

# **EFFECT OF FINANCIAL INCENTIVES ON ORGANIZATIONAL PERFORMANCE**

**(A CASE STUDY OF OLAM FLOUR MILL, ILORIN)**

**BY**

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**BEING A RESEARCH PROJECT SUBMITTED TO THE  
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## **CERTIFICATION**

This project work has been read and approved as meeting requirement for the Award of Higher National Diploma (HND) in Business Administration and Management, Institute of Finance and Management Studies (IFMS), Kwara State Polytechnic, Ilorin.

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## **DEDICATION**

This project work is dedicated to Almighty God the source of my strength and knowledge.

## ACKNOWLEDGEMENT

All Glory honour and Adoration belongs to God Almighty who is worthy to be praised over my life, the source of my knowledge and wisdom, my backbone, the everlasting father, solutions to every problems may his name be praised forever and ever (Amen).

My sincere gratitude goes to my project supervisor in person of MR ABDULLAHI I, who has assisted me in bringing this work to this state of completion, And also to my HOD and all lecturers in the department of business Administration and management studies may the Lord be with you all (Amen).

I just want to thank God for the successful journey so far and it been almighty Allah all the way and to the sweetest mum in the universe I just want to thank you and which I can't even thank you enough and show how grateful I am . You're one of a kind and you're so rare thank you for single handled me all through this journey thanks you so much my back bone I will forever be grateful and thankful to you. I love you so much

- "Mom, you're the best! Thanks for your unwavering support and love.

And to my friends Ashabi,Abiola and Fathia you guys made this journey so memorable for me I really appreciate the memories and bond we shared I will forever be grateful to you all.

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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 BACKGROUND TO THE STUDY**

Incentive programs are put in place by organizations to reward and compensate exceptional employee's productivity (Schiller, 2016). These packages could come in financial or non-financial forms but its objective is to compel the employee to show more efforts in any given task. Incentives are forces that cause employee's to behave in a certain way on any given day usually as hard as possible. However it is noteworthy that incentives are designed to get maximum employee's productivity from the employee's and help retain the most productive and performing employee's (Arnold, 2013). Organizations must ensure they use the best incentives to get the required result from their employee's. Incentives are instrumental drive towards employee motivation and employee's productivity as it has great benefits and high potential to motivate workers to put in their best in any given task (Condly et al. 2013). Delvecchio and Wagner (2015) observed the effect of different incentives on sales people and concluded that younger sales people react more dramatically and positively with higher intrinsic motivation when paid on plans with higher incentive proportion. Incentives provide zeal in tShe employee's for better employee's productivity.



It is a natural thing that nobody acts without a purpose behind. Therefore, a hope for a reward is a powerful incentive to motivate employees. Besides monetary incentive, there are some other stimuli which include job satisfaction, job security, job promotion, and pride for accomplishment. Employees occupy a strategic role and position in any organization. They are responsible for converting inputs to productive outputs. Since they are the key to the productive outputs, they ought to be effectively and adequately compensated for their labour. Taking cues first from the Biblical expression that a labourer deserves his wages; and secondly bearing in mind that the reward for labour, a factor of production is “wages”, it becomes logical that employee’s be adequately and fairly compensated if they are to be motivated to increase productivity in any organization be it the organized private sector or public sector. Drucker (2017) believes that “the work of management is to make people productive” so as to achieve superior employee’s productivity, and gain a competitive edge in the globalized arena through effective compensation packages. Drucker’s belief is anchored on productivity, employee’s productivity, motivation quality and service in managing people in every organization. This emphasis is often captured in organizational mission statements and goals.

Incentive provides a platform through which firms can motivate their employee’s to improve their employee’s productivity, scholars like Pouliakas, 2008; Pinar 2008; Arnolds and Venter, (2007) have all carried out research into monetary and non-monetary incentive and how they affect organizations. Employee Incentive and reward is synonymous with performance management. Performance

management is usually a fundamental function of the Human capital management department in any organization. Human capital management is primarily concerned with managing the relationship between people and work. Armstrong (2012) It is widely believed by scholars and practicing professionals that employee performance has implications on production capacity and service delivery. The output capacity of a firm is often assumed as its strength and one of its adaptations for survival in a competitive environment. Incentive and Reward system as an important tool that management can use to motivate employees and alter their attitudes and make them enthusiastically strive towards accomplishment of organization goals. Motivation involves influencing an employee to willingly perform extraordinarily towards accomplishment of predetermined goals. (Cole1995). For an organization to meet its obligations to shareholders, it is imperative that the top management must develop a relationship between the organization and employees that will fulfill the continually changing needs of both parties. Employees expect their organization to provide fair pay, safe working conditions, fair treatment, recognition and reward for exceptional performance. The organization committee are to ensure that staff get the most form of their job and are able to access personal development opportunities and in order too achieve they will.

## **1.2 STATEMENT OF THE PROBLEM**

Incentives have cause a lot of challenges to worker's input and output in organization. The negligence of adequate structure in pay incentive, fringe incentive, and bonus and over time benefits has caused a lot of inequitable justice on the

administration of incentive scheme. The resultant effect on employee productivity could be negative.

The negative attributes can be seen as poor turnover, poor product quality improvement, job dissatisfaction, low morale, low commitment, absenteeism, low turnover intentions to stay with the organization and poor employee's productivity that affects input and output. Companies are spending huge amounts of money on their reward programs which aim at motivating, retaining, committing and attracting new employees.

Despite the great amount of money used in these incentives and rewards, only few of the Human Resource Managers are able to justify and measure whether they are efficient.

### **1.3 RESEARCH QUESTIONS**

Following from the above therefore, the following research questions shall guide the investigation i.e

1. Does incentive of worker have influence on employee productivity in the organization ?
2. What is the impact of the present compensation system on the Staff of Olam Flour Mill Ilorin?
3. To what extent does staff promotion affect workers productivity?.
4. What is the relationship between incentives, reward and the performance of organization?

### **1.4 OBJECTIVES OF THE STUDY**

This research work aims to investigate the impact of incentive and reward system on the performance of Kwara State Polytechnic Ilorin. The specific objectives of this research work include the followings:

- 1 To determine the influence of incentives on employee productivity in the organization.
- 2 To establish the relationship between compensation structure and productivity of workers.
- 3 To analyze the link between incentive and employee productivity in organizations
- 4 To investigate the relationship between incentives and performance of organization.

## **1.5 RESEARCH HYPOTHESES**

To achieve the objective of this research work, the following hypotheses shall be tested. The hypotheses are stated in Null form and shall be tested in order to either confirm or reject the Null hypothesis as the case may be.

H<sub>1</sub>: There are no incentives that influence employee's productivity in the organization.

H<sub>2</sub>: There are no incentives that influence employee's productivity in the organization.

H<sub>3</sub>: There is no significant relationship between promotion and productivity

H<sub>4</sub>: There is no significant relationship between incentive and organizational performance.

