative staff in the performance of their duties were found to include limited promotion opportunities and non-payment of approved allowances.

8. A test of hypothesis of the relationship between motivation and productivity was done with reference to the interview with the management staff and senior staff of the banks under study revealed that motivation does not necessarily bring about increase productivity among those staff. The reasons are not far fetched since there is no easily quantifiable measure of motivation among the management staff though they mentioned lack of car loans and deteriorating environments as some of their problems.
5.2 CONCLUSION

The following conclusions could be made from the study of the First Bank Plc and Standard Trust Bank Ltd.

(i) Workers tend to increase their performance and productivity where adequately motivated and, The banks under study have not achieved much in the area of provision of facilities and measures aimed at motivating their workers especially the junior and intermediate group of workers.

5.3 RECOMMENDATIONS

On the basis of the research findings on the (positive and negative) relationship between motivation and productivity, the researcher makes the following recommendations which is hoped will restore the confidence of the workers and inspire them toward increased productivity and performance.
(i) Adequate Pay
The government should endeavor to formulate fiscal policies to give the financial sector enough room to package a good welfare for their staff. This has become necessary in view of the present economic crunch in the economy, which has adversely reduced the purchasing power of the workers.

(ii) Nepotism, sectionalism and all kinds of discrimination in the distribution of facilities or allocation of duties should be avoided in the banks under study.

(iii) The practice of overworking a few employees is very dangerous. Many executives in the banks are quick at spotting workaholics and really use them to the detriment of the staff's health. Any attempt to over-load human energy will lead to "burnout" - a pattern of emotional exhaustion and cynicism towards one's work in response to chronic job stressors.
(iv) Vacation is not the best solution to burnout. Taking two weeks off and returning to the motivation schedule will not give any relief to the employee. 

What the employees need is motivational rejuvenation. This seems to be an ideal way of rekindling his original enthusiasm for his work.

(ii) Those reaching the age of retirement are more likely to have mid-life crisis.

(iii) The old but strong ones usually do not want to retire. The idea of not being active drives them crazy. Thus they prefer to continue working, sometimes not necessarily for money.

(iv) The earliest way to integrate planning and doing, is to involve everyone from the outset. Implementation of any policy, plans or designs are usually easy where people are involved at its planning stage.
(vii) Technical knowledge still ranks high as a safety valve. This is followed by motivation to use the human knowledge to the fullest. Lack of motivation or carelessness in the application of the knowledge, will cause more injuries than technical knowledge.

(viii) When people are trusted to do the right thing, they also trust the words of their supervisors. Mutual trust is what is needed to keep production high. It enriches the job and enhances motivation since there is no boundary due to artificial imperatives.
1. John J. Hamption (June 1986) Financial decision making

2. Shaunon C.E. Wearer W The Mathematical theory of Communication (1960)


