



*IMPACT OF MOTIVATION ON WORKERS
PERFORMANCE IN THE NIGERIAN OIL AND
GAS INDUSTRY: (CASE STUDY OF KADUNA
REFINING AND PETROCHEMICAL COMPANY
LIMITED, K.R.P.C)*

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ABSTRACT

This research work was aimed at investigating the impact of motivation on workers performance in the Nigerian oil and gas industry: A case study of Kaduna Refining and Petrochemical Company Limited (K.R.P.C). Two hypotheses were tested. The first is to test if there were sufficient incentives that can motivate one to work. The Chi square coefficient was found to be 7.420 with the probability value (p-value) of 0.006. Since the P-value is less than the 5% (0.05) level of significance, the Null hypothesis of no significant difference is rejected and the alternative was upheld. The responses from the respondents were not due to chance. The second hypothesis was to test whether an increase in motivation has significant effect or not on employees' performance. The results showed that increase in motivational tools has significant effect on employees' performance. By implication, employees of KRPC will want to work more if the motivational tools are increased. From the two hypotheses tested, it was established that, motivation has statistically positive impact on the performance of the employees of KRPC and besides, increase in the motivational tools also made the employees show more commitment to their job.

Keywords: Motivation, Performance, Workers, Industry, Oil and gas

INTRODUCTION

BACKGROUND TO THE STUDY

Motivation is a theoretical construct used to explain behaviour. It represents the reasons for people's actions, desires, and needs. Motivation can also be defined as one's direction to behaviour or what causes a

person to want to repeat a behaviour and vice versa (Elliot et al, 2001). Motivation is the most important matter for every organization, public or a private sector. The meaning of "motive" is needs, wants, and the desire of a person. Therefore "employees' motivation" means the process in which an organization inspires her employees with the shape of rewards,

bonus, promotions, recognition etc. for achieving the organizational goals.

Good remuneration has been found over the years to be one of the policies an organization can adopt to increase their workers performance and thereby increase the organizations productivity. (Ajila, C.O, 1997).. Also, with the present global economic trend, most employers of labour have realized the fact that for their organizations to compete favourably, the performance of their employees goes a long way in determining the success of the organization. On the other hand, performance of employees in any organization is vital, not only for the growth of the organization, but also for the growth of individual employees. (Mani,V, 2010)..

An organization must know who are its outstanding workers, those who need additional training and those not contributing to the efficiency and welfare of the company or organization.

PROBLEM STATEMENT

The performance of organization and employee motivation has been the focus of intensive research effort in recent times. How well an organization motivates its workers in order to achieve their mission and vision is of paramount concern. Employees in both public and private sector organization are becoming increasingly aware that motivations increases productivity. From the foregoing, and looking at today's economic trend, it is evident that the pace of change in our business environment presents fresh challenges daily. Despite these, no research work has targeted to investigate the impact of employee motivation and organizational performance in the oil and gas sector of Nigeria. Existing studies in Nigeria aimed at the effect of motivators and hygiene on job performance by Jibowo (2007). To this effect, this study attempts to empirically analyze how motivational tools can be used

by KRPC to effectively derive plans for growth and development.

RESEARCH QUESTIONS

The research will address the following specific questions:

- i. What are the employee motivational packages at KRPC
- ii. Which employee motivational factors affect the performance of KRPC?
- iii. In what ways do employee motivational packages affect performance of KRPC

OBJECTIVES OF THE STUDY

The general objective of the study is to investigate the effect of motivational packages on employee performance at KRPC. The specific objectives are:

- i. To assess the various motivational packages for the staff of KRPC
- ii. To determine which of these motivational packages influence staff performance at KRPC
- iii. To assess the effect of motivational packages on corporate performance at KRPC

STATEMENT OF HYPOTHESIS

1. **H₀₁**: Employee motivation does not have any effect on organizational performance
2. **H₀₂**: Increase in motivational tools does not have any significant effect on employee performance.

SIGNIFICANCE OF THE STUDY

The study will be vital in so many ways. It would reveal:

- Whether these packages enhance staff performance; and
- How management can strategically maximize the human resource potentials of the organization to the fullest in the midst of the new entrants.

