

Target-Setting, Employee Motivation and Organizational Performance in Selected Banks in Port Harcourt

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Abstract

The aim of this study is to investigate the nexus between target setting, employee motivation and organizational performance in selected banks in Port Harcourt, Rivers State, Nigeria. The study adopted descriptive survey design to achieve its aim. The sample size was determined using Taro-Yamane formula. Two hypotheses and three research questions guided the study. Structured and validated questionnaires were used to obtain information from a sample of 340 respondents. Data for the study was analyzed using descriptive statistics and Pearson Coefficient Correlation. Findings from the study indicate that the interaction between target-setting and reward administration significantly give rise to organizational performance. The study also reveals that the more targets are mutually set, the more effective and productive the employees and the organization becomes. Furthermore, the study shows that the less overbearing management or leaders are, the more industrious and proactive workers become. Besides illuminating on the underlying factors that engender employee performance, the study further reveal that reinforcing employee competencies is the key success factor that underpins organizational performance. The study recommends among others the development of employee competence and gap closure through a regime of relevant and contemporary learning and development (L & D) activities. Also, the study recommends that organizations should commit to change management and restructure divisive organizational policy that negates mutuality in setting targets for the organization.

Keywords: Target-Setting, Employee Motivation, Organization, Performance, Banks, Port Harcourt.

INTRODUCTION

The banking sector in Nigeria has in recent time experienced several challenges that has evoked the suspicion and the lack of trust within and amongst its customers. The Nigerian Apex bank (CBN) came up with certain reforms that reshaped the sector in order to foster financial stability and confidence in the system (Sanusi, 2012). In the midst of this, the goal of the banks in Nigeria has been to redeem their image and this has created competition among the banks in order to attract and woo customers. This growing competition in the sector has necessitated banks to design strategies to enhance organizational performance and keep shareholders intact. One of such strategy has been to design and set targets for long, medium and short-term aspirations.

The basis of this has been the workforce – employees of banks, who work assiduously to achieve desired outcomes.

In a harsh and competitive business climate where recession is evident, organizations particularly banks want to be significant and equally meet up with their stakeholders and shareholder's expectations. In this mix, banks understand that enhancing performance is as important as hiring skilled employees. This is why they have tended to deploy performance management systems in order to improve their performance outcomes. Mills (2002), Compton (2005) and Mooney (2009) have all shown that organizations that apply such models are strategically likely to do better than those who do not.

The problem confronting organizations especially banks is whether their employees are motivated enough to carry out set goals and if such targets have been properly communicated. As fuel is to a car or vehicle, that is staff are to the organization. They will forever remain the life-blood of the organization (Akuko, Odugbesan & Gbolahan, 2011). The argument being emphasized is that people remain a specific resource which managers must always require in any type of workplace (Asmus, Karlb, Mohnena, & Reinhart, 2015; Urošević, Milijic, Maljkovic & Karabasevic, 2016; Teo & Low, 2016). Any bank that will succeed with their anticipated performance outcome must surely depend on how the bank is able to make a connection with its employees and how accessible the managers are. Where targets are set in isolation of the employees, who are then forced to comply with such designed goals, the employees may resent their work and possibly exit the bank for another, given the competitive environment banks operates in. A scenario where banks experience frequent employee turnover is very likely to dampen the aspiration of target-setting and undermine performance of such a bank. Employee's impression about targets setting, the rewards they receive and the extent to which all these influences the overall performance of the organization is the gap the researcher intends to fill with this study.

Objectives of the Study

The aim of this study is to investigate the interface between target-setting and employee motivation as well as organizational performance using selected banks in Port Harcourt, Rivers state, Nigeria. The study specifically sought:

- To examine the impact of the synergy between target-setting and employee motivation on organizational performance.
- To examine the significance of mutually set targets on employees' effectiveness and organizational performance.

Hypotheses

The study is guided by the following hypotheses:

- Target-setting and reward administration are significantly related to organizational performance.
- The more targets are mutually set, the more effective employees and organizations' performance will be.

