

**Employee Morale and Productivity in selected Small and Medium Enterprise Lagos South
West Nigeria**

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Certification

This is to certify that Funmilola Denton ADESIYAN with the Matriculation number LCU/PG/1674 carried out this research work titled “**Employee Morale and Productivity In Selected and Medium Enterprise in Lagos state, Nigeria**” in the department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo State, for the Award of Master Degree (M.Sc.) in Entrepreneurship and that this has not been previously submitted.

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Dedication

This dissertation is dedicated to God Almighty, my husband, my parents and my siblings for their moral support as well as my children for their understanding and love.

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I am greatly indebted to the first Private University in Ibadan; Lead City University which I adjudged one of the best Universities in Nigeria for the platform offered to me for the sake of pursuing my degree. A sincere appreciation also goes to a living legend in the field of academia; in person of Prof. Babajide Owoeye, a philanthropist who provided the academic scholarship to achieve this feat.

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Abstract

This study investigated investigates the effect of employee morale on productivity in selected SMEs, in Lagos, Nigeria. This was for the purpose of ascertaining the influence of team spirit, compensation, motivational factor, employees` morale on productivity in selected SMEs, in Lagos, Nigeria.

The descriptive survey method was adopted for the study. A total of 400 small medium enterprises (SMEs) business organizations were selected for the study using purposive sampling technique. For data collection, the researcher utilizes sets of questionnaire titled, Employee Morale and Productivity in selected SMEs in Lagos state, Nigeria. The Simple frequency count, Pearson Product Moment Correlation was used for data analysis.

The finding of the study revealed that level of perception on employee morale in the SMEs is of moderate type with the weighted average mean of (2.88). Also, motivation, team spirit have negative effect on productivity in the selected SME. Besides, compensation has positive effect on product quality enhancement in the selected SMEs and employee morale constituted impendent to a high extent to productivity in the selected SMEs.

Based on the findings of the study; it is recommended that the employees working environment which embraces organizational support programmes, training and development, substantive welfare package and conducive socio-political environment should be provided for employees. This will definitely facilitate improved employees` morale and increased productivity at workplace.

Keywords: *Employee morale, motivation, teamspirit, productivity SMEs, Lagos state*

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Chapter One

Introduction

1.1 Background of the study

In the competitive global economy, organizations whether large or small scale grow decline or even become extinct, depending on the workforce behaviours and achievement of corporate goals. These critical factors amongst others place greater priority on management as to how to maximize the productive capacity of employees by ensuring their continuous commitment and consistent high quality performance in organizations. As such, management needs to pay sufficient attention to the tangible quality of work-life that causes overall employee's happiness and satisfaction in order to enhance productivity in the workplace. This is imperative for equipping employees to have the right disposition to work and to facilitate the attainment of corporate goals and objectives. Besides, the degree to which employees feel good, happy and enjoy their work environment implicate productivity in their employing organizations. Thus, nothing assures productivity in any organization more than collective team spirit and job satisfaction of employees which serve as the plank through which organizations are rated.

All over the world, people understand that small and medium enterprises (SMEs) are organizations, which contributes to the development of any nation's economy. They are tools of wealth creation and represent major factor in the commercialization of positive change in both developed and developing economies. As such, part of the bottom line objectives of any SMEs is to improve productivity and this feat, to a great extent is determined by the commitment, dedication and competence of the workforce. This is because, productivity requires the right

employees' attitudes to work, value and behaviours. In this regard, productivity is the driving force behind SMEs success and profitability¹. It is also one feature that determines how effective the growth and development of SMEs can be stimulated. This in fact suggests that productivity is a generative ability of an SME which can be said to be the source of power behind its viability and survival. Furthermore, productivity leads to favourable economic growth and profitability. Indeed, it is an assessment of performance of group of employees and organizations. Thus, productivity is at the highest level of performance with the least expenditures or resources².

