

EVALUATION OF NEEDS THEORY OF MOTIVATION ON EMPLOYEE PRODUCTIVITY IN ASHAKA CEMENT COMPANY PLC

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Abstract

This study evaluated the needs theory of motivation on employee productivity in Ashaka cement company Plc. The study adopted a survey approach. The population of this study is 498 and sample size of 222 was drawn using Taro Yamene's statistical formula. Simple random sampling technique was used to select respondents across the five departments in the company. Correlation and regression analysis were used and findings reveal that there is a strong correlation between the Existence and Relatedness Needs and the Company's total output and employee attitude but a weak correlation between Alderfers' ERG Needs theory and employee commitment in Ashaka Cement Company Plc. The study concludes that there is a significant positive relationship between Adelfer's Existence and Relatedness Needs and employees of Ashaka Cement Company, but weak relationship between the Growth Needs and the dependent variables (output, employee attitude and commitment). The study recommended that Ashaka Cement Company Plc. Should give a special attention to the Growth Needs as this will ginger managers to do more towards the improvement of employee productivity.

Keywords: *Motivation, Needs theory, Employee Productivity*

Background to the study.

Owing to the growing needs of infrastructure and development of social amenities, coupled with improved standard of living, there is this growing demand for housing, better roads network and bridges among others in Nigeria. This situation has created high demand for cement in such a way that the current supply of the product appears to be grossly inadequate, thereby, placing high pressure on the few cement factories (Ashaka Cement Company) inclusive to meet the required cement demand for infrastructural development in the country. Ashaka cement company appeared to be operating relatively low as compared to Dangote cement factories, partly due to the low level of employee motivation (based on our pilot studies). Meanwhile, history has it that satisfying employee needs has proven to be a long term success factor for most organizations.

The role motivation plays in shaping employee behavior positively for improved productivity remains paramount for most organizations. Satisfying employee needs therefore, determines the level of energy, zeal, and creativity that the employee brings to their job. The more satisfied an employee is, the higher his/her productivity and vice versa. Unlike in the past where people were coerced to work, managers today get their employee to work willingly and enthusiastically by using different motivational techniques to satisfy their wants and needs. According to Ganesh (2011) a motivated employee is a productive employee, and a productive employee is a more profitable employee. When employees are not motivated, they become less productive, less creative, less of an asset to the company. Apparently, many managers today appeared to be unaware of the impact of employee

motivation on their businesses to the extent of satisfying their needs that would determine higher productivity at work place. Employee who felt motivated to work are likely to be persistent, creative, productive and turning out high quality work, while the absence of motivation would lead to negative attitude like; absenteeism, tardiness, lateness, or poor turnover intention and if the situation is not curtail it will degenerate to full blown disruptive behavior such as strike, slowing production, and grievance. Improper motivation could make an employee put little or no effort in their job, avoid the work place as much as possible, exit the organization at will, and produce low quality work.

It was observed that the issue of employee motivation has been neglected, abandoned and not given the due attention it deserves, especially in Ashaka Cement Company. Even Stephen (2014) who identified various factors that may have accounted for low productivity to include inappropriate technology, competition, insufficient raw materials among others did not recognized the crucial role of motivation. Previous studies have shown that Needs theory of motivation can to a great extent, provide solutions to the problem of employee low productivity (Stephen, 2014; Shehu, 2009; & Swart 2010). It is based on the foregoing that, this study examined the efficacy of Alderfer's ERG Needs Theory of Motivation to see how application of the theory can positively stimulate output, guarantee better employee attitude and elicit employee commitment in Ashaka Cement Company Plc.

Statement of the Problem

Ashaka Cement Company appears to be operating below its full capacity in terms Productivity, partly because the prominence given to motivation in the Cement Company to effectively compete nationally as well as globally seems yet to be desired as compared to other cement companies such as Dangote among others. Meanwhile, researches have shown that low productivity is usually caused by lack of employees needs satisfaction (Stephen, 2014; Shehu, 2009; & Swart 2010). This study therefore, examines how Alder's ERG (Existence, Relatedness, and Growth) Needs Theory of employee motivation can stimulate workers output, guarantee employee attitudes to work as well as elicit employee commitment for increased productivity in Ashaka Cement Company Plc. Gombe.

Research Questions

In view of the foregoing, the following research questions were raised:

- i. To what extent do Existence needs positively stimulate employee output as compared to other needs in Ashaka Cement Company?
- ii. To what extent do Relatedness need positively guarantee employee attitude to work as compared to other needs in Ashaka Cement Company?
- iii. To what extent do Growth needs elicit employee commitment to work as compared to other needs in Ashaka Cement Company?

