PERFORMANCE MANAGEMENT AND MOTIVATION OF EMPLOYEES TOWARDS HIGH PERFORMANCE IN NIGERIAN OIL INDUSTRY

BY

MBOM, JOSEPH EFFIONG
THE DEPARTMENT OF MANAGEMENT
FACULTY OF BUSINESS ADMINISTRATION
UNIVERSITY OF NIGERIA
ENUGU CAMPUS

ABSTRACT

The study investigated the extent of *performance management and motivation of employees towards high performance in Nigerian oil industry. The population of this study consisted of 15,002 casual, contract and permanent employees. The study adopted a survey design. The data collected viaoral interview and structured questionnaire as well as textbooks, journals, magazines and unpublished articles, research and project reports in a related field, manuals containing policy statements of the selected companies was analysed using appropriate statistical technique such as descriptive statistics and Pearson product moment correlation analysis while all the hypotheses were tested at 0.025 alpha level. The questionnaire was designed by the researcher, vetted by the thesis Supervisor and validated by experts in Test, Measurement and Evaluation of the Department of Education, Faculty of Education, University of Uyo, Uyo before the reliability study was conducted with the use of forty (40) respondents who did not form part of the main study. The instrument was subjected to reliability test using Cronbach Alpha Technique. The test produced reliability co-efficient ranging from 0.73 to 0.96 and this proved that the research instrument is reliable for the study. From the results of the data analysis, it was observed that performance management remarkably motivate employees towards high performance in the Nigerian oil industry. It was concluded that performance management has remarkably motivated employees to achieve high performance in the Nigerian oil industry. The recommendation was that performance management practice by organizations should be such that can cause motivation of employees with the resultants effect as high productivity and organizational growth.*

KEYWORDS: **Motivation, Performance Management, Employees High Performance, Nigerian Oil Industry.**

Introduction

Performance Management is a shared process between managers and individuals based on the principles of an agreed contract rather than top down task directives. It involves agreement on objectives, knowledge, skills and competency requirements supported by development plans to close agreed gaps. It involves a joint and continuous dialogue that constantly reviews and improves the contract between the individual and the manager. It is an integrating process linking corporate, functional, team and individual objectives in a partnership approach. It is not handed down or done to people by superiors and neither is it an imposed human resource chore. While performance management incorporates elements of each of its predecessors, in its most developed form; performance management is distinguishable and unique.

The merit system or rating system originated in the IMVOS and IMXOS required managers to rate employees on both work and personality factors. A rating scale of I (poor) to x (Outstanding) was the normal range. Work factors were typically defined as knowledge of the job, output, and accuracy etcetera (etc.) while personality factors were typically defined as confidence, attitude and judgment etc. Invariably, the merit system was used to trigger pay reviews, as they were not tied to objectives they tended to generalize but were inherently subjective and attempted to quantify the patently unquantifiable judgments of personality. Although simple merit system has been discredited and no hard evidence exists to demonstrate they actually improve performance, they still, in practice, exist today – in some cases masquerading as performance management system.

Statement of the Problem

The orderly description of past events about the productivity of employees in selected oil companies operating in Nigeria is filled with a lot of checks to progress and development arising from management plights. Most government and privately owned institutions suffer from what is termed as inefficiency syndrome. While some institutions have actually achieved an appreciable level of efficiency relative to human and material resources at their disposal, others are yet to attain a greater level of efficiency. Hence, this study seeks to ascertain the extent to which performance management could motivate an employee towards high performance in the Nigerian oil industry.

Purpose of the Study

The purpose of this study is to determine the extent to which performance management could motivate an employee towards high performance in the Nigerian oil industry.

Research Question

An attempt shall be made to provide an answer to the following question:

I. To what extent does performance management motivate an employee towards high performance?

Research Hypothesis

I. Performance management very well motivates employees to achieve high performance in the Nigerian oil industry.

Literature Review

Concept of Performance Management

Armstrong (IIOOX) declares that performance management provides for improvement and personal development plans. It provides the setting for on-going dialogues about performance that involves the joint and continuing review of achievements against objectives, requirements and plans. Legged (IIOOD) adds that performance management is concerned with inputs and values. The inputs are the knowledge, skills and behavior required to produce the expected results. Development needs are identified by defining these requirements and assessing the extent to which the expected level of performance is being achieved through the effective use of knowledge, skills and also through appropriate behavior that upholds core values.

Armstrong (IIOOX) opines that performance management is a continuous and flexible process which involves managers and those whom they manage acting as partners within a framework that sets out how they can best work together to achieve the required results. Smith (IIOOD) bases performance management on the contract and agreement rather than management by command. It relies on consensus building and co-operation rather than control or correction. Dessler (IIOOV) insists that performance management refers to managing all elements of organizational process that affect how well employees perform. The performance management process may thus encompass goal setting, workers selection and placement, performance appraisal, compensation, training, development and carrier management. In other words, all those parts of the human resource process that affects an employee's performance.