## **1.6 SIGNIFICANCE OF THE STUDY**

The research study will be very useful to the business study students in various higher institution, It is also significant to the staffs of Olam Flour Mill Ilorin, as some will increase their efficiency and effectiveness in the sector. The research will also be useful to those who which to know more. About incentive and how to increase employee productivity in an organization which will lead to efficient and effectiveness as profit.

## **1.7 SCOPE OF THE STUDY**

The study focuses on the way incentive techniques are being used in organization using the Olam Flour Mill Ilorin as a case study. It also tries to find out if the organization as ever used any motivational techniques with its employees and to know how the employees responded to such act. This research work will be carry out with in year 2023

## **1.8 DEFINITION OF TERMS**

- 1. Motivation:** This is an inner drive to behave or act in a certain manner. It can be considered a driving force; a psychology drive that compels or reinforces an action towards a desired goal.
- 2 Effective:** When something is deemed effective, it means it has an intended or expected outcome, or produces a deep, vivid impression.
- 3. Organization:** This is social entity that as a collective goal and is linked to an external environment.

4. **Development:** This is the systematic use of scientific and technical knowledge to meet specific objectives or requirements.
5. **TRAINING:-**Training can be defined as an experience, discipline or a general process which cause people to acquire new skills and knowledge and predetermined behaviors. It can also been defined as the acquisition of practical knowledge and skills. It is acquiring more responsibilities at a short period to improve productivity.
6. **TOOLS:-**These are instrument that are implemented for carrying out certain process or work.
7. **EMPLOYEES:** It is an organization resources that are employed and paid for determinable and under minable period.
8. **EMPLOYEE WELLBEING-**This refers to the physical, moral, psychological, social, economic, and mental health of a worker at work
9. **INCENTIVE-**This is a form of payment made in excess of the normal pay to employees so as to stimulate, motivate or encourage performance.
10. **WAGES-** these are the payment made to manual workers.
11. **SALARY-**is a fix periodical payment to a non-manual.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

Incentives are forces that cause employee's to behave in a certain way on any given day usually as hard as possible. However it is noteworthy that incentives are designed to get maximum employee's productivity from the employee's and help retain the most productive and performing employee's (Arnold, 2016). Organizations must ensure they use the best incentives to get the required result from their employee's. Incentives are instrumental drive towards employee motivation and employee's productivity as it has great benefits and high potential to motivate workers to put in their best in any given task (Condly et al. 2013).

#### **2.2 CONCEPTUAL FRAMEWORK**

Delvecchio and Wagner (2017) observed the effect of different incentives on sales people and concluded that younger sales people react more dramatically and positively with higher intrinsic motivation when paid on plans with higher incentive proportion. Incentives workers at the facility of the important topics which received and still the convergence of great interest by those in the fields of economics and management, both in the public sector or the private sector . The reason for this

because of the spur of a direct impact on the standard of living for workers, as an important source of hand, and on the state and business on the other hand, because the stimulus. Kinds of physical and moral as representing a significant proportion of the cost of labor in many institutions and different kinds. And provide incentives desire to work it is not enough that the individual is able to work, but it is important to be interested in it. And here begins the importance of providing stimulus to fill the hearts of employees satisfied from work and then ensure their dedication in the performance. And away the causes and manifestations of anxiety and stress and other reasons that weaken about them performance. And multiple entrances administrative in addressing incentives Multiple schools and administrative entrances the same. The school considered scientific Incentives as financial incentives only. There are only material rewards or punishment. This view differed in schools and subsequent entrances which became consider man as an entity and feelings can be stimulated to work in different ways. In light of this study came to looking at the impact of incentives on the performance of employees in the public sector in Nigeria. The process of stimulate using incentives to direct personnel to do their jobs better. And occupies a prominent place in the process concerns and organizations must satisfy incentives motivated individuals, and is influenced by the incentive system in any organization of the possibilities available and the type of physical labor and installation professional and social, cultural and civilization. Is, however, a complex matter lying to unisons motives may be the channel to hiring. But obscure to others, while at other times but the individual and those affected by his behavior understand



what is driving him. In some situations, especially where stress is involved, the individual concerned may be totally unaware of his motives while others may see them clearly (Cole 2006). It is important for those in managerial or supervisory positions to be aware of these issues and to take their work, because our understanding of others determines our attitudes towards them and the assumption we make about their behavior. If we assume that a particular worker is hard working and reliable, we tend to treat them with respondent trust, if we, however, see them as lazy and unreliable we are likely to treat them with strict control and supervision.

Mullins (2019) says people's behaviours is determined by what motivates them. Their performance are the product of both ability level and motivation. Therefore, since managing involves the creations and maintenance of an environment for one performance of individual working together in group towards the accomplishment of common objective, it is imperative for managers to know what motivates the people and what induces people's behavior. If the manager is to improve the work of the organization, therefore attention must be given to the level of motivation of its members. The manager must also encourage staff to direct efforts i.e their driving force toward the successful attainment of the goals and objectives of the organization.

Incentive are define as the means under which gratification, or is a set of circumstances that are available in the work environment and satisfy the desires of individuals they seek to satisfy them by working in the organization. As defined incentives as factors that drive productive workers in the unit to work with all their

strength to achieve the set objectives. As there is no doubt that there is a close relationship between motivation and satisfy the needs of the individual. Motives pay individual acted a certain form of activity to satisfy a specific need. And provide incentives desire to work. It is not enough that the individual is able to work, but it is important to be interested in it. And here begins the importance of providing stimulus to fill the hearts of employees satisfied from work and then ensure their dedication in the performance. And remove the causes and manifestations of anxiety and stress and other reasons that weaken their performance. Can determine needs of individuals as follows:

1. salary to satisfy the physical needs and a sense of security and psychological needs and hence the need to design a good wage system.
- 2 Job security: especially in the light of technological changes in the industrial sector and the threat posed to the security of a career.
- 3 The need for friendship and fellowship and acceptance by the group and this points to the need to build a good system of recruitment and to provide ways and means to socialize and friction with colleagues, and to provide rest periods and recreation programs and create a team spirit.
- 4 Recognizing good performance and rewarded financially and morally.

### **THE NEEDS OF INCENTIVE**

Organizations and through the application of system of incentives it seeks to achieve many of the goals include the following:

First: the economic objective:

A goal of benefit accruing to the organization and his staff and falls under the economic objective as follows:

A - an increase in labor productivity through outstanding performance of the workers.

B - Increasing inputs "income" for workers and creating a sense of stability and loyalty to the organization.

C - Reduce the cost of operating in the organization through increased attention and care to reduce waste at the time.

D - The needs and motivations.

**Second: Objective the moral:**

A goal of direct factor as it is the target of a system of incentives, which is to satisfy the needs and desires of that factor, which reflects positively on the organization and working together and falls under the objective moral as follows: -

A - Avoid a lot of problems such as absenteeism, turnover negative action.

B - Morale and lack of conflict leading to the creation of a higher stability in human resources working in hospitals and clarity of objectives in the long term and near.

**Incentive can be grouped into two main groups:**

First: set material incentives include the following: -

1. Wage: which received individual worker money to meet his work required him at a certain time, and help pay to satisfy the needs of the individual basic and could affect the lift and improve performance and is considered overtime also incentive material positive and gives the worker versus effort

distinguished and additional work assigned to the increase the number of daily working hours specified.