Objectives of the Study

The main objective of this study is to assess the extent to which Alderfers' ERG needs theory of motivation has on employee productivity in Ashaka Cement Company Plc. The specific objectives are to:

- i. Ascertain the extent to which Existence needs can positively stimulate employee output relative to other needs in Ashaka Cement Company
- ii. Examine the extent to which Relatedness needs can positively guarantee employee attitude to work better, as compared to other needs in Ashaka Cement Company
- iii. Assess the extent to which Growth needs can elicit employee commitment to work better than the other needs in Ashaka Cement Company.

Statement of Hypotheses

The following null hypotheses were formulated:

- H₀₁: Existence needs do not significantly stimulate employee output better, relative to other needs in Ashaka Cement Company.

- H₀₂: Relatedness needs do not significantly guarantee employee attitude better than other needs in Ashaka Cement Company.
- H₀₃: Growth needs does not significantly elicit employee commitment to work more than other needs in Ashaka Cement Company.

Theoretical Framework

This study examined three sets of Needs Theories: Maslow's hierarchy of needs Theory, Alderfer's ERG Needs Theory and McClelland needs Theory. These Theories share some common characteristics or attributes and all of these have been summarised into three levels of needs by Alderfer crafted, the ERG (Existence, Relatedness and Growth) Theory of motivation. Maslow (1943) vehemently argued that human needs follow a hierarchy in the following order: Physiological needs (food, shelter, water, house, sex, sleep); Safety needs (protection against both physical and emotional threat and danger; such as fear of losing a job, property, life, and protection against pains); Social needs (love, social affiliation and interaction); Esteem needs (self-respect, independence or autonomy, achievement, status, recognition); and Self-actualization needs (the desire to become what one is capable of becoming). McClelland (1961) on the other hand, identified three needs- the Need for achievement (personal responsibility, feedback, and moderate risk); Need for affiliation (acceptance, friendship, cooperation and teamwork) and Need for power (influence, authority and competition). Alderfer (1972) who condenses the above needs into three categorized them appropriately in their proper groups as Existence, Relatedness and Growth (ERG) Needs theory.

LITERATURE REVIEW

Stephen (2014) conducted a study on employee motivation in his paper entitled "Using motivational theories to enhance productivity in cement manufacturing companies in Nigeria: an overview". The objective of the study was to determine how certain theories of motivation could be applied to increase productivity in Cement Manufacturing Companies in Nigeria. The study is theoretical in nature and draws from various literatures on motivation and productivity. The population of the study cut across the entire cement manufacturing companies in Nigeria. The study revealed that Low productivity in manufacturing companies in Nigeria is traceable to poor employee motivation and concludes that motivation has a link to productivity since motivated employees are productive employees. This findings study are in line with previous studies (Siti-sakinah, 2009; Evans 2007).

In his study, Shehu (2009) examined motivation as one of the major problems affecting employees' in Bauchi State Higher Institutions which resulted to negative attitude to work such as absenteeism, lateness, and employee turnover. A survey was conducted with one hundred and twenty (120) respondents. Analysis conducted using correlation and multiple regression showed significant relationship between all the independent variables and the dependent variables except lateness which showed no relationship. These findings also agree with previous studies (Ehiorobo, 2004; Mathew, 2004; & Yu-sha, 2013).

Swart (2010) conducted a research to determine if motivation had any influence on productivity in a real estate company as well as commitment and productivity. A survey was also conducted on 315 respondents who were randomly selected from 524 employees of the real estate company. These employees were located in the Carlton, Inland and the corporate offices that are situated in Johannesburg, Pretoria, Bloemfontein and Kimberley. The results showed a direct link between motivation, commitment and productivity. This finding previous studies (Benson, 2008; Upchurch, Dipietro, Curtis, & Hahm 2010).

Research Methodology

A sample size of 202 workers was drawn from the company's total population of 498 employees across the departments, using Taro Yamane's sampling size determination technique. Data was collected with the aid of 202 structured Questionnaire randomly distributed across the rank and file of the company's population. The data collected was analysed using multiple correlation, and

regression analysis. Correlation analysis was used to identify the relationship among variables, while regression revealed the extent of the relationship between the factored constructs determined in this study, with the aid of SPSS software. The evaluation of the relationship between dependent and independent variables was performed using the multiple regression technique. The dependent variables (Employee Productivity EP) is proxy by Employee output, Employee Attitude to work, and Employee Commitment to work, while the independent variable (Motivation) is measured by Alderfer's ERG needs theory (Existence needs, Relatedness needs, and Growth needs).