The findings of the study will therefore provide vital information to Policy Makers



and Human Resource Managers of the oil and gas industries, especially KRPC to either consolidate or re-think ways of motivating staff of the industry. The results of the study will also add to the existing body of knowledge on the issue of motivation and productivity in the oil and gas sector of Nigeria.

SCOPE AND LIMITATIONS OF THE STUDY

The scope of the study was limited to the Kaduna Refining and Petrochemical Company (KRPC). Most theories of motivation and employee performance concepts were considered. Limited resources and time constraints affected the completion of the project on time. There was less participation from respondents due to the busy schedule during the day.

DEFINITION OF TERMS

Some of the terms used in writing this report include but is not limited to:

- 1. Motivation:** defined as one's direction to behavior or what causes a person to want to repeat a behavior and vice versa
- 2. K.R.P.C:** Kaduna Refining and Petrochemical Company (A subsidiary of the Nigerian National Petroleum Corporation (NNPC))
- 3. Expectancy:** the probability that the effort put forth will lead to the desired performance
- 4. Remuneration:** Reward for employment in the form of pay, salary or wage including allowances, benefits (such as company car, medical plan, pension plan), bonuses, cash incentives, and monetary value of the non cash incentives
- 5. Organization :** A social unit of people that is structured and managed to meet a need or to pursue collective goals.
- 6. Productivity:** A measure of the efficiency of a person, machine, factory, system, etc., in converting inputs into useful outputs
- 7. Performance:** The accomplishment of a given task measured against preset known

standards of accuracy, completeness, cost, and speed

8. Employees: The people hired to carry out functions and tasks to meet the organization's expectations, who are entitled to some forms of wages or salary after a period of time.

RESEARCH METHODOLOGY INTRODUCTION

This chapter discusses the population of the study and research sample, the nature and sources of data, methods of data analysis etc

POPULATION OF THE STUDY AND RESEARCH SAMPLE

The research population includes the considerable range of staff at different levels in KRPC.

The area covered by this research work is confined to only non management staff. The rationale behind restricting the population to the non management staff of KRPC is because they are the ones who

really need motivation. The management staffs are already well motivated as there are so many incentives and recognition as well as overseas training and vacations that they enjoy which the non management staff crave for.

NATURE AND SOURCES OF DATA

Out of a total population of 500 non management staff of KRPC, 217 staff was selected to determine the sample size of the study. (Krejcie & Morgan (1970,)) The simple random sampling technique was used to select the respondent in order to give every member of the population an equal chance of being selected. Pieces of papers were numbered and dropped in a can. Those who picked the odd numbers were selected for the study. This was done until the required number of 217 was obtained. The process ensured adequate randomization in the selection which was necessary in the conduct of the research.

The method of collecting data in this research work was approached from different angles which include primary data obtained through structural questionnaire for analytical purpose. The questionnaire was designed on a table, one way table of options (yes or no), number of respondents and percentage (%). The secondary data which consist of relevant textbooks, journals and other published and unpublished work to supplement the primary data.

The researcher's decision to use the structural questionnaire and the primary source of data collection is because the employees under the area of study are literate. Beside, the questionnaire method facilitates easy coverage and it is more appropriate in survey studies of this nature. Another reason for the usage of this method is to avert the difficulties and limitations of using other methods.

METHOD OF DATA ANALYSIS

One of the techniques for data analysis in this study is percentage distribution

analysis. This enables the researcher to determine the highest and lowest percentages of the respondents' factors and views on the questionnaire. The percentages of responses are displayed on a frequency distribution table.

The percentage is calculated thus:

$$\frac{\text{No of respondents}}{\text{Total number of respondents}} \times 100$$

Decision will be based on any response that is greater than 50%.

The Chi -square technique will be used to test the hypotheses of the study. All the hypotheses will be tested at 0.5 level of significance.

The Chi-square formula adopted is

$$\chi^2 = \frac{\sum(F_o - F_e)}{F_e}$$

Where:

F_o = Observed frequency

F_e = Expected frequency

\sum = Sigma (Summation)

χ^2 = Chi-square

The Statistical Package for Social Sciences (SPSS) automatically uses the formula to perform the estimation.