METHODS

Research Design

Survey research design was adopted for the study. The research design comprised of the quantitative technique in gaining insight of the essence under investigation. Data were generated through the administration of copies of a structured questionnaire.

Population of the Study

The target population for this study include all staff of First bank and Guaranty Trust bank in Port Harcourt as at 2018 which made up a total of one thousand and eighty-five (1085). The Population of the two selected banks are shown below.

Table 1: Population distribution of Banks, Number of branches and staff strength of First Bank Plc. and Guaranty Trust Bank

Name of Bank	Number of Branches	Staff strength
First Bank Plc.	35	682
Guaranty Trust Bank	15	403
Total	50	1085

Source: First bank, 2018, Guaranty Trust bank, 2018

Sample and Sampling Techniques

Two sampling techniques used were purposive and the simple random technique. The purposive sampling technique was used to select the two banks which include First bank and Guaranty Trust Bank and in order to achieve the accurate sample size for the study, the Taro-Yamane sample size formula was deployed. Based on the computation, a sample size of four hundred and fifty-two (452) was adopted.

RESULTS

The results obtained from the analysis of the data are shown below using frequency and percentage.

Table 2: Return Rate of Distributed Questionnaire

Respondents	No Distributed	No Returned	Percentage
FBN	252	215	85.4%
GTB	200	125	62.5%
Total	452	340	74%

Source: Author computation from field work, 2017.

Table 2 above indicates the return rate of the distributed questionnaire. As shown, in view of the 252 copies of the questionnaire that were distributed to FBN respondents, 215 of the distributed questionnaires, accounting for 85.4% were retrieved. In contrast, 125 (62.5%) copies of the of

the questionnaire were retrieved from the 200 distributed to respondents at GTB. Generally, of all the 452 copies of the distributed questionnaire, 340 were recovered, accounting for 74% return rate, which is however interpreted to mean reasonably high returned-rate (Seon, Rok, Schleck, Ziegenfuss, Timothy, Zinsmeister & Talley, 2013; Ramshaw, 2017) for the study's instrument. Therefore, analytical considerations for this work were on the basis of enumerated statistics of 340 copies of the retrieved questionnaire.

Table 3: Socio-Demographic Characteristics of Respondents by Banks

Banks	Respondents	AGE	Frequency	Percentage
FBN	215	20 – 30	35	16
		30 – 40	138	64
		40 - 50	30	14
		Above 50	12	6
GTB	125	20 – 30	42	33.6
		30 – 40	56	44.8
		40 - 50	20	16
		Above 50	7	5.6
Total	340	20 – 30	77	22.6
		30 – 40	194	57.1
		40 - 50	50	14.7
		Above 50	19	5.6
Bank	Respondents	SEX	Frequency	Percentage
FBN	215	Male	163	75.8
		Female	52	24.2
GTB	125	Male	57	45.6
		Female	68	54.4
Total	340	Male	220	64.7
		Female	120	35.3
Bank	Respondents	MARITAL STATUS	Frequency	Percentage
FBN	215	Married	162	75.3
		Single	50	23.3
		Divorced	0	0
		Widow	3	1.4
GTB	125	Married	58	46.4
		Single	67	53.6
		Divorced	0	0
		Widow	0	0
Total	340	Married	220	64.7
		Single	117	34.4
		Divorced	0	0
		Widow	3	0.9
Bank	Respondents	EDUCATIONAL STATUS	Frequency	Percentage
FBN	215	BSc/HND	180	84
		MSc	32	15
		PhD	3	1
GTB	125	BSc/HND	88	70.4
		MSc	37	29.6
		PhD.	0	0
Total	340	BSc/HND	268	78.8
		MSc	69	20.3
		PhD	3	0.9
Bank	Respondents	CATEGORY OF STAFF	Frequency	Percentage

FBN	215	Management	75	35
		Junior	140	65
GTB	125	Management	35	28
		Junior	90	72
Total	340	Management	110	32
		Junior	230	68

Source: Author's field work (2017)

Table 3 shows that majority of the respondents in both banks are within the age of 30-40, which accounts for 57.1% (194) of the sample while 5.6% (19) of the respondents are above the age of 50. FBN has the highest number of respondents within the 30-40 age brackets 64% (138). Information on the age distribution readily points to the fact that respondents in the sample banks are relatively young.