The model in this work is given as:

$$EMO = a + b_1EXN + b_2RELN + b_3GRN + e \dots\dots\dots 1$$

$$EMAT = a + b_1 RELN + b_2 EXN + b_3GRN + e \dots\dots\dots 2$$

$$EMCM = a + b_1GRN + b_2 RELN + b_3 EXN + e \dots\dots\dots 3$$

Where,

Employee Productivity is measured with;

EMO= employees output,

EMAT = employee attitude,

EMCM= employee commitment.

a = constant

EXN =Existence needs,

RELN=Relatedness needs, and

GRN=Growth needs (Independent Variables).

b₁, b₂, b₃ b₄ are regression coefficients which determine the contribution of the independent variables

e = residual or stochastic term (which reveals the strength of b₁EXN+ b₂RELN +b₃GRN; if e is low, this implies that the amount of unexplained factors is low, then the residual R and R² will be high and vice versa.

The Pearson Correlation formula is given as:

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{\{(n\sum x^2 - (\sum x)^2) (n\sum y^2 - (\sum y)^2)\}}} \dots\dots\dots 4$$

Where:

r = correlation coefficient

x = proxies for independent variable

y = proxies for dependent variable

n = number of observations

r^2 will be the coefficient of determinant that will show the degree of change or variation in the dependent variable (Employee Productivity) as a result of change in the independent variable.

Both correlation and regression analysis shall be computed using Statistical Package for Social Science SPSS computer software.

Test of Hypotheses

Hypotheses I

H_{01} : Existence needs do not significantly stimulate employee output better, relative to other needs in Ashaka Cement Company.

Regression Model 1

A linear regression model of ERG needs was conducted to predict the effect of ERG needs on employee output, employee attitude and employee commitment. Existence Needs correlated positively with Output (2.815). Relatedness Needs also correlated positively with output (0.945) as well as Growth Needs (4.267). This means that ERG Needs theory has direct improvement on all the three dependent variables of output, employee attitude and employee commitment. However, significance tests for individual independent ERG Need variables revealed that, ERG has a t-value of 6.274, $P = 0.05$ for existence needs; ERG also has a t – value of 4.176, $P = 0.05$ for Relatedness needs, and ERG also has a t – value of 6.109, $p = 0.05$ for Growth needs. This means that Existence needs has been shown to appeal most to Ashaka cement company workers, followed by employee attitude, while Growth needs is the does not comparatively in terms of employee output. This result can only be generalised for Existence and Relatedness Needs and cannot be generalized for growth needs. The model coefficients for the ERG needs scales are listed below in Table1

Model Summary

Coefficients^a

Table 1; ERG Needs and Employee Output (P = 0.05)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.219	3.328		-10.581	.000
	Exnn	2.815	.446	.490	6.274	0.003
	Rlnn	.945	.229	.330	4.176	0.021
	Grtnn	4.267	.699	.262	6.109	0.311

Source: SPSS Output

a. Dependent Variable: Output

In summary, there is significant support for hypothesis One. A significant relationship between ERG needs, and output, is found. Existence Need has a stronger correlation with output, followed by employee attitude for work in Ashaka cement and supports the concept that subordinates prefer to work better to increase output when motivated by existence and relatedness needs. We therefore, reject Hypothesis (H_{01}); which states that: Existence needs do not significantly stimulate employee output better, relative to other needs in Ashaka Cement Company’.

Hypotheses II

H₀₂: Relatedness needs do not significantly guarantee employee attitude better than other needs in Ashaka Cement Company.

Regression Model II

A linear regression on the full model of ERG Needs Theory was conducted to predict the effect of ERG needs on Employee attitude. Existence needs had positive effect of (2.571) on employee attitude, Relatedness needs had a positive effect of (3.085) on Employee attitude and Growth needs had a negative effect of (-1.235) on employee attitude. Although the first two had direct positive improvement, the third (Growth) had a negative improvement on employee attitude. However, significance tests for individual independent variables are as follows: Existence needs has a t-value of 5.955, P = 0.05, Relatedness needs had a t-value of 9.938, P = 0.05 and Growth had a t-value of -1.531. The model coefficients for three (ERG) needs scales are listed below in Table 2. An examination of the part and partial correlations showed that there is relationship between ERG Needs theory and Employee Attitude. Although, the two independent variables (Existence and Relatedness Needs) are significant, except Growth needs that is not significant. The Relatedness significance of 0.019 is better than the Existence Significance of 0.030. Growth is not significant (0.094). The results can therefore, be generalised for both Existence and Relatedness needs only with respect to this sample population but not with Growth needs and employee attitude.