Decision Rule Since SPSS will be used, the Probability value (P-value) will be automatically generated. Where the p-value is less than 5% (0.05) level of significance, the null hypothesis (H_o) will be rejected and the alternative hypothesis (H_1) upheld. The interpretation is vice versa if p-value is greater than the 5% level of significance.

PRESENTATION AND ANALYSIS OF DATA

INTRODUCTION

This chapter is designed to present the data as obtained from the questionnaires administered. It will analyze same data as well as interpreting them for testing the stated hypotheses. A set of 217 questionnaires were administered out of

which 205 (i.e. about 94%) were retrieved and analyzed as follows:

ANALYSIS OF RESPONDENTS' PERSONAL INFORMATION

Table 4.1 Sex of Respondents

	Frequency	Percent	Cumulative percent
Female	41	20	20
Male	164	80	100
Total	205	100	

Source: Computed by the author from field survey using SPSS

From table 4.1, it can be seen that 20% of the respondents are female 80% are males. This shows that the sector is still dominated by the male folk as depicted in figure 4.1.

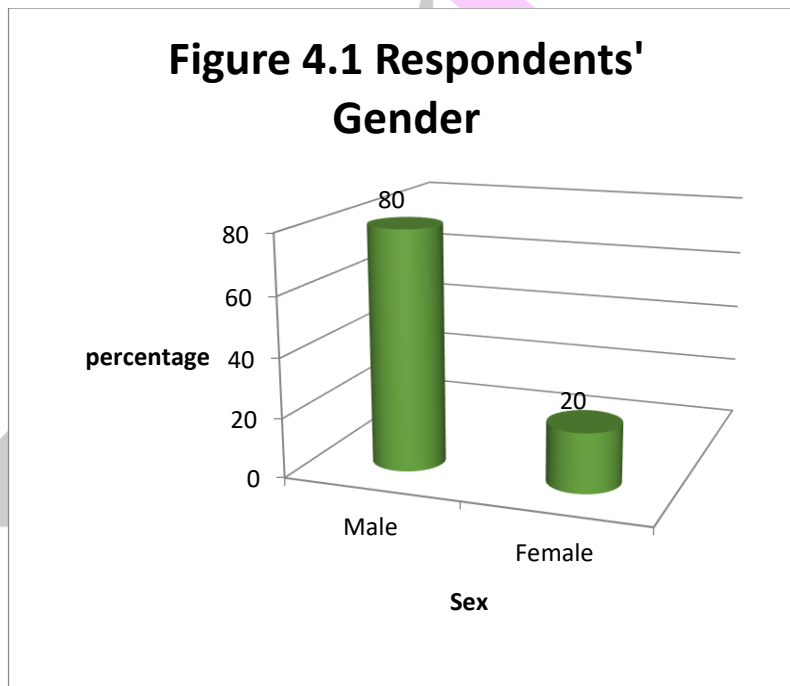


Table 4.2 Categorization of respondents by age

	Frequency	Percentage	Cumulative Percentage
20-30 years	22	10.7	10.7
31-40 years	82	40	50.7
41-50 years	49	23.9	74.6
51-60 years	52	25.4	100
Total	205	100	

Source: Computed by the author from field survey using SPSS

From the table 4.2, it can be seen that 50.7% of the respondents are between 20 and 40 years of age, while 49.3% are between the ages of

41 and 60 years. There is almost an equal percentage between the young and the old.

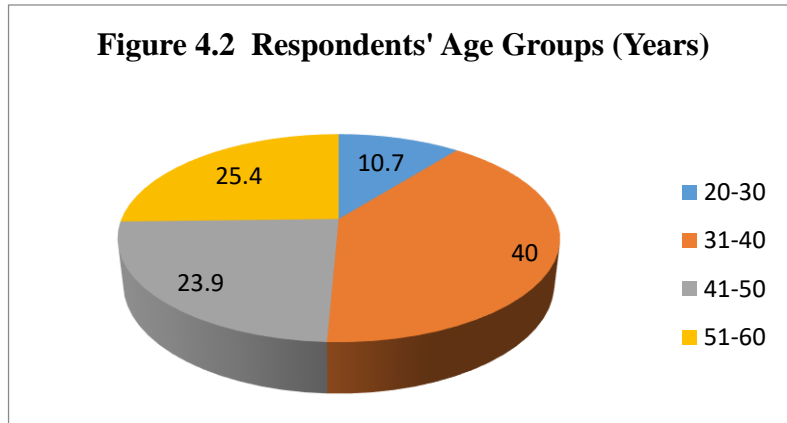


Table 4.3 Categorization of the respondents by Nationality

	Frequency	Percent	Cumulative percent
Non-Nigerian	10	4.9	4.9
Nigerian	195	95.1	100
Total	205	100	