Hypotheses Testing

Two hypotheses were tested using PPMC. The test examined the relationship between target setting, reward administration and organizational performance. Presented in table 4 is the PPMC output for:

Hypothesis One: Target-setting and reward administration are significantly related to organizational performance.

Table 4: PPMC SPSS output for hypothesis one

Variables	N	Mean	S.D	Corr. Index r	Critical R	Df.	Sig(P)
Target-setting/Reward administration	340	68.8412	5.4361	.764**	.054	338	0.000
Customer satisfaction	340	12.2022	2.1048		338		

Note. ** $P < 0.05$.

Table 4 is a detail illustration of SPSS output for the Pearson correlation statistical method. It indicates that target-setting had a mean of 68.8412, standard deviation (SD) of 5.4361 whereas customer satisfaction as a measure of organizational performance has a mean of 12.2022 with a standard deviation of 2.1048. The calculated significance (p) value of 0.000 is lesser than the alpha level of significance (0.05) and the calculated (r) of 0.764 is greater than the critical (r) of 0.054. This then suggests accepting the alternate Hypothesis which stipulates that target-setting and reward administration are significantly related to organizational performance in the selected banks in Port Harcourt. This generally means that the null hypothesis is rejected.

Hypothesis Two: The more targets are mutually set, the more effective employees and organizations' Performance.

Table 5: PPMC SPSS output for hypothesis two

Variables	N	Mean	S. D	Corr. Index r	Critical R	Df.	Sig(P)
Mutually set targets/effective employees	340	65.4122	6.3125	.734**	.052	338	0.000
Organizations' financial performance	340	16.3712	2.1043				

Note. ** P < 0.05.

The above Table shows SPSS output for Pearson correlation statistical method. It shows that mutually set targets/effective employees had a mean of 65.4122 and a standard deviation of 6.3125. More so, as indicated in Table 5, Organizations' financial performance has a mean of 16.3712 with standard deviation of 2.1043. The Pearson correlation coefficient between mutually set targets/effective employees and organizations' performance is 0.734, this, therefore, establishes a strong positive relationship between the variables. Apparently, the calculated significance (p) value of 0.000 is less than the alpha (0.05) level of significance and the calculated (r) of 0.634 is greater than the critical (r) of 0.052. This suggests that the more targets are mutually set the more effective employees and the organizations' performance. The null hypothesis is thus rejected.

DISCUSSION

The aim of this study is to determine the level to which target-setting and motivation as independent variables influence organizational performance in selected banks in Port Harcourt. The study raised two objectives and two research hypotheses. Analysis of the hypotheses using Pearson correlation coefficient statistical method on SPSS version 17.0 indicates that the null (H₀) hypothesis for hypothesis one was rejected. Pearson statistics was calculated to grasp the relationship between target-setting, reward administration as well as organizational performance in selected banks. Result of the SPSS statistical output indicates a positive correlation between variables, (r = 0.764, n = 340, p = 0.000). The interpretation according to Evans (1996) is that the closer 'r' is to one (1), the more positive the relationship. To this extent, target-setting and reward administration significantly relates to organizational performance in the selected banks in Port Harcourt.

CONCLUSION

The investigation put forward by this study with regards the nexus between target setting, staff motivation and organizational performance are based on the empirical evidence provided by the quantitative results of the research. The conclusions are drawn from the research questions and tests of hypotheses.

Target setting and employee motivation has a significant relationship with organizational performance in the selected banks in Port Harcourt, Nigeria. Therefore, this study asserts that, the more targets are set and employees motivated the higher organizational efficiency. Furthermore, the more targets are mutually set, the more effective employees and organizations' performance will be.

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