

IMPACT OF MOTIVATION ON THE PRODUCTIVITY OF EMPLOYEE: A CASE STUDY OF CENTRAL BANK OF SOMALIA

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Abstract

The study examined that impact of motivation on the productivity of employee using Central Bank of Somalia. Quantitative method was used and the employed descriptive analysis, factor analysis, reliability test, correlation test and regression analysis. The findings revealed that incentive and salary have positive connection to influence employee productivity, monetary reward and incentive have vibrant connection to impact on employee productivity, while non-incentive and employee productivity do not have significant connection to each other. It was concluded that workers will not perform well when their salary is being delayed and favoritism on the part of the management cannot contribute to productivity. Motivating staff by the chief executive officer is an essential concept in an organization and staff do not put in their best when they are placed on little or no-incentive package. It was also concluded that positive connection exists between incentive and salary of the employee.

Keywords: *Motivation, Employee, Productivity, Incentive, and Salary*

INTRODUCTION

The participation of dedicated and skilled workers in a modern business environment needs greater dedication than in the past due to the growing nature of duties and technologies (Rashid & Rashid, 2012). The most important function of managing is to inspire the workers of a company to work harder towards the business goals. Employees aim to determine fulfilment and the management have the option to apprehend the challenges facing the workers and provide means for pleasing their wants and goal. Firms are concerned with what to carry out to achieve and improve the stance of performance via human capital. Subsequently, the issue of enough motivations for workers as got through a significant figure of activities made by the management, to suitable tactic to direct to achieve a target or strategic minimal contributions of materials and HR accessible. Prokopenko (1987) explained high productivity as more achievement using the same amount of capital, that is large volume and more efficiency with equal input. The concept of motivating staff and productivity have greatly been viewed by many scholars (Upev & Chorum, 2015; Bawa, 2017). Bawa (2017) described motivation as a means by which a person or group of persons is motivated to act in a desirable manner in order to obtain some meaningful incentives or to meet other human desires. Motivation refers to an intrinsic or extrinsic driving factor, which creates a desire to behave on a final basis (Nnabuife, 2009). In other word, it is an important aspect and unpreventable in the lifecycle of a person in any form, which spring one's fulfilment. The performance of employees will indicate the truth picture of an organization; therefore, it's critical to discover the collection of techniques for persuading employees.

The principal issue implicit in the corporate settings are low pay, erratic motivational process, lack of appreciation of the successes of workers and so on. Each of which threatens to dampen the mood of workers and thereby hinder efficiency. Some of the greatest challenges that management in the company faces are to see how best to involve workers in their jobs and how best to pursue the goals of the company. The linking between the financial institution and workers are overseen with what stimulates workers to undergo a task and the contentment achieved from it. Also, previous literature shows

us ownership identity has an effect on firm performance (Unsal, Uğurlu and Sakinc, 2009) and immigrants are participating labour work (Kahveci,219) and macroeconomic instabilities stimulates unemployment (Sanli,2018); but they are not in the scope of this paper. The administrator desires to comprehend ways to inspire workers with the collaboration and control efficiency in other attain their objectives accordingly. Banking sector is very important sector for the economies based on its credit creating process (Ugurlu ,2019) . This study is focused to the Somalia Apex bank. The target audience shall be the members of the Apex Bank. In the previous studies, Ude and Coker (2012) determined the impact of incentives, motivation and productivity among Nigerian organizations and showed that incentive systems have a strong link with worker engagement and efficiency in both structured private and public sector of Nigeria. Chukwuma and Okafor (2014) focused on motivation effect on productivity in Nigeria. They employed descriptive analysis and found that incentive is negatively significant on employee motivation of the Nnewi manufacturing companies. Wei and Yazdanifard (2014) wrote on employee efficiency in organization in Malaysia using empirical review. They revealed that monetary and non-monetary benefits have a positive connection with workers effectiveness. Upev and Chorum (2015) wrote on motivation and productivity in Nigeria using quantitative analysis through frequency and correlation methods. The findings showed that monetary incentives are strong motivators among the selected employees. Olusadum and Anulika (2018) carried out a motivation impact on the performance of the employee in Nigeria using Chi-square method and found a strong connection between motivation and performance of the employee.