Performance management thinking according to Neale (IMML) should produce an integrated performance management oriented system. With this system, management designs all the firm's human resources from job design to recruiting, selecting, training, compensating and then appraising with the specific aim of improving employee's performance relative to the company's overall goals. Performance management succinctly put is a term used to improve team performance based on the principles of measurement, appraisal, action and monitoring. It can manifest in different forms depending on whether the aim is to further improve good performers or deal with underperformers. Performance management can also apply to individuals, teams or organizations.

Aims of Performance Management

Bevan, Barber and Robinson (IIOOIII) opine that the overall aim of performance management is to establish a high performance culture in which individuals and team take responsibility for the continuous improvement of business processes. Specifically, performance management is about aligning individual objectives to organizational objectives and ensuring that individuals uphold corporate core values. It provides for expectations to be defined and agreed in terms of role responsibilities. The aim is to develop the capacity of people to meet and exceed expectations as well as to achieve their full potential for their own benefit and the organization. Importantly, performance management is concerned with ensuring that the support and guidance people need to develop and improve are readily available.

Differences between Performance Appraisal and Performance Management

It is sometimes taken that performance appraisal is the same thing as performance management. Interestingly though, there are significant differences. Performance appraisal can be defined as the formal assessment and rating of individual by their managers at usually, annual review meetings. In contrast, performance management in a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual expectations emphasizes the support role of managers who are expected to act as coaches rather than judges and focuses on the future as Townley (IIOOM) explains.

Mayo (IIOOI) further re-affirms that performance appraisal has been discredited because too often, it has been operated as a top-down and largely bureaucratic system owned by the human resource department rather than by line managers. Isiaku (IIOOM) claims that performance appraisal tended to be backward looking, concentrating on what had gone wrong rather than looking forward to further development needs. Performance appraisal schemes are said to be time-consuming and irrelevant. Employees have resented the superficial nature with which appraisals have been conducted by managers who lack the skills required, tend to be biased and are simply going through their emotions as Armstrong and Murlis (IMMD) assert that performance appraisals too often than not degenerates into a dishonest annual ritual.

Table 2.1
Differences between Performance Appraisal and Performance Management

	Performance Appraisal	Performance Management
I	Top-down assessment	Joint process dialogue
II	Annual appraisal meeting	Continuous review with one or more formal reviews
III	Use of rating	Rating less common
V	Monolithic system	Flexible process
X	Focus on qualified objectives	Focus on value and behaviors as well as objectives
L	Often linked to pay	Less likely to be direct link to pay
C	Bureaucratically complex	Documentation kept to a minimum
D	Owned by human resources department	Owned by line managers

Performance Management and Minimizing Underperformance in the Oil Company:

Zornitsky and Martin (IIOOL)observe that poor performance is a usually the result of either:

I. Capability; where an individual is incapable of doing his job for reasons outside of his control, for example, a lack of the necessary skills, experience, knowledge or qualifications to do his job.
II. Ill health and conduct; where an individual fails to apply sufficient effort to performing his job to a satisfactory standard, for example, negligence, attitude and disobedience.

Beryl (IIOOL) submits that it is very important to make sure that the causes of an individual's poor performance are identified in order to seek the most appropriate remedy through performance management strategies such as disciplinary action (in cases of misconduct), appraisal, training and reward (in cases of capability). Zornitsky and Martin (IIOOL) admit that performance management is a much over-used term these days but in this context, it refers to establishing a monitoring programme for the employee whose behaviour is causing concern. The first step is to meet with the employee and discuss the issue that concerns his area of underperformance. In this meeting the manager should also say exactly what he expects from them. The manager has to also agree on a series of review dates which could be daily, weekly or monthly. This is the important part, by agreeing on the review process the manager is effectively saying to the employee, this is a serious matter and the organization is keeping an eye on it. If during the review process, the employee makes a further error, the manager could proceed to issue a letter of concern. Should there be a further breach then it would lead to a disciplinary warning.

Smith (IIOOX) sees managing underperformance as a real frustration for managers and employers alike. When someone goes off the boil it can have an impact on his performance as well as affect those around him by setting a poor example. Handling it can be tricky as sometimes there is no one thing that would lead an employee to receiving a formal warning but often it's a series of small events such as an instance of lateness, poor quality of work or inappropriate behaviour that leads to the feeling that the employee is not on board or not performing. Using the disciplinary process in performance management is always appropriate as the matters may not be serious enough. It requires a formal process to be followed and can lead to making the situation worse as the employee feels demotivated as a consequence of being given a warning. Garba (IIOOC)warns that it is always better to avoid a disciplinary hearing wherever possible as this can lead to a serious breakdown in the relationship between the manager and the employee.