2. Increments and extraordinary: Granted increment as a kind of incentives and merit increments until one year after the date of appointment or from the due date increment, and gives bonus special or incentive or additional factor, especially if there is an employee to appreciate Excellent for two consecutive years or have made an effort special or economy of the organization does not preclude granting this allowance entitlement increment on time.
3. Rewards Incentive: This bonus is given to those who provide excellent services or works or research or suggestions to help improve the working methods or enhance the performance or cost savings.
4. Bonuses and allowances: it allows for employees who require the nature of their exposure to certain risks, such as "incentive difficult work."

**Second:**

Total moral incentives and include the following:

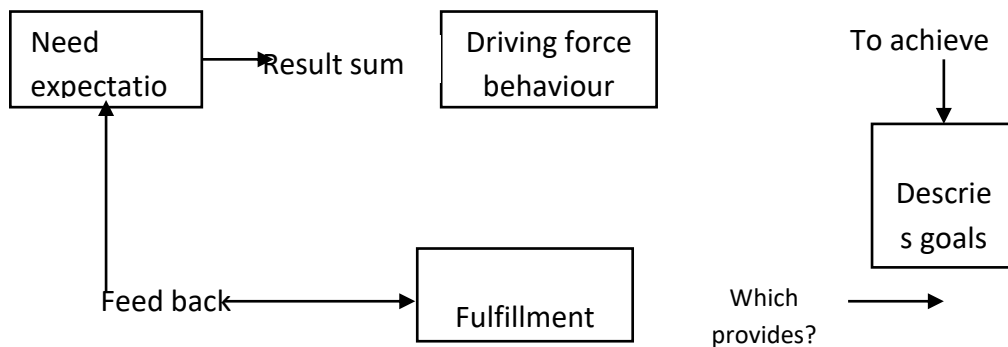
1. Engage employees in the administration: It is the opportunity for employees to post their performance and their ideas in the planning for the development of the organization and to overcome the problems they face, which makes them feel satisfaction and belonging to the organization.
2. Systems suggestions: systems are suggestions method of participation of workers in decision-making and lead the participation of workers in decision-

making in the organization to increase and improve the performance and accountability and reduce complaints.

3. Upgrade: is one of the factors motivating employees to work, and the availability of opportunities for promotion means an increase Employee Engagement work in the organization.
4. A sense of stability: a sense of stability factor in the workplace means more and better performance, and the contrary is true, and a sense of stability should be in terms of the organization's policies and regulations.
5. Social Adjustment and love of colleagues: The feeling of love and bonding between employees will inevitably lead to higher performance, but if there was a feeling alienated and hatred among workers "negative feeling", this will surely affect the working atmosphere and thus performance.
6. Working conditions: working conditions mean temperature and humidity; lighting and ventilation all affect the performance of the employee.
7. Put the right man in the right place: The positive moral incentive for everyone to rush to work and stick with it to achieve satisfaction to satisfy the psychological and social needs.
8. Giving workers letters of thanks, certificates of appreciation, the inclusion of their names in honor, invitations to attend the concerts, lunch or dinner, request suggestions from employees.
9. Good word of the President to his subordinates.

The underlying concept of motivation is some driving force within individuals by which they attempt to achieve some goals in order to fulfill some needs or expectation. This concept gives rise to the basic motivation model which is shown below.

Source: Krech, Crutchfield and Ballachay (2010)



These various needs and expectation can be categorized in a number of ways, for example the simple divisions into physiological and social motives or into intrinsic motivation. The intrinsic motivation is related to psychological rewards such as a sense of challenge and achievement receiving, appreciation or being treated in a caring and consideration manner. The psychological rewards are those that can usually be determined by the action and behavior of individual managers. The extrinsic motivation is related to tangible rewards such as salary and fringe benefits, security, promotion in the work environment and condition of work. They are often

determined at the organization level and may be largely outside the control of individual managers.

A person's motivation, job satisfaction and work performance will be determined by the comparative strength of these sets of need and expectations and the extent to which they are fulfilled. When a person's needs or expectation is strong it will result into an action that will enable him achieve his desired goals. This desired goals provides fulfillment which leads to feedback system whereby the cycle begins again.

The study of motivation is concerned basically with people that behave in a certain way. The basic underlying question is why people do what they do? According to Krech, Crutchfield and Ballachay (2018) motivation can be described as:

- The direction and persistence of action. It is concerned with people that choose a particular course of action in preference to others and why they continue with a chosen action, over a long period of time and in the face of difficulties and problems.
- To them, motivation has to do with the direction and persistence of an individual's action. That is, where the action wins and leads to what makes the action persistent, they also see motivation as that which makes an individual take a particular course of action instead of another.

Mitchell (2017) motivation is the process that accounts for an individual's intensity, direction and persistence of effort towards attaining a goal.

The three key elements in his definition are intensity, direction and persistence. Intensity is concerned with how hard a person tries. It is the element most writes focus on when they talk about motivation. However, high intensity is likely to lead to favorable job performance outcome unless effort is channeled in a “direction” that benefits one organization. Therefore, we have to consider quality of effort as well is intensity. Effort that is directed and consistent with the organizational goals is the kind of effort that we should be seeking. Motivation also has a persistent dimension. This is a measure of how long someone can maintain his/her effort. Motivated individual start with a task long enough to achieve their goal.

### **EMPLOYEE AND ORGANIZATION PRODUCTIVITY**

Productivity is usually defined as the ratio of inputs to outputs. It essentially measure how efficiently production inputs such as labour and capital are being used to produce a given level of output. Okoye and Ezejiofor (2013) opined that organizational productivity is the measure of how well an organization functions and also an indication of efficiency and competition. Also it is a measure of how well resources are brought together and utilized for accomplishing set objectives (Mali, 2008 in Okoye&Ezejiofor, 2013). Productivity is a global concern, which has inseparable ties to the longevity of the organization (Arraya, 2013). It is the key for survival in the cut-throat world of business and gives the organization a key competitive advantage above its peers when it is able to do more with less (Arraya, 2013). The baseline for economic productivity of an organization is the strength and quality of human capital. Human capital refers to the skills, abilities, competencies



and qualities of an organization's employee's. It comprises of the knowledge and expertise employee's apply to produce products and services and to the operations of the organization, its equipment and machineries (Arraya, 2015). When human capital is adequately motivated, it leads to enhancement in productivity and service delivery.

## **FINANCIAL PERFORMANCE INCENTIVES**

There is nothing new about using incentives to motivate workers. Fredrick Taylor popularized the use of financial incentives – financial rewards paid to workers whose production exceeds some predetermined standard – in the late 1800s. As a supervisory employee of the Midvale Steel Company, Taylor had become concerned with what he called "systematic soldiering", which is the tendency of employees to work at the slowest pace possible and to produce at the minimum acceptable level (Dessler, 2015). Financial incentives aim to raise production efficiency and improve performance through encouraging individual to behave in a desired way. Financial incentives are the most important and influential factors to the individual's desire to work when such wages are appropriate and capable of satisfying his needs.