Study Methodology

This section described the procedure used in gathering information from the participants. It discussed the design for this investigation and gives facts about the population and technique to use in this study. The design was descriptive cross-sectional exploration that contains numerical survey. By providing simple questionnaire to Staff of the Central Bank of Somalia and assessing their level. The cross segment of the staff of the Central Bank of Somalia consisted of 3 themes strained from different departmental unit of the organization that were experimented. With this examination,

the employees were partitioned into three significant gatherings such as temporary staff, permanent staff Officers, and Other Officers

The size sample of this investigation was 108 participants using Slovene’s method which was presented below as:

$$n = N/1 + (N * e^2)$$

where n= sample size

N= population size, and e = margin of error of 5%

$$n = 150/1 + (150 * 0.0025) = 108 \text{ subjects}$$

Interpretation of Result

Table 1: Demographic Result

	Frequency	Percentage
Gender		
Female	30	28.0
Male	77	72.0
Marital Status		
Single	66	61.7
Married	41	38.3
Age		
15 - 24yrs	33	30.8
25 - 34yrs	64	59.8
35 - 44yrs	9	8.4
45 - 54yrs	1	0.9
Qualification		
Secondary	3	2.8
Diploma	3	2.8
Degree Cert.	61	57.0
Masters	35	32.7
Ph.D.	12	9.9
Staff Category		
Contract	10	9.3
Junior Staff	67	62.6
Senior Staff	30	28.0
Total Respondents	107	

Source: Author’s computation (2020)

Table 1 shows that female participants have the number of 30 with percent of 28.0

while the male participants have 77 indicating 72.0percent signifying that the male participants are far more than the female partakers in the survey. Though, during the distribution, the questionnaire was distributed according the departmental unit without considering gender participants. The single staff participants are 66 with the percentage of 61.7 while the married staff participants are 41 with the percentage of 38.3, implying that this survey conducted among Central Bank of Somalia staff showed that the single participants are more than the married participants. The age group of the participants of this survey shows that 15-24yrs has 33 participants with percentage of 30.8, age between 25-34yrs has 64 participants with the percentage of 59.8, 35-44yrs has 9 with parentage of 8.8 while age between 45-54yrs has 1 with the percentage of 0.8. The result indicates that the middle age has highest participant during thus survey. The degree of the participants reveals that secondary certificate is owned by 3 participants with the percentage of 2.8, participants with diploma are 3 with the percentage of 2.8, bachelor’s degree has 61 participants holders with percentage of 57.0, masters cert are 35 with the percentage of 32.7 while Ph.D. has 5 holders with the percentage of 4.7. This indicates that many of the participants are educated and own higher degree qualifications. The category of staff that participated in this survey shows that 10 of staff are contract with the percentage of 9.3, the junior staff are 67 with the percentage of 62.6, while the senior staff has 30 participants with the percentage of 28.0.

Reliability Result

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
.908	20

Source: Author’s computation (2020)

The number of items distributed to the participants of the target audience was 20 and these items were subjected to pre-test and post-test analysis to validate the reliability. The post-test was done using Cronbach test and the outcome reported the value of 0.908, indicating that the questionnaire has above 90percent reliable to achieve the target objectives.

Factor Result

Table 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.056	40.282	40.282	8.056	40.282	40.282
2	2.593	12.963	53.245	2.593	12.963	53.245
3	1.267	6.337	59.582	1.267	6.337	59.582
4	.979	4.894	64.476			
5	.883	4.416	68.892			
6	.834	4.169	73.061			
7	.774	3.872	76.933			
8	.622	3.112	80.045			
9	.578	2.890	82.935			
10	.550	2.750	85.685			
11	.472	2.361	88.046			
12	.407	2.036	90.082			
13	.381	1.906	91.987			
14	.372	1.860	93.847			
15	.310	1.549	95.396			
16	.276	1.378	96.775			
17	.207	1.035	97.810			
18	.184	.920	98.730			
19	.144	.718	99.448			
20	.110	.552	100.000			

Source: Author's computation (2020)

The report above shows the variance of each item in the questionnaire and at component 3, the variance has 59.582, indicating that at component 3, could explain above 59percent variation of the survey.