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Research Methodology

Research Design
Descriptive survey design will be used for the study. This approach was considered most appropriate because it helped the researcher to describe, examine, record, analyze and interpret the variables that were found in the study.

Population of the Study
The population of the study will consist of IX,OOII casual, contract and permanent employees.

Sampling and Sampling Technique
The respondent for the study will consist of IVVL employees in selected oil companies. These will be obtained through the stratified random sampling technique.

Validation of the Instrument
The instrument was face and content validated by the researcher's supervisor. One expert from test, measurement and evaluation also helped in validating the instrument.

Reliability of the Instrument
Test retest reliability test was conducted using twenty (VO) respondents. These respondents were not part of the sample used for the main study. The scores of the twenty respondents were subjected to Cronbach's Alpha technique to determine the reliability coefficient of the instrument.

Method of Data analysis
The researcher subjected the data generated for this study to appropriate statistical techniques such as descriptive statistics and Pearson product moment correlation analysis. Test of significance was at O.OIIX alpha level.

Data Analysis and Results

Research Question One
The research question sought to find out the extent to which performance management can very well motivate an employee towards high performance in the Nigerian oil industry. In order to answer the research question, descriptive analysis was performed on the data collected (see table I).

Table 1: Descriptive analysis of the relationship between performance management and employees' motivation towards high performance in the Nigerian oil industry.

Variable	N	Arithmetic mean	Expected mean	R	Remarks
Performance management	IVVL	IL.OV	III.XO	O.DII*	*Strong to Perfect Relationship
Motivation towards high performance		L.IIIO	X.OO		

Source: Field Survey

Table I presents the result of the descriptive analysis of the relationship between performance management and employees' motivation towards high performance in the Nigerian oil industry. The two variables were observed to have strong to perfect relationship at DII%. The arithmetic mean for performance management (IL.OV) was also observed to be higher than the expected mean score of III.XO. In addition to that, the arithmetic mean for motivation to high performance (L.IIIO) of the workers was observed to be higher than the expected mean score of X.OO. The result therefore means that performance management remarkably motivates employees towards high performance in the Nigerian oil industry.

Hypothesis Testing

Hypothesis One

The null hypothesis states that performance management does not very well motivate employees to achieve high performance in the Nigerian oil industry. In order to test the hypothesis, two variables were identified as follows:-

I. Performance management motivation as the independent variable
II. High performance as the dependent variable

Pearson Product Moment Correlation analysis was then used to analyze the data in order to determine the relationship between the two variables (see table II)

Table 2: Pearson Product Moment Correlation Analysis of the Relationship between performance management and motivation of employees towards high performance in the Nigerian oil industry.

Variable	$\sum x$ / $\sum y$	$\sum x^2$ / $\sum y^2$	$\sum xy$	r
Performance management (x)	IIIIIMI	IIICC0CI	IVDVDX	0.DII*
Employees high performance(y)	MIIIII	XDMDM		

***Significant at 0.025 level; df =1444; N = 1446; r-value =0.086**

Table II presents the obtained r-value as (0.DII). This value was tested for significance by comparing it with the critical r-value (0.0DL) at 0.0IIX levels with IVVV degree of freedom. The obtained r-value (0.DII) was greater than the critical r-value (0.0DL). Hence, the result was significant. The result therefore means that, there is a significant relationship between performance management and the motivation of employees to achieve high performance in the Nigerian oil industry.

Discussion of Findings

The result of the data analysis in table II is significant due to the fact that the obtained r-value (0.DII) is greater than the critical r-value (0.0DL) at 0.0IIX level with IVVV degree of freedom. This implies that, there is a significant relationship between performance management and employees' motivation towards high performance in the Nigerian oil industry. Also, George (IIOOV:DX) conducted a study on performance management as an influencing factor to the performance of the employees in Malaysia using a survey method and the sample size of eight hundred (DOO) respondents with a questionnaire for data collection and made a finding that, performance management has a significant influence on the performance of the employees which signified that the higher the rate of use of performance management, the higher the level of performance of the employees and vice versa confirming the findings of this study. Consequently, the significance of the result caused the null hypothesis to be rejected while the alternative one is accepted.

Conclusions

Based on the findings of the research work, it was concluded that there is significant relationship between performance management and employees' motivation towards high performance in the Nigerian oil industry. Performance management has remarkably motivated employees to achieve high performance in the Nigerian oil industry.

Recommendation

Based on the findings of the research, it was recommended that:

I. Performance management should be seen by all as a panacea for high productivity in not only the oil companies but also in any other sector of the economy.
II. Performance management should be practiced by all levels of management Mboho, Joseph Effiong in order to quickly fast track and meet up with the objectives of the organization.

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