**Table 2; ERG Needs and Employee Attitude (P = 0.05)
Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-17.313	3.844		-4.505	0.000
Exnn	2.571	.518	.386	5.955	0.030
Rlnn	3.085	.261	.646	9.838	0.019
Grtnn	-1.235	.807	-.054	-1.531	0.094

a. Dependent Variable: Attitude

In summary, there is also a significant partial support for hypothesis Two. A significant relationship between ERG, Needs and Employee Attitude was found. Existence and Relatedness had positive correlation (2.571 and 3.085 respectively) with Employee attitudes and support but the employee attitude was more with the Relatedness, followed by Existence needs and lastly Growth needs (-1.235) in the cement company; and therefore, disagree the concept that Employee attitude can be elicited more with management that provides Relatedness and Existence needs than the Growth needs. Hypothesis (H₂) which states that: ‘Relatedness needs do not significantly guarantee employee attitude better than other needs in Ashaka Cement Company.’ was therefore, rejected.

Hypothesis III

H₀₃: Growth needs does not significantly elicit employee commitment to work more than other needs in Ashaka Cement Company.

Regression Model III

A linear regression on the full model of ERG Needs was conducted to equally predict the effect of ERG Needs, on Employee Commitment. Existence needs had a positive effect (2.579) on employee

commitment together with Relatedness Needs (0.663) on Employee commitment and Growth had a negative effect (-0.054). Although both Existence and Relatedness needs have direct positive improvement, Growth needs had negative improvement. Significance tests for individual independent variables revealed that; Existence needs had a t-value of 6.728, P = 0.05; Relatedness needs had a t-value 0.873, P = 0.05 and Growth needs had a t-value of -0.0469, P = 0.05. The model coefficients for the three Needs scales are listed below in Table 3. An examination of the part and partial correlations showed that there is a weak relationship between ERG needs theory and Employee Commitment. Although, all the two independent variables are significant, Growth needs significance of 0.065 is worse than the Existence needs Significance of 0.011 and that of Relatedness 0.012. The results can therefore, be generalised for both Existence and Relatedness needs with respect to this sample population but not with Growth needs relative to employee commitment.

**Table 2; ERG Needs and Employee Commitment (P = 0.05)
Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.939	5.637		-2.118	0.039
	Exnn	2.579	.383	.819	6.728	0.011
	Rlnn	.663	.760	.105	.873	0.012
	Grtnn	-.054	1.183	-.003	-.046	0.065

a. Dependent Variable: Commitment

Source: SPSS Output

In summary, there is partial support for hypothesis Three. A significant relationship between Existence, and Relatedness needs, and Employee Commitment was found. Existence and Relatedness needs had positive correlation with Employee commitment and support the proposition that commitment was more with ERG Needs theory in the cement company, and therefore, support the concept that Employee Commitment can be elicited more with management that provides ERG Needs to employees by way of motivation. Hypothesis (H₃) which states that: ‘Growth needs do not significantly elicit employee commitment to work more than other needs in Ashaka Cement Company’ was therefore, accepted.

Summary of Findings

Table 4.5: Summary of Regression Analysis

S/N	Statement of Hypothesis	p-value	Decision
1	H₀₁: Existence needs do not significantly stimulate employee output better, relative to other needs in Ashaka Cement Company.	E-0.003 most sig. R- 0.021 G- 0.311	Reject
2	H₀₂: Relatedness needs do not significantly guarantee employee attitude better than other needs in Ashaka Cement Company.	E-0.030 R- 0.019 sig. G- 0.094	Reject
3	H₀₃: Growth needs does not significantly elicit employee commitment to work more than other needs in Ashaka Cement Company	E-0.011 R- 0.012 G- 0.065 not sig.	Accept

This study revealed that there is a strong correlation between the Existence and Relatedness Needs and the Company's output and employee attitude but a weak correlation between Growth Needs and employee commitment in Ashaka Cement Company Plc. Specifically

- i) Existence and Relatedness Needs strongly correlated with employee output while Growth Needs had a weak correlation with employee output of Ashaka Cement Company Plc.
- ii) Existence and Relatedness Needs strongly correlated with employee attitude; while Growth Needs equally had a weak correlation with employee attitude of Ashaka Cement Company Plc.
- iii) Similarly, Existence and Relatedness Needs also had strongly correlated with employee commitment while Growth Needs had a weak correlation with employee commitment of Ashaka Cement Company Plc.

The above findings agree with previous literature (Stephen, 2014; Shehu, 2009; Swart, 2010; Benson, 2008; Upchurch, Dipietro, Curtis, & Hahm 2010).

Conclusions

The study concludes that there is a significant positive relationship between Adelfer's Existence and Relatedness Needs and employees of Ashaka Cement Company, but weak relationship between the Growth Needs and the dependent variables (output, employee attitude and commitment). The company is supposed to ensure that workers enjoy all these needs in terms of equity and fairness. Growth Needs is enjoyed mostly by top management. Poor recognition of this need will pool down the morale of top management workers and subsequently reduce their productivity in the cement company.

The study consequently recommended that Ashaka Cement Company Plc. Should give a special attention to the Growth Needs as this will ginger managers to do more towards the improvement of employee productivity.

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