Correlation Result

Table 4: Correlation

	Incentive	Salary	Non-Incentive	Employee Productivity	Monetary Reward
	1	.500**	.086	.435**	.244*
Incentive		.000	.376	.000	.011
	107	107	107	107	107
Salary	.500**	1	.314**	.436**	.461**
	.000		.001	.000	.000
	107	107	107	107	107
Non-Incentive	.086	.314**	1	.164	.406**
	.376	.001		.092	.000

	107	107	107	107	107
Employee	.435**	.436**	.164	1	.185
Productivity	.000	.000	.092		.056
	107	107	107	107	107
Monetary Reward	.244*	.461**	.406**	.185	1
	.011	.000	.000	.056	
	107	107	107	107	107

Source: Author’s computation (2020)

The above table presents the correlation test conducted among the variable of interest. It is essential to check significance of the correlation coefficients to interpret them (Ugurlu,2009). The report indicated that incentive and salary have a coefficient value of 0.500 and significant value of 0.000, implying that positive connection exists between incentive and salary of the employee. The connection between incentive and non-incentive shows the coefficient value of 0.086 and significance value of 0.376, indicating that no connection between the two variables. The result of incentive and employee productivity reveals the coefficient value of 0.435 and significance value of 0.000, connoting that connection exist between incentive and employee productivity. The result of incentive and monetary reward shows the value of 0.244 with significance value of 0.11, implying that significant connection exists between incentive and monetary reward during the survey.

The implication of this findings is that incentive and salary have positive connection to influence employee productivity, monetary reward and incentive have vibrant connection to impact on employee productivity, while non-incentive and employee productivity do not have significant connection to each other.

Regression Results

Table 5: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	38.777	4	9.694	8.807	.000
Residual	112.270	102	1.101		
Total	151.047	106			

Source: Author’s computation (2020)

The result above shows that the variables such as the dependent and the control variables have significant connection and the control variables can jointly influence the reliant variable.

Table 6: Coefficients

	Coefficients		t	Sig.
	B	Std. Error		
Constant	1.129	.309	3.650	.000
Non-Incentive	.068	.097	.701	.485
Salary	.264	.101	2.630	.010
Incentive	.281	.094	2.991	.003
Monetary Reward	-.043	.092	-.462	.645

Source: Author’s computation (2020)

The coefficient of the control variable presented in table 30 reveals that, at constant, the reliant variable is positively significant, that is when the control variables are constant, the employee productivity, which is the reliant variable moves positive in a slower pace. The coefficient value of non-incentive shows 0.068 with a significance value of 0.485, indicating the non-incentive reward is positive but not significant. The coefficient of salary as a control variable of motivation shows a value of 0.264 with significance value of 0.010, connoting that salary impact positively and significantly on employee productivity. The coefficient of incentive is 0.281 with significance value of 0.003 which indicates that incentive reward contributes significant positively to employee productivity. However, the coefficient value of monetary reward on employee productivity shows the value of -0.043 with significance value of 0.645, representing that monetary reward contributes insignificantly negative to employee productivity.

Hypotheses Testing

Ho1: There is no positive significant impact of non-incentive on employee productivity.

H1: There is positive significant impact of non-incentive on employee productivity

Coefficient P-value

Non-incentive on employee productivity 0.701 .485

Decision

The null hypothesis failed to be rejected that there is no positive significant impact of non-incentive on employee productivity because the p-value is greater than 0.05 level of significance.

H02: Salary has no positive significant impact on employee productivity in Somalia.

H1: Salary has positive significant impact on employee productivity in Somalia

	Coefficient	P-value
Salary on employee productivity	2.630	0.010

Decision

The null hypothesis is rejected while the alternative is accepted that salary has positive significant impact on employee productivity because the p-value is less than 0.05 significance level.

H03: Monetary reward does not increase employees' productivity.

H1: Monetary reward does increase employee's productivity

	Coefficient	P-value
Monetary reward on employee productivity	-.462	0.645

Decision

The null hypothesis failed to be rejected that monetary reward does not increase employees' productivity since the p-value is greater than 5% level of significance.

H04: There is no significant impact of incentive on employee productivity in Somalia.

H1: There is a significant impact of incentive on employee productivity in Somalia

	Coefficient	P-value
Incentive on employee productivity	2.2991	0.003

Decision

The alternative hypothesis is accepted since the p-value is less than a 5% level of significance, indicating that incentive has a significant positive impact on employees' productivity.

CONCLUSION

Based on the outcome of this investigation, it is concluded that workers would not perform well when their salary is being delayed, and favoritism on the part of the management cannot contribute to productivity. Motivating staff by the chief executive officer is an essential concept in an organization and staff do not put in their best when they are placed on little or no-incentive package. It was also concluded that positive connection exists between incentive and salary of the employee. However incentive and non-incentive variables are showed no connection between the each other, positive relationship exists between incentive and employee productivity, and significant relationship exists between incentive and monetary reward during the survey. Finally, it was concluded that non-incentive reward is positive but not significant, salary impact positively and significantly on employee productivity, incentive reward contributes significant positively to employee productivity, and monetary reward on employee productivity contributes insignificantly negative to employee productivity.

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