Source: Computed by the author from field survey using SPSS

From table 4.3 and figure 4.3, it can be seen that 4.9% of the respondents are foreigners while the chunk of 95.1 are Nigerians. This indicates that the sector at the non-managerial level is not dominated by the foreigners. This is actually a good omen.

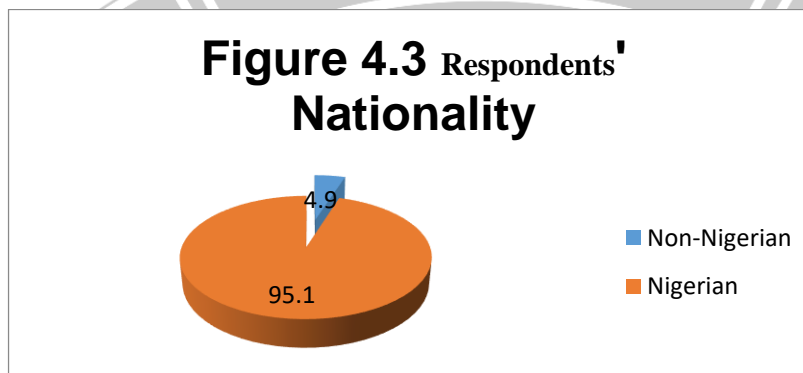


Table 4.4 Categorization of the respondents by Religion

	Frequency	Percent	Cumulative percent
Christianity	121	59	59
Islam	75	36.6	95.6
others	9	4.4	100

Total	205	100	
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Source: Computed by the author from field survey using SPSS

Table 4.4 shows 59% of those administered Questionnaires are Christians, 36.6% are Muslims while the remaining 4.4% of the respondents belong to other faith.

Table 4.5 Categorization of the respondents by Educational Qualification

	Frequency	Percent	Cumulative percent
Masters	24	11.7	11.7
BSc/HND	157	76.6	88.3
ND	24	11.7	100
Total	205	100	

Source: Computed by the author from field survey using SPSS

Table 4.5 shows that the respondents who have degree and above constitute about 88.3% of the respondents while the remaining 11.7% have national diploma. The implication of this is that the sector is dominated by seasoned professionals.

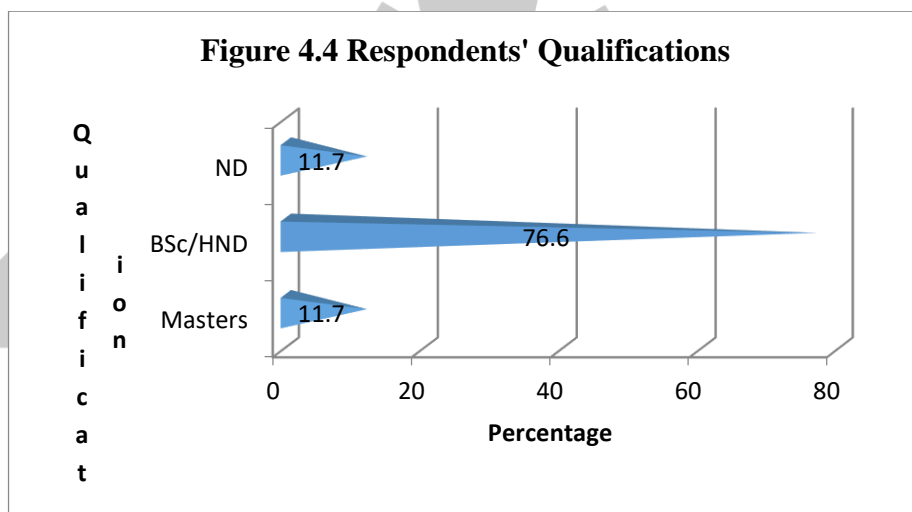


Table 4.6 Categorization of the respondents by Work Experience

	Frequency	Percent	Cumulative percent
1-10 years	104	50.7	50.7
11-20 years	29	14.1	64.9
21-30 years	20	9.8	74.6
Above 30 years	52	25.4	100
Total	205	100	