Hence, in order to increase employee efficiency, Dzuaranin (2012) suggested that companies that only use financial incentives must also introduce non-financial incentives to their performance incentive systems. Financial incentives include base pay, profit sharing, gain sharing, benefits, initiative rewards and special rewards.

### **Base Pay**

According to Stajkovic and Luthans (2014), a base pay is the pay employee typically gets from the job. It is a task specific minimum pay. A base pay does not

play a very important role when talking about motivating employees because all employees working in the same task get the same base pay regardless of performance. It is, however, important to notice that base pay is more important as a motivator at a lower organizational level than upper level because at lower level a base pay is smaller and it is important in fulfilling one's physiological needs.

### **Profit Sharing**

Elinkeinoelämän keskusliitto (as cited in Hutu, 2010) argued that profit sharing means that employees are paid a proportion of the organization's pre-tax profits. According to definition, we can talk about profit sharing compensation when the interdependence between profit sharing and organization's profit is over 50 per cent. This means that organization can pay profit sharing compensation based on only organization's profit or based on organization's profit and some other measures, for example, customer satisfaction.

### **Gain sharing**

Gain sharing determinants for compensation can include different goals or their combinations such as economic key ratios, customer satisfaction and some specific development targets. Also, organization's profit can be one of the determinants for gain sharing; but, profit's proportion of total determinant has to be less than 50 per cent (Elinkeinoelämän keskusliitto 2005, as cited in Huttu, 2010). According to Hanlon and Taylor (as cited in Huttu, 2010) gain sharing creates a stronger link between pay and performance than profit sharing because bonus payments in gain

sharing systems are based on specific criteria of documented improvements within specific group.

## **2.3 THEORETICAL REVIEW**

There are many competing theories, which attempt to explain the nature of motivation. These theories are all at least partially three, and all help to explain the behavior of certain people's understanding of how best to motivate people at work must be useful. It is because of the complexity of motivation and the fact that there is no ready made solution or single answer to what motivates people to work well, the different theories are important to any manager. They show that there are many motives which influence people's behavior and performance. Collectively, the different theories provided are framework within which to direct attention is the problem of how best to motivate staff to work willingly and effectively.

It is important to emphasize, however, that these various theories are not conclusive. They all have other critics or have been subjected to alternative findings, which suppose to contradict the original ideas.

Process theories; however, attempts to identify the relationship among the dynamic variable which make up motivation. It is concerned more with how behavior is initiated, directed and sustained. It places emphasis on the actual process of motivation.

**In order to achieve the aim of the researcher, two theories will adopted as theory to back up the impact of incentive on worker's performance, first theory is MASLOW'S HIEPACHY OF NEEDS THEORY, stated that** people are venting beings they always want more and what they want depends on what they already have. He went further to say that human needs are managed in a series of levels from the lowest level, physiological need through safety need, love need, esteem needs to the need for self actualization at the highest level. Other theory adopted is '**EXPECTANCY THEORY**' The underlying basis of expectancy theory is that people are influenced by the expected results of their actions. Motivation is a function of the relationship between efforts expended and perceived level of performance the expectation that rewards or desired outcomes will be related to performance.

With the help of literature review mention series of importance of incentive of workers of employee performance and ways to maintain worker's loyalty in particular organisation such as Olam Flour Mill ilorin.

## **PROCESS THEORIES OF MOTIVATION**

### **● EXPECTANCY THEORY**

The underlying basis of expectancy theory is that people are influenced by the expected results of their actions. Motivation is a function of the relationship between efforts expended and perceived level of performance the expectation that rewards or desired outcomes will be related to performance.

The expectation that reward or desired outcomes are available these relationship determines the strength of the motivational link. This theory is generic theory of motivation and cannot be linked to a single individual writer. There are numbers of different version but most recent approaches to expectancy theory have been associated with the work of vroom and of porter and lawler.

1. VROOM'S EXPECTANCY THEORY: he holds that people will be motivated to do things to reach a goals if they believe in the worth of that goal and if they can see that what they do will help them in achieving it. Vroom's theory is that people's motivation towards doing anything will be determined by one value they place on the outcome of their efforts whether positive or negative multiplied by the confidence they have that their effort will be material and achieving goals.

## **2.4 EMPIRICAL REVIEW**

Bailey et al. examined the impact of Incentive and goal contingent incentives, as against fixed-pay, on initial performance and subsequent improvement rate in an assembly task. They concluded that both overall and initial performance but not improvement rate, are higher in the incentive-pays differential improvement rates may be explained by two factors subjects and effort allocation, since improving initial performance may be easier than improving subsequent performance, and the nature of those typical incentive pay plans, which do not reward improvement directly.

Al Harthi in his paper studied the relationship between financial and moral incentives to raise the efficiency of employees. In the department of Olam Flour Mill

Ilorin. He discovered that financial and moral incentives are insufficient and may result to decrease in the level of performance of employees promotion is seen as the most important incentives affecting the efficiency of the employees performance.

To Cole (1995) a working definition of motivation is as follows, is the term used to describe those processes both instructive and rational, by which people seek to satisfy the basic drives, perceived need and personal goals which triggers human behavior.

Cole said that most of the early theories were interested in the drives or needs of people at work i.e the content aspect of motivation.

However, to Herzberg (1954) there are two dimensions of motivations, that is internal and external motivation. Internal motivation according to Herzberg comes from the satisfaction that occurs when a duty or task is performed. Motivation comes from an internal stimulus resulting from job content and jobs being enriched responsibility, opportunity for achievement and individual growth.

External motivation can be explained as an action taken by another person which usually moles the anticipation of a reward of some kind. External reward in a working settings include: money, feedback, regarding performance and award some organization (Wheither&Dans 1981).

According to Tobin (2002; 179), behavior scientists tend to over look money as a motivator. They prefer to emphasis the importance of challenging job goals, participate decision making, feedback, cohesive work term and other non monetary

variables. Robins, however, disagrees that money is the critical incentive to work motivation.

Schmidt explained that the efforts of economists to emphasize to significance of incentives as determinants of organizational performance was successful to some extent, this may have left the mistaken impression that getting the incentives right is the only task requiring the attention of senior executives when designing corporate organization.

He is identified the incentive-intensive companies envisioned by economists as mercenary organizations, or companies whose unique feature is near-complete dependence on financial rewards and controls.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 INTRODUCTION**

The researches used to accomplish the objective of this research work are historical and descriptive approach. If normally proved information on how activities or information usually carryout in the organization, this is to explore the past and present role systems in Olam Flour Mill ilorin.

#### **3.2 RESEARCH DESIGN**

This study made use of descriptive and qualitative analysis and employed percentage and sample gathered techniques in the analysis of data. The research intend to use survey method to generate relevant information for both primary and secondary sources of data. Questionnaire will be distributed to staff of Olam Flour Mill ilorin to determine the impact of incentive on worker morale and productivity.