Within this context, productivity is a major requirement of small and medium enterprises (SMEs) because it is the commonest way of describing their performance. Productivity is about how well people combine resources such as raw materials, labour, skills, capital, equipment law, intellectual property, or managerial capability and financial capability to produce goods and services³. Indeed, it is simply the measure of how well an operation system functions. It is also considered as a vital factor of shaping the performance of an organization. As such, it is a measure of how well resources are brought together in the organization and utilized for achieving the set goals and objectives. In this manner, productivity provides a linkage between output of goods and services of SMEs and input of resources, human and non-human, used in the production or service process. Hence, it is the source of power behind their growth and development including that of the employed workforce.

Consequently, the domain of productivity encompasses the ability of SMEs to survive and thrive in any market economy. For this reason, it is one of the most important and influential basic variable that regulates economic activities in the workplace⁵. When productivity is affected in any organization, the achievement of corporate goals and objectives suffers which will

eventually make profit maximization unattainable with negative ripple effect on the morale of employees working in such establishments. This makes productivity as one of the important barometers that regulate performance in SMEs as the critical determinant of cost efficiency. It is getting to the highest level of performance with the least expenditure of resources⁴. In other words, productivity is thus the fertility essence and generative ability of SMEs which can be translated to mean, profitability, quality output enhancement, innovation, work effort and amongst others. Therefore, it is the comparative measure of efficacy of a person, machinery factor system and so forth in transforming inputs into sustainable output⁶.

However, without good work relationship, satisfaction and loyalty of employees towards their workplace, productivity may be starved. Nowadays, morale of employees is crucial to developing and capturing workforce potentials and channeling their energy towards productivity in small and medium enterprises. The disposition of the work force towards the attainment of organizational goals and objectives are formed based on employee morale. As such, it is also considered as the readiness to cooperate warmly in the task or purpose of a given group and an intangible quality that causes happiness and persona; contentment throughout the organization⁸. It is also an attitude of an employee towards his/her job, superior and organization. Indeed, it is a concept that describes the level of favourable or unfavourable attitudes of employees collectively to all aspects of their works, the job, the company, their basic working conditions, fellow workers and superiors⁹. No doubt, employee morale is an integral aspect of a good business practice and plays a vital role in enterprise success. It is a desirable organization attribute but a double-edged sword in any business enterprise. This is because, on one hand, high morale keeps the employee loyal to the job and organization. This leads to employee's commitment and

sincerity and serves as a critical antidote to high productivity. On the other hand, low employee morale offers dissatisfaction that negatively affect performance and productivity in the work place. In this respect, employee morale is largely affected by the reward system, team spirit, prestige, privilege and mode of supervision in an establishment. Thus, it can become a distraction to an employee service level of motivation and inhibition to the achievements of set goals and objectives.

In this regard, the morale of employee is very crucial to productivity and a decisive factor for enhancing performance in any organization. This makes it to be perceived as a combination of commonality of workforce belongingness, loyalty, integrity and cooperative efforts within the workplace setting. Morale may range from very high to very low. High morale has better focus and may bring success, while poor morale may bring defeat in an organization. This becomes visible from the negative employee dissatisfaction. Amongst the several indicators of employee morale that have been identified are employee respect, appreciation, acknowledgement, motivation, employee commitment, team spirit, happiness and job satisfaction⁹. Morale is also evident from the positive feelings of employees such as enthusiasm, desire to obey work orders, whether to cooperate with other workers¹⁰. The implications of these factors on organizations are that they help in determining how satisfied employees exert more work-effort, and also show how the employee morale impacts on organizational output and productivity.

Consequently, in order for Small Medium Scale Enterprises to achieve their set goals, employee morale is very germane since it is a crucial factor for output enhancement and cornerstone of business transformation. Indeed, it has been affirmed that the workplace plays a crucial role in the lives of employees¹¹. The way and manner in which these employees are managed, as if not

the major impact on productivity. Happy and skillful workforce is an evidence of a vibrant organization. It has been reiterated that the rising problem of productivity in SMEs warrant immediate attention because, when issue of productivity comes up, attention must be focused on employees in terms of their work attitudes, behaviors and morale. Issues of productivity starvation in SMEs require employees extra work effort, esprit de corps and with more personal involvement. Thus, the question as to the current issue of productivity problems in SMEs cannot be overemphasized. Though, there are studies that have explored the interplay between employee morale and productivity in large scale organizations, but not much has been done in SMEs in Nigeria. Given this position, it becomes relevant to engage in a study of this nature to investigate the effect of employee morale on productivity in selected SMEs, in Lagos, Nigeria.