Source: Computed by the author from field survey using SPSS

Table 4.6 shows the categorization of the respondents by years of experience in the job. About 50.1% have experiences ranging from 1 to 10 years, while the remaining respondents of 49.9% have higher experiences. This shows that the organization is dynamic. Perhaps, those retiring are also being replaced.

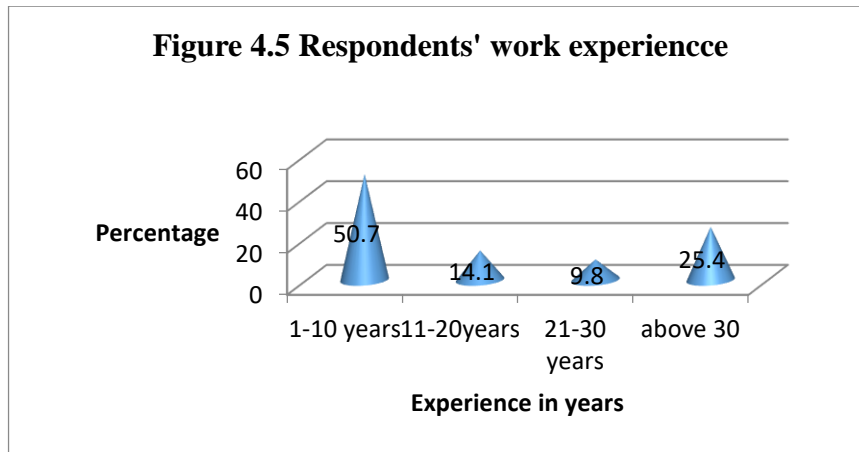


Table 4.7 Categorization of respondents by Grade Levels

	Frequency	Percentage	Cumm. Percentage
M6 and above	9	4.4	4.4
SS1-SS3	52	25.4	29.8
SS4-SS7	130	63.4	93.2
JSS1-JSS4	14	6.8	100
Total	205	100	

Source: Computed by the author from field survey using SPSS

Table 4.7 also shows the distribution of the respondents based grade levels. About 6.8% of the respondents are in the most junior category while 93.2% are higher.

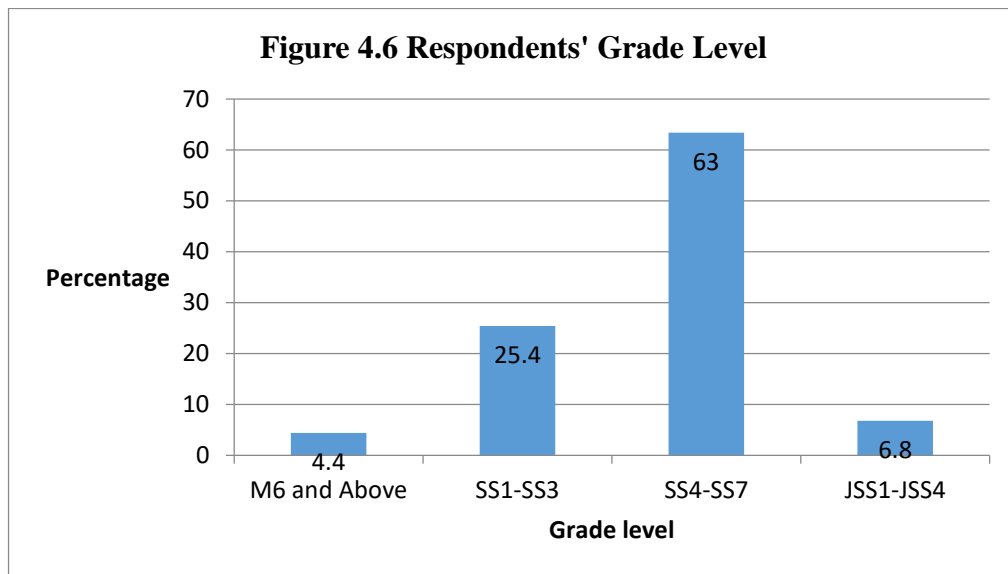


Table 4.8 The summary of respondents' responses on various questions posed to them in the questionnaire