### **3.3 POPULATION OF THE STUDY**

The population of the study are made up of staff of Olam Flour Mill ilorin. were selected as target population in order to make it easier to asses the overall populace. This entails the overall coverage of the research work cover (57) of the population of Olam Flour Mill ilorin which are at a random selected.

### **3.4 SAMPLE SIZE AND SAMPLING TECHNIQUES**

This consist of the portion of the population which will serve as representatives of its population, using the random sampling in which each sample element has known and equal probability of being selected bearing in mind every possible defect that might occur during the research so the total population of the respondent(57) is using as sample size To determine the optimum sampling size therefore, the researcher adopted the Taro Yarmano Model of sampling size determination represented by this formula below

$$n = \frac{N}{1 + N (e)}$$

Where n = Sample size required



N = Number of people in the population

e = Allowable error(%)

$$n = \frac{57}{1 + 57 (5\%)^2}$$

$$n = \frac{57}{1 + 57 (0.05)^2}$$

$$n = \frac{57}{1 + 57 (0.0025)}$$

$$n = \frac{57}{1 + 0.1425}$$

$$n = \frac{57}{1.1425}$$

$$n = 50$$

### 3.5 METHOD OF DATA COLLECTION

It is essentially to gather information for building up to valid and reliable knowledge about the research work. The main and basic instruments adopted in the collected of data are secondary and primary which include questionnaire, interview,

text books, internet and other relevant documentary report made available by the respondents.

- **QUESTIONNAIRE:** It is in form of documents made up of question in written a short period of time, the question are made up of objectives question which may acquire no calculation at all.
- **TEXTBOOKS:** This is one of the secondary method of data collection. This is situation whereby the research source of gathered information from the work that has been written by various author which are related to the research topic i.e. local government and the challenge of rural development.
- **INTERNET:** The internet is a method of getting information by browsing through websites in getting information.

### **3.6 INSTRUMENTS USED FOR DATA COLLECTION**

Quantities descriptive analysis and quantitative description

Analysis been used in carrying out finding

Table

Chart

Quantitative analysis is used to verbally summarize the information generated in the research supply sitting without any table out of all the organization that participates in research.

Quantitative analysis is used to summarizes means of information generated in the study so that appreciated analytical method could be used for further discovering relationship among the variables.

### **3.7 METHOD OF DATA ANALYSIS**

Descriptive statistics such as frequency distribution, percentages, means and standard deviations were calculated and data presented in form of table. Inferential statistics correlation and regression analysis (single regression) was used to draw implications from the data with regard to the regression model. Data was analyzed through the use of SPSS (Statistical Package for Social Science) software version 23.0.

The regression model is given below as:

$$Y_x = \beta_0 + \beta_1 X_1 + e$$

Where:

Y = Dependent variable=Organization growth

$\beta_0$  = Intercept of the model.

$\beta_1$  = Coefficient of the independent variable in the model.

$X_1$  = element of independent variable=customer's satisfaction

e= Error term.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.1 DATA PRESENTATION**

The analysis and data interpretation collected from Olam Flour Mill Ilorin and highlighted below.

#### **DISTRIBUTION OF RESPONDENT BY GENDER**

**TABLE: 4.1.1**

|            | Frequency | Percent | Valid Percent |
|------------|-----------|---------|---------------|
| Valid MALE | 30        | 60      | 60            |
| FEMALE     | 20        | 40      | 40            |
| Total      | 50        | 100.0   | 100.0         |

**Source:** *SPSS computation, 2023*

From the above table 4.1.1 ; 30 respondents representing 60% were male while 20 of the respondents representing 40% were female. This analysis shows that majority of the respondents employee were male

**TABLE: 4:1.2 DISTRIBUTION OF RESPONDENTS BY AGE**

| <b>VALID</b>   | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|----------------|------------------|-------------------|-------------------------|
| Below 30 years | 15               | 30                | 30                      |
| 31-40 years    | 25               | 50                | 50                      |
| 41-50years     | 6                | 12                | 12                      |
| 51years above  | 4                | 8                 | 8                       |
| Total          | 50               | 100               | 100                     |

**Source:** Researchers Field Survey, 2023

The table above shows the following, below 30 years had. 15 respondents representing 30%, 31 – 40 years had 25 respondent representing 50%, 41 – 50 years had 6 respondents representing 12% while 51 years and above had 4 respondents

representing 8%. From the analysis the majority of the respondent (employee) were between the ages range of 31 – 40 year of age.

**Table 4.1. 3 Distribution of Respondent by Status?**

| <b>VALID</b> | <b>No of Respondent</b> | <b>Percentage</b> | <b>Valid Percentage (%)</b> |
|--------------|-------------------------|-------------------|-----------------------------|
| Single       |                         |                   |                             |
| Married      | 19                      | 38                | 38                          |
| Others       | 30                      | 60                | 60                          |
|              | 1                       | 2                 | 2                           |
| <b>Total</b> | <b>50</b>               | <b>100</b>        | <b>100</b>                  |

Source: Researchers Field Survey, 2023

60% were married and lastly only, one respondent representing 2% fell to other categories. The foregoing analysis shows that majority of the respondent (staff) were married.

**Table 4.1.4 Education Qualifications?**

| <b>VALID</b> | <b>No of Respondent</b> | <b>Percentage (%)</b> | <b>Valid Percentage (%)</b> |
|--------------|-------------------------|-----------------------|-----------------------------|
| WAEC / GCE   | 8                       | 16                    | 16                          |
| ND / NCE     | 13                      | 26                    | 26                          |
| HND / B.sc   | 25                      | 50                    | 50                          |
| Other        | 4                       | 8                     | 8                           |
| <b>Total</b> | <b>50</b>               | <b>100</b>            | <b>100</b>                  |

Source: Researchers Field Survey, 2023

The table shows that 8 of the respondent representing 16%, were WAEC/GCE 13 respondents were ND/NCE holders representing 26% 25 respondent representing 50%, were HND/B.sc holder, while 4 respondent representing 8%, fell to other category educational qualification. This shows that majority of the employees of Olam Flour Mill Ilorin are HND / B.sc holders.

**Table 4.5 Your Length of Enrich in the Organization?**

| <b>VALID</b>       | <b>No of Respondent</b> | <b>Percentage</b> | <b>Valid Percentage (%)</b> |
|--------------------|-------------------------|-------------------|-----------------------------|
| 2 – 4 years        | 4                       | 8                 | 8                           |
| 5 – 8 years        | 20                      | 40                | 40                          |
| 9 – 10             | 22                      | 44                | 44                          |
| 11 years and above | 4                       | 8                 | 8                           |
| Total              | 50                      | 100               | 100                         |

Source: Researchers Field Survey, 2023

From the table above shows that 4 respondents representing 8% had spent 2 – 4 years, 20 respondent representing 40% had spent 5 – 8 years, 22 respondents representing 44% had spent 9 – 10 years and lastly 4 respondent representing 8% had spent up to 11 years and above in the services of Olam Flour Mill ilorin This shows that majority of the employee (respondents) had spent up to 9 – 10 years at Kwara State Polytechnic, Ilorin.