1.2 Statement of the Problem

In a fast changing economic environment, the challenges facing Small and Medium Enterprises (SMEs) are enormous. They are facing every growing challenges of productivity. Apart from high rate of mortality and poor management, there are also issues of workforce behavioral problems. As such, the world of SMEs is shrinking in Nigeria. This is because an organization is only as strong as its workforce and employees need to be made happy. The persistent low productivity in SMEs is now a serious matter of concern, Nowadays, morale is reducing and finding competent employee is negligible¹². Most SMEs employees continue to operate with some aura of skeptic loyalty. As such, SMEs face the consequences of poor management of employee work behavior in terms of making them happy and satisfied on the job. They in fact face more severe challenges because some of them lack the motivational capability of getting best optimum performance from employees. The way in which the human resources are managed

to be happy, have job satisfaction and possess the real delight to work diligently and consequently achieve the set-goals impact on the performance of SMEs. Employee morale is a function of organizational opportunities, obligations and values. However, employee morale sometimes alter the expected work efforts and implicate productivity on the job. Without high productivity, SMEs cannot achieve their predetermined goals, remain harbinger of change and also contribute positively to the national economy.

Thus, based upon the dependence of various nations on the productive actions and performance of SMEs in recent years, a lot of research interest has been generated on the issue of their productivity as organizations have started to realize that their basic goals may not be achieved unless employees are made happy and enthusiastic on the job in terms of morale. Scholar has affirmed that morale will pull together employees to achieve good goals¹³. Morale will also motivate employees for better performance and job satisfaction. In essence, productivity can be enhanced by high morale whose features include: employment security, team work, and employee participation. Within this context, productivity remains the assessment of efficiency of workers or group of workers and responsible SMEs owners must recognize that human resources are their main resource in achieving the desired objectives. This is because the manpower in organizations is the premise of all other resources utilized in production and therefore an indispensable factor in converting other resources to the benefit of mankind⁴. In essence, any rising problem of productivity created by employees warrants immediate attention because morale can affect the entire SMEs organization negatively by poisoning workers' affective or emotive positive response; motivation, and good disposition to work thereby implicating productivity.

Presently in Nigeria, the prevalence of low productivity is progressively high, and even, the SMEs business organizations are mostly unable to resolve this problem which is traceable to employee morale and which threatens the very essence of their growth and survival. Measures adopted by researchers and scholars have not succeeded in wiping out this counter performance syndrome which is gathering momentum and permeating all levels of SMEs sectors. Researches have indicated that the degree to which employee morale influences productivity will differ in organizations^{14,15,16&17}. Employees are diverse and have different needs, values and expectations but they create the objectives, the innovation and the accomplishment through which organizations are rated¹⁸. The benefit of employee morale is the readiness of the workforce to put in their very best by engaging in work promptly and working with enthusiasm and commitment.

. Again, there is no doubt that the problem of employee morale is the major cause of job dissatisfaction and discontentment which implicates productivity in the workplace. Small and Medium Scale Enterprise (SMEs) are indispensable part of the Nigerian economy. They serve as the seed bed for innovation and technological entrepreneurship in the country. SMEs account for the majority of businesses in emerging economies and they are responsible for the majority of employment generations¹⁹. In this regard, productivity has become so important in their lives that it has formally been intensified as a corporate priority. Despite these potential contributions and benefits of SMEs, they have been referred to as marginal organizations in Nigeria. This intensive scrutiny has occurred in the context of the low performance and inefficiency that have characterized small and medium-sized firms particularly in appraising their role in economic growth and development¹. To this end, the diminishing ability of the SMEs to meet their set goals and objectives and disappointment of meeting the expectations of their workforce have

become growing challenge. No doubt, unhappy employees starve their organizations of productivity. Conversely, happy employees lend themselves to more effort on the job, work diligently and consequently help in the attainment of the set goals and objectives of their establishments. Thus, the ways employees discharge their assigned schedules and tasks directly determine the productivity of their employing organizations.