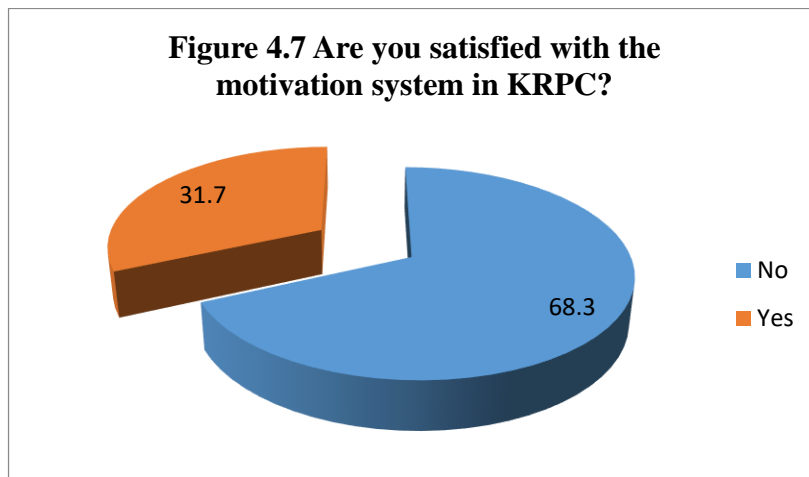
S/N	Questions	Response	Frequency	Percentage
1	Are you satisfied with the motivational system in KRPC?	Yes	65	31.7
		No	140	68.3
2	Are you satisfied with the remuneration given you?	Yes	107	52.2
		No	98	47.8
3	Compared with your colleagues in the same department and grade level, are you underpaid?	Yes	70	34.1
		No	135	65.9
4	Compared with your colleagues in other departments, are you underpaid?	Yes	85	41.5
		No	120	58.5
5	Compared to employees of similar industries, are you underpaid?	Yes	166	81
		No	39	19
6	Apart from your salary, do you have other bonuses?	Yes	165	80.5
		No	40	19.5

7	Are there sufficient incentives that can motivate you to work?	Yes	122	40.5
		No	83	59.5
8	Are you contented with the incentives that you have received so far?	Yes	65	31.7
		No	140	68.3
9	Have you ever been recognized for your effort on the work?	Yes	97	47.3
		No	108	52.7
10	Do you think that you are well motivated?	Yes	65	31.7
		No	140	68.3
11	Is your training schedule adequate?	Yes	21	10.2
		No	184	89.8
12	Have you ever gone on overseas training?	Yes	47	22.9
		No	158	77.1
13	Have you ever gone on local training?	Yes	168	20.5
		No	42	79.5
14	Is there sufficient training for the job you are doing?	Yes	54	26.3
		No	151	73.7
15	Have you ever received any award from KRPC?	Yes	14	7.4
		No	176	92.6
16	Are you satisfied with the Performance appraisal system?	Yes	81	39.5
		No	124	60.5

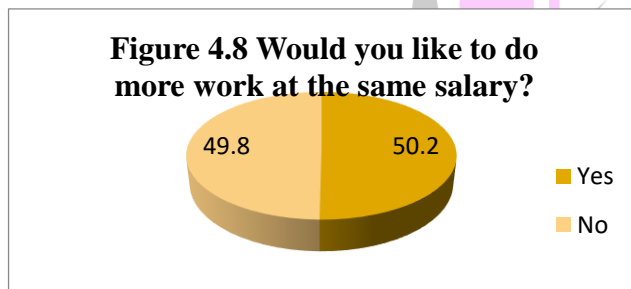
17	Is your promotion Regular?	Yes	190	92.7
		No	15	7.3
18	Are you satisfied with the policy on promotion?	Yes	95	43.3
		No	110	53.7
19	Do you think your job is secured?	Yes	191	93.2
		No	14	6.8
20	Would you consider leaving KRPC for another similar industry in the country?	Yes	127	62
		No	78	38
21	Do you consider yourself privileged working in KRPC?	Yes	179	87.3
		No	26	12.7
22	Are you happy with your work in KRPC?	Yes	124	60.5
		No	81	39.5
23	Would you like to do more work at the same salary?	Yes	194	95.6
		No	9	4.4
24	Would you like to do more work if salary is increased by 10%?	Yes	196	4.4
		No	9	95.6
25	Would you recommend someone for the same job at the same salary?	Yes	168	82
		No	37	18