## **SECTION B**

**What is your main reason for working?**

**Table 4:2:1**

| <b>VALID</b>      | <b>Frequency</b> | <b>Percentage</b> | <b>Valid</b>        |
|-------------------|------------------|-------------------|---------------------|
| Just like working |                  |                   | <b>Percentage %</b> |

|                             |    |     |     |
|-----------------------------|----|-----|-----|
| To associate with other     | -  | -   | -   |
| To earn income for a living | -  | -   | -   |
| All of the above            | 10 | 20  | 20  |
| Total                       | 40 | 80  | 80  |
|                             | 50 | 100 | 100 |

Source: Researchers Field Survey, 2023

According to the table above, out of the 50 response 10 of them were working just to earn income for their living which represent 20% of the total respondents while remaining 40 said the reason for their work was because, they want to associate with other and 40 respondent represent 80% of the total respondents from these response, we see that most of the employees do not work because they love working by they do so because they want to earn a living for themselves, to associate with others, and through these means to earn prestige among their colleagues.

### **Do you derive personal satisfaction from your work?**

**Table 4:2:2**

| <b>VALID</b> | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|--------------|------------------|-------------------|-------------------------|
| Yes          | 22               | 44                | 44                      |
| No           | 28               | 56                | 56                      |
| Total        | 50               | 100               | 100                     |

Source: Researchers Field Survey, 2023

From the results gotten above, 22 of the respondents derive personal satisfaction from their work, meaning that 44% felt satisfied with their work while

only 28 felt dissatisfied from their work i.e 56% do not derive personal satisfaction from their work. The respondents were satisfied with their work as a result of the security they believed the organization given to them while those who said they weren't satisfied wanted more than what the organization was at present giving them.

**Does that organization express its full appreciation for a job well done?**

**Table 4:2:3**

| <b>VALID</b> | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|--------------|------------------|-------------------|-------------------------|
| Yes          | 50               | 100               | 100                     |
| No           | -                | -                 | -                       |
| Total        | 50               | 100               | 100                     |

Source: Researchers Field Survey, 2023

All the respondents said the organization express its appreciation wherever job it well done. They are congratulated and are some time given rewards for the job.

**Table 4:2:4 In what way does the organization show its appreciation for a job well done.**

| <b>VALID</b>   | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|----------------|------------------|-------------------|-------------------------|
| Wages increase | 22               | 44                | 44                      |
| Promotion      | 28               | 56                | 56                      |
| Total          | 50               | 100               | 100                     |

Source: Researchers Field Survey, 2023

From the results gotten above, 22 of the respondents derive wages increase from their work, meaning that 44% felt satisfied with their work while only 28 felt



dissatisfied from their work i.e 56% do not derive personal satisfaction from their work.

**Table 4:2:5How do you feel when your work is appreciated?**

| <b>VALID</b>                                    | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|---|------------------|-------------------|-------------------------|
| Important, responsible and willing to do better | 37               | 74                | 74                      |
| No effect                                       | 13               | 26                | 26                      |
| Indifferent                                     | -                | -                 | -                       |
| Total   | 50               | 100               | 100                     |

Source: Researchers Field Survey, 2023

In response to the question “how do you feel when your work is appreciated” 74% of the respondent said they feel important, responsible and willing to do better, while 265 responded to claim no affect. The importance of appreciation by the management to the employee, what they are appreciated they will feel, important, responsible and will be willing to do better so as to be appreciated again.

**Table 4:2:6 Are you allowed to use your ideas and judgment when working?**

| <b>VALID</b> | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|--------------|------------------|-------------------|-------------------------|
| Yes          | -                | -                 | -                       |
| No           | 50               | 100               | 100                     |
| Total        | 50               | 100               | 100                     |

Source: Researchers Field Survey, 2023

From the result of the responses gotten, it is seen that 100% of the respondents say they are not allowed to use there own ideas and judgment. When working, all review has been presented to the management who will decide upon it.

**Table 4:2:7 Is your boss approachable and open to ideas?**

| <b>VALID</b> | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|--------------|------------------|-------------------|-------------------------|
| Yes          | 50               | 100               | 100                     |
| No           | -                | -                 | -                       |
| Total        | 50               | 100               | 100                     |

Source: Researchers Field Survey, 2023

All respondents answered yes when asked is their boss is approachable and open to ideas that although, they were not allowed to use their ideas and judgment, they could still pass their ideas to their boss to decide.

**Table 4:2:8 How does the management respond to your problem?**

| <b>VALID</b>   | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|----------------|------------------|-------------------|-------------------------|
| Promptly       | -                | -                 | -                       |
| No promptly    | 33               | 66                | 66                      |
| Slow in action | 17               | 34                | 34                      |
| Action         | -                | -                 | -                       |
| Total          | 50               | 100               | 100                     |

Source: Researchers Field Survey, 2023

66% of the respondents said the management does not promptly respond to their problems while 34% said that the management is slow in responding to their problems.

**Table 4:2:9 Are fringe benefits such as hospitalization, insurance, health care, retirement plan important to you?**

| <b>VALID</b> | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|--------------|------------------|-------------------|-------------------------|
| Yes          | 50               | 100               | 100                     |
| No           | -                | -                 | -                       |
| Total        | 50               | 100               | 100                     |

Source: Researchers Field Survey, 2023

All the respondents responded positively when asked if fringe benefit such hospitalization, insurance, health care treatment, and retirement plan were important to them. This shows that when the Olam four mill worked introduce such motivational techniques the workers will be highly motivated to improve their performance

**Table 4:2:10 What is your relationship like between you and your colleagues in the organization?**

| <b>VALID</b> | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|--------------|------------------|-------------------|-------------------------|
| Cordial      | 30               | 60                | 60                      |
| Good         | 20               | 40                | 40                      |
| Fairly good  | -                | -                 | -                       |

|       |    |     |     |
|-------|----|-----|-----|
| Poor  | -  | -   | -   |
| Total | 50 | 100 | 100 |

Source: Researchers Field Survey, 2023

The response shows that 60% representing 30 of the 50 respondent say their relationship is cordial with their colleagues while 40% representing 20 respondents says their relationship is good with their colleagues.

**Table 4:2:12 Will participation in decision making encourage and improve your performance on the job?**

| <b>VALID</b> | <b>Frequency</b> | <b>Percentage</b> | <b>Valid Percentage</b> |
|--------------|------------------|-------------------|-------------------------|
| Yes          | 42               | 84                | 84                      |
| No           | 8                | 16                | 16                      |
| Total        | 50               | 100               | 100                     |

Source: Researchers Field Survey, 2023

From the result gotten above, it shows that 84% of the respondents who represent 42 of the total respondents hold the view that participation in decision making will encourage and at the same time, improve their performance while 8 respondents chose no representing 16%. From this, we can see that the employees are

motivated when given the opportunity in decision making in matter affecting their job and the establishment.

### 4.3 TESTING OF HYPOTHESES AND INTERPRETATION

**H<sub>01</sub>: There are incentive that influence employee's productivity in organizational performance**

**Table 4.3.1 Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .519 <sup>a</sup> | .270     | .265              | .58823                     |

a. Predictors: (Constant), INCENTIVE

The model summary in table 4.3.1 indicate the degree of relationship between Incentive and Organization performance with  $R=0.519$ ;  $R^2=0.270$  and adjusted  $R^2=0.265$ . The result implies there is direct positive relationship between Incentive and Organization performance at 5% level of significant. The  $R^2$  value and the adjusted- $R^2$  which is just very close imply the sample is a true reflection of the total population as the difference ( $0.270-0.265=0.005$ ) is very negligible and small. Therefore, it is posited that 27.0% of organization performance is caused by a unit increase in Incentive and the remaining 26.5% is accounted for other factors not explained in this model

**Table 4.3.2 ANOVA<sup>a</sup>**

| Model        | Sum of Squares | Df  | Mean Square | F      | Sig.              |
|--------------|----------------|-----|-------------|--------|-------------------|
| 1 Regression | 19.795         | 1   | 19.795      | 57.210 | .000 <sup>b</sup> |
| Residual     | 53.632         | 155 | .346        |        |                   |
| Total        | 73.427         | 156 |             |        |                   |

a. Dependent Variable: ORGANIZATION\_PERFORMANCE

b. Predictors: (Constant), INCENTIVE

The ANOVA summary table double check through a diagnostic test by carrying out overall significant of the relationship, the result indicate that the ratio of regression sum of square (19.795) to the total sum of square (73.427) gives an adequacy that the model is perfectly fit (i.e.  $R^2=0.270$ ); and that there is significant relationship between organization performance and Incentive at 5% level ( $F=57.210$ ;  $P=0.000<0.05$ ).

**Table 4.3.3: Regression Coefficients<sup>a</sup>**

| Model        | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
|              | B                           | Std. Error | Beta                      |       |      |
| 1 (Constant) | 1.158                       | .424       |                           | 2.732 | .007 |

|           |      |      |      |       |      |
|-----------|------|------|------|-------|------|
| INCENTIVE | .711 | .094 | .519 | 7.564 | .000 |
|-----------|------|------|------|-------|------|

a. Dependent Variable: ORGANIZATION\_PERFORMANCE

The regression table indicates the direction and the degree of the effect of Incentive on organization performance. The fitted regression equation is “Organization performance=1.158+0.711Incentive”; which means that 71.1% increase in organization performance is caused by 1% change in Incentive adopted in the sampled organization. If peradventure salary is zero and promotion is unitary (i.e. 0, 1) the organization performance will struggle to increase by 115.8% as shown in the constant (1.158) of regression line. Therefore it is posited that there is significant impact of Incentive on Organization performance at 95% confidence level ( $p=0.000<0.05$ ).

**H<sub>02</sub>: There are no incentives that influence employee’s productivity in the organization**

**Table 4.3.4: Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .836 <sup>a</sup> | .699     | .697              | .27579                     |

a. Predictors: (Constant), INCENTIVE

The model summary in table indicates the degree of relationship between INCENTIVE and Organization productivity with  $R=0.836$ ;  $R^2=0.699$  and adjusted

$R^2=0.697$ . The result implies there is strong relationship between Incentive and Organization productivity at 5% level of significant. The  $R^2$  value and the adjusted- $R^2$  which is just very close imply the sample is a true reflection of the total population as the difference ( $0.699-0.697=0.002$ ) is very insignificant and small. Therefore, it is suggested that 69.9% of Organization productivity is caused by a unit increase in incentive and the remaining 69.7% is accounted for other factors not explained in this model

**Table 4.3.5: ANOVA<sup>a</sup>**

| Model        | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|--------------|----------------|-----|-------------|---------|-------------------|
| 1 Regression | 27.421         | 1   | 27.421      | 360.509 | .000 <sup>b</sup> |
| Residual     | 11.789         | 155 | .076        |         |                   |
| Total        | 39.210         | 156 |             |         |                   |

a. Dependent Variable: ORGANIZATION\_PRODUCTIVITY

b. Predictors: (Constant), INCENTIVE

The ANOVA summary table double check through a diagnostic test by carrying out overall significance of the relationship, the result signifies that the ratio of regression sum of square (27.421) to the total sum of square (39.210) gives satisfactoriness that the model is perfectly fit (i.e.  $R^2=0.270$ ); and that there is significant relationship between organization productivity and Incentive at 5% level ( $F=360.509$ ;  $P=0.000<0.05$ ).



**Table 4.3.6: Regression Coefficients<sup>a</sup>**

| Model        | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|--------------|-----------------------------|------------|---------------------------|--------|------|
|              | B                           | Std. Error | Beta                      |        |      |
| 1 (Constant) | .766                        | .199       |                           | 3.855  | .000 |
| TRAINING     | .836                        | .044       | .836                      | 18.987 | .000 |

a. Dependent Variable: ORGANIZATION\_PRODUCTIVITY

The regression table indicates the direction and the degree of the effect of Incentive on organization productivity. The fitted regression equation is “Organization productivity=0.766+0.836Incentive”; which denotes that 83.6% increase in Organization productivity is caused by 1% change in Incentive adopted in the sampled organization. If possibly the training is zero (i.e. 0) the organization productivity will limp to increase by 76.6% as shown in the constant (0.766) of regression line. Therefore it is posited that there is significant impact of Incentive on Organization productivity at 95% confidence level ( $p=0.000<0.05$ ).

**H<sub>03</sub>: There is no significant relationship between promotion and productivity**

**Table 4.3.7: Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .847 <sup>a</sup> | .718     | .716              | .26720                     |

a. Predictors: (Constant), INCENTIVE

The model summary in table points to the degree of relationship between Incentive and Organization productivity with  $R=0.847$ ;  $R^2=0.718$  and adjusted  $R^2=0.716$ . The result hints there is strong relationship between Incentive and Organization productivity at 5% level of significant. The  $R^2$  value and the adjusted- $R^2$  which is just very close imply the sample is a true reflection of the total population as the difference ( $0.718-0.716=0.002$ ) is very insignificant and small. Therefore, it is suggested that 71.8% of Organization productivity is caused by a unit increase in Incentive and the remaining 71.6% is accounted for other factors not explained in this model.

### 4.3 DISCUSSION OF FINDINGS

From the above table one section A; 30 respondents representing 60% were male while 20 of the respondents representing 40% were female. This analysis shows that majority of the respondents employee were male. Table shows the following, below 30 years had. 15 respondents representing 30%, 31 – 40 years had 25 respondent representing 50%, 41 – 50 years had 6 respondents representing 12% while 51 years and above had 4 respondents representing 8%. From the analysis the majority of the respondent (employee) were between the ages range of 31 – 40 year of age. Table three of section “A” shows 60% were married and lastly only, one

respondent representing 2% fell to other categories. The foregoing analysis shows that majority of the respondent (staff) were married. Table four of section “A” shows that 8 of the respondent representing 16%, were WAEC/GCE 13 respondents were ND/NCE holders representing 26% 25 respondent representing 50%, were HND/B.sc holder, while 4 respondent representing 8%, fell to other category educational qualification. This shows that majority of the employees of Olam Flour Mill ilorin are HND / B.sc holders.