Source: Computed by the author from field survey using SPSS

Table 4.8 displays the responses of the respondents based on each of the 25-question posted to them. Where either 'Yes' or 'No' carries more than 50% (>50%) of the responses, the decision is based on it. As can be seen from table 4.8 and figure 4.7, the respondents who are satisfied with motivation system are 31.7% while those who are not are 68.3%.



On the question, would you like to do more work at the same salary? The respondents are almost equally divided. While 50.2% would like to work more at the same salary, 49.8 would not as seen too in figure 4.8



To test the significance or otherwise of the respondents' responses, the chi square test was carried out on questions that are more pertinent to such hypothesis. This is to test whether the tabulated responses are due to chance, or are actually statistically significant.

TEST OF HYPOTHESIS 1

Re-statement of Hypothesis 1

H_{0a}= Employees' motivation does not have any effect on organizational performance

H_{1b} = Employees' motivation affects organizational performance

The chi square test of goodness of fit was carried out on Question 7 of table 4.8 (Are there sufficient incentives that can motivate you to work?). To arrive at a decision based on the stated hypothesis, the SPSS output and the interpretation is thus presented:

Table 4.9.1 Result of Chi-Square Test of Goodness of Fit

	Are there sufficient incentives that can motivate you to work?
Chi-Square	7.420
Degree of freedom (Df)	1

Asymp. Sig. (p-value)	0.006
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Source: Computed by the author from field survey using SPSS

Table 4.9.1 is the result of the chi square test of goodness of fit of whether there are sufficient motivations that can make the employees of KRPC to work harder or not. The Chi square coefficient is 7.420 with the probability value (p-value) of 0.006. Since the P-value is less than the 5% (0.05) level of significance, the Null hypothesis of no significant difference is rejected and the alternative is upheld. By implication, motivation in KRPC has statistically significant effect on the performance of their employees. The responses from the respondents are not due to chance. This result agrees with Akerele, A. (2001).

TEST OF HYPOTHESIS 2

Restatement of hypothesis 2

H_{0b} = Increase in motivational tools does not have any significant effect on employees’ performance
H_{1b} = Increase in motivation has significant effect on employees’ performance

The chi square test of independence was carried out on Question 6 (Apart from your salary, do you have other bonuses?) and question 23 (Would you like to do more job at the same salary?). The two questions were cross-tabulated as a proxy to taking decision on hypothesis 2. To arrive at a decision based on the stated hypothesis, therefore, the SPSS output and the interpretation is thus presented:

Table 4.9.2a Result of chi square test cross-tabulation

		Would you like to do more work at the same salary?		Total
		No	Yes	
Apart from your salary,	No	Count 28 19.9	12	40
		Expected count 70%	20.1	40
		% within apart from your Salary, do you have other bonuses? 27.5%	30%	100%
		% within would you like to do more work 13.7%	11.7%	19.5%

do you have other bonuses ?		at the same salary?		5.9%	19.5%
		% Total			
Ye s		Count	74	91	165
			82.1	82.9	165
		Expected count	44.8%	55.2%	100%
		% within apart from your Salary, do you have other bonuses?	72.5%	88.3%	80.5%
			36.1%	44.4%	80.5%
Total		% within would you like to do more work at the same salary?			
		% Total			
		Count	102	103	205
			102	103	205
		Expected count	49.8%	50.2%	100%
	% within apart from your Salary, do you have other bonuses?	100%	100%	100%	
		49.8%	50.2%	100%	
	% within would you like to do more work				

	at the same salary?			
	% Total			

Source: Computed by the author from field survey using SPSS

From the result of table 4.9.2a, the respondents who do not have other bonuses apart from their salary and who at the same time would not like to do more work at the same salary is 70%. Those who do not have other bonuses apart from their salary and who at the same time would like to do more work at the same salary is 30%. Again, the respondents who have other bonuses apart from their salary and would not like to do more work at the same salary is 44.8% while those who have other bonuses apart from their salary and who at the same time would like to do more work at the same salary is 55.2%. How significant, therefore, is this result?

Table 4.9.2b. Result of chi square test of independence

	Value	Df	P-value (sig. 2 sided)
Chi square Continuity correction	7.17	1	0.007

Source: Computed by the author from field survey using SPSS

The chi square result of table 4.9.2b shows that the test is statistically significant. This is because our p-value is less than the stated level of significance 5% (0.05), hence we can reject the null hypothesis that states: “Increase in motivational tools does not have any significant effect on employees’ performance” and accept the alternative hypothesis, Increase in motivational tools has significant effect on employees’ performance. From table 4.9.2a, the 44.8% who have other bonuses and who are not willing to work is statistically different from the 55.2% who have other bonuses and ready to work more. By implication, employees of KRPC will want to work more if the motivational tools are increased. This result agrees with Kallimullah et al., (2010), Rizwan et al., (2001) and Reena et al(2009).

**SUMMARY OF FINDINGS,
CONCLUSION AND
RECOMMENDATIONS**

SUMMARY OF FINDINGS

This research work was aimed at investigating the impact of motivation on workers performance in the Nigerian oil and gas industry: A case study of Kaduna Refining and Petrochemical Company Limited (K.R.P.C). Two hypotheses were tested. The first is to test if there sufficient incentives that can motivate one to work The Chi square coefficient was found to be 7.420 with the probability value (p-value) of 0.006. Since the P-value is less than the 5% (0.05) level of significance, the Null hypothesis of no significant difference is rejected and the alternative is upheld. By implication, motivation in KRPC has

statistically significant effect on the performance of their employees. The responses from the respondents are not due to chance. This result agrees with Bergum and Lehr’s (2004) and Wood (1974).

The second hypothesis was to test whether an increase in motivation has significant effect or not on employees’ performance. The results show that increase in motivational tools has significant effect on employees’ performance. From table 4.9.2a, the 44.8% who have other bonuses and who are not willing to work is statistically different from the 55.2% who have other bonuses and ready to work more. By implication, employees of KRPC will want to work more if the motivational tools are increased. This result agrees with



Kallimullah et al., (2010), Rizwan et al., (2001) and Reena et al (2009).

From the two hypotheses tested, it has been established that, motivation has statistically positive impact on the performance of the employees of KRPC and besides, increase the motivation tools also makes the employees show more commitment to their job.

CONCLUSION

The importance of reward in the day-to-day performance of workers duties cannot be overemphasize, especially when it comes to being rewarded for a job done. It is a well-known fact that human performance of any sort is improved by increase in motivation. Going by the findings of this study, it can be easily inferred that workers reward package matters a lot and should be a concern of both the employer and employee. The results obtained from the hypotheses showed that workers place great value on the different rewards given to them by their employer. Hence, when these rewards are not given, workers tend to express their displeasure through poor performance and non-commitment to their job. It is therefore imperative for the organization to consider the needs and feelings of its work force and not just overlook them in order to safeguard industrial harmony, because “a happy worker they say is a productive worker”. Having stressed the importance of a good remuneration policy on the performance of workers and the different kinds of rewards that can influence workers to perform better on a job, this study can therefore be seen a call for employers sense of commitment to put in place appropriate incentive plan that will encourage workers to be more purposeful and improve their performance

RECOMMENDATIONS

Employers are continually challenged to develop pay policies and procedures that will enable them to attract, motivate, retain and satisfy their employees. The findings of this study can be handy tool which could be used to provide solutions to individual conflict that has resulted from poor reward system. It is very pertinent at this juncture to suggest that more research should be conducted on the relationship and influence of rewards on workers performance using many private and public organizations. It is important for further studies to be carried out in order to do justice to all the factors that influence workers performance. With the limitations identified above, the ability to generalize the result of this study is restricted.

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