In conclusion, the researcher is conclude that the incentive of workers have great impact in worker’s performance through those questionnaire collected and analyzed using Olam Flour Mill ilorin as Case of the Study.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 SUMMARY**

The essence of establishing any organization is to achieve its objective. The management of most organizations have been less concerned about the welfare of their employees on having the latest technology, machinery in the organization, while

neglecting the moral of it employees. The morale of employees is as importance in achieving organizational objectives just as machineries and technology. If employees are adequately motivated they will be effective for the achievement of organizational objective. Motivation is very important in any organization because it helps to know why people do the things they do and to make them do what they will not want to do. A manager is responsible for helping employees perform effectively in their job, but they can not do this unless they understand what motivates both the employee and them.

Therefore, using Olam Flour Mill ilorin as a case study, as attempt has been made to find out what motivate employees in their work. Different motivational theories were examined in view of the study.

This is to show the various motivational techniques that could be used to motivate the employees. The importance of motivation was also stated. This shows that motivation is not about much more money. It is about having the right people in the organization, having an environment in which people enjoy working and motivating them properly to get the best out of them.

## **5.2 CONCLUSION**

From the research findings, the organization has enough trained employees but the level of incentive is not adequate.

The respondents proved this through the responses gotten from one questionnaire administered. Although the employees are rewarded for doing a good job but the organization should be aware that to motivate employees is not only about

using money but there are other things that they can use such that when the right environment is made available the employees will be self motivate. Job security should be seen as one of the ways of motivating the employees.

Also, although the employees say their boss is approachable, but when asked how the management respond to the problem they said not promptly and that they are not allowed to use their own ideas and judgment when working, this should be reviews because even promptly addressed they would feel neglected.

Olam Flour Mill ilorin is one of the organization sector that has realized the importance of incentive on the performance of its employees. Efforts also, are being made to ensure the development of well rounded knowledgeable employees, whose morale has been boasted to ensure the achievement of the organization's objectives.

### **5.3 RECOMMENDATIONS**

For Nigeria Air Force, ilorin to achieve its objectives the following recommendations based on the findings of the research work can be employed to boost its workers motivation on the job.

**1. PERFORMANCE APPRAISAL:** This is essential to motivation, it provides the basic key for managerial decision like promotion, pay, development needs, allocation of duties etc. when the works of the employee are appraised it shows the level of performance of the organization as a whole. An effective appraisal scheme help to reveal the problems which ca be restricting progress and coursing inefficiency in the work. It shows both the strength and weakness of the employees and also indicated how such strength may be utilized and weakness overcomes. To ensure that the

appraisal is effective managers should focus on task performance and avoid criticism in person character that is difficult for employees to change.

**2. JOB SECURITY:** An employee will not be fully committed when he is not sure of his job being secured; He wouldn't want to put in all their efforts when there is a possibility of his being kicked out at any time. If the atmosphere is filled with the fear of being retrenched, sacked or even no benefit when one retire the employees will feel discouraged and wouldn't feel secure working adequately for the organization. Therefore, the organization should ensure an atmosphere of security to make the employees secured and comfortable on the job.

**3. TRAINING AND DEVELOPMENT OF EMPLOYEES:** The organization should ensure that they don't relent in their efforts to train and develop the capability, intellects of the employees. As this is one of the ways of motivating workers. Training helps in improving the skills of the employees on the job. Employees who have been adequately trained and developed will go a long way in improving the performance of the organization and makes them productive. Therefore, the organization should train and develop the morale of employees.

**4. PARTICIPATION IN DECISION-MAKING:** The management should make a plan whereby employees are allowed to participate in decision making of the company. This will make them commitment to acting the objectives of the organization. There will be a sense of commitment among the employees if the company sells shares to them. It will make them work harder knowing that they are art owners of the company and would therefore no win it.

**5. A REVIEW OF THE WORKING HOURS:** The management should review the working hours of the employees so that there will be balance personal life and working life. The employees should not be kept late in the office because they have to be given time to get prepared for the next day's work when employees are stressed too much by making them back late into the night and expecting them to be back in the office very early the next morning they will be stressed beyond their limit and their performance will be ineffective. Therefore, management should endeavor to balance the working hours of the employees and their personal life

It is the desire of this researcher that research findings would be used to improve the level of motivation in Olam Flour Mill Ilorin and all organization sector in general.

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Department of Business Administration  
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Studies  
Kwara state polytechnics, Ilorin  
P.M.B 1375

Dear Respondent,

**REQUEST FOR COMPLETION OF QUESTIONNAIRE**

I am final year student of the above named department of business and institution, conducting research work titled “impact of incentive on workers moral and productivity in public sector (*A CASE STUDY OF NIGERIA AIR FORCE, Ilorin*).

You are therefore requested to please answer in this questionnaire as honestly as possible all information given will be treated confidentially.

I will be grateful if you kindly answer the question in a attached questionnaire in the most honest manner since the success of this work depend on your assistance.

The response will be treated confidently and shall be used for the purpose of this research work only. Thank in anticipation.

Yours faithfully

Fuad Atimowa Olamilekan  
ND/20/BAM/FT/1423

### QUESTIONNAIRE

1. Distribution of respondent gender (a) male ( ) (b) female ( )
2. Distribution of respondent by age (a) below 30years ( ) (b) 31- 40years ( ) (c) 41-50years ( ) (d) 51years above ( )
3. Distribution of respondent by status? (a) single ( ) (b) married ( )
4. Education qualifications? (a) waec/neco ( ) (b) nd/nce ( ) (c) hnd/b.sc ( ) (d) other ( )

5. Your length of enrich in the organization? (a) 2-4years ( ) (b) 5-8years ( ) (c) 9-10years ( ) (d) 11year and above ( )

## **Section B**

1. What is your main reason for working? (a) just like working ( ) (b) to associate with other ( ) (c) to earn income for a living (d) all of the above ( )
2. Do you derive personnel satisfaction from your work? (a) yes ( ) (b) no ( )
3. Does that organization express its full appreciation for a job well done? (a) yes ( ) (b) no ( )
4. In what way does the organization show its appreciation for a job well done (a) wages increase ( ) (b) promotion ( )
5. How do you feel when your work is appreciated? (a) important, responsible and will to do better ( ) (b) no effect ( ) (c) indifferent ( )
6. Are you allowed to use your ideas and judgement when working? (a) yes ( ) (b) no ( )
7. Is your boss approachable and open to ideas? (a) yes ( ) (b) no ( )
8. How does the management respond to your problem? (a) promptly ( ) (b) no promptly ( ) (c) slow in action ( ) (d) action ( )
9. Are fringe benefits such as hospitalization, insurance, health care, retirement plan important to you? (a) yes ( ) (b) no ( )

10. What is your relationship like between you and your colleagues in the organization? (a) cordial ( ☐ ) (b) good ( ☐ ) (c) fairly good ( ☐ ) (d) poor ( ☐ )
11. Will participation in decision making encourage and improve your performance on the job? (a) yes ( ☐ ) (b) no ( ☐ )