Holding the foreign constant, employee morale and productivity have dialectic relationship in the workplace. This relationship however cannot be predicted and take different forms in different organizations. Also, previous studies have suggested that employee morale and productivity are not perfectly related^{6,16&20}. Even the empirical validations of these findings are still very limited at best. The available few studies within Nigeria have concentrated on large scale establishments. Therefore, the present study is an attempt to redress the situation by investigating the effect of employee morale on productivity in order to gain an improved understanding of their relationship in SMEs in Lagos, Nigeria.

1.3 Research Questions

In order to unravel the effect of employee morale on productivity in selected Small and Medium Enterprises in Lagos, Nigeria, this study seeks to properly address the following questions;

1. What is the current perception of employee morale in the selected SMEs in Lagos State?
2. In what way does employee motivation affect productivity in the selected SMEs?
3. What is the effect of team-spirit on work-effort in the selected SMEs?
4. How does employee compensation affect product quality output enhancement in the selected SMEs?

5. To what extent does employee morale constitute an impediment to productivity in the selected SMEs?

1.4 Aim and objectives of the study.

The aim of the study is to investigate the effect of employee morale on productivity in selected SMEs in Lagos State, while the specific objectives are to:

1. Explore the current level of perception of employee morale in the selected SMEs.
2. Determine the effect of motivation on productivity in the selected small and medium Enterprise in Lagos State.
3. Examine the effect of team-spirit on work-effort in the selected SMEs.
4. Investigate the effect of compensation on product quality output enhancement in selected Small and Medium Enterprise in Lagos State.
5. Determine the extent to which employee morale constitutes an impediment to productivity in the selected Small and Medium Enterprises.

1.5 Hypotheses

The following hypotheses stated in null form will be tested in the study

1. H_{01} There will be no significant relationship between motivation and productivity in the selected SMEs
2. H_{02} There will be no significant relationship between compensation and product quality output enhancement in the selected SMEs.

3. H₀₃ Employee team spirit has no significant effect on work-effort in the selected SMEs.
4. H₀₃ Employee morale does not have any significant effect on productivity in selected SMEs.

1.6 Scope of the Study

The scope of this study is to specifically investigate the effect of Employee Morale on Productivity in selected Small and Medium Enterprises in Lagos, Nigeria. The study was carried out from June, 2021 to March, 2022. The choice of Lagos State was informed by the fact that it is the largest hub of operations of SMEs in Nigeria. The study only covered four clusters of SMEs operation in four purposively selected Local Governments out of the twenty Local Government Areas in the state. Though government, private and non-governmental organizations are still in place to promote SMEs business in the State, most SMEs are still encountering challenges that limit and stagnate their productivity.

1.7 Significance of the Study

This study is of critical importance to small and medium scale business enterprises to increase their productivity and performance in terms of profitability, market share, and revenue (sales) in the developing economy such as in Nigeria. The study will also help in supporting and developing the SMEs sector to achieve sustainable and long-term contributions to the national gross domestic product (GDP). This will subsequently guarantee its contribution to food security as well as creation of employment, poverty alleviation and improvements of living standard.

Furthermore, this research shall be of immense use to different stakeholders in the SMEs business organization and its value chain, academia and research institutions among others. The owners or managers of SMEs business organizations shall find this research very relevant in formulating and developing strategies to enhance SMEs productivity and performance. The study will also contribute to the body of knowledge available to academic scholars and provide valuable understanding of the employee morale and the indices for improving the productivity of SMEs business organizations.

Government and its agencies, particularly the Ministry of Industry, Trade and Investment and policy makers will also be sensitized on the needs of SMEs and to subsequently work out modalities towards using the result of this study to their advantage. The outcome of this study will add to knowledge in the study area of SMEs in Nigeria and globally. It will also add to the existing but few research and literature in the area of productivity among SMEs in Nigeria. It is important to note that findings in this study will also serve as a source of reference for other researchers who may want to conduct the same or similar study in other areas in Nigeria.

1.8 Limitation to the Study

The research encountered some problems. Getting the respondents to agree to fill the questionnaire was difficult. In fact, their claim was that of releasing certain facts and figure which to them could mean organizational sell out. In other words; their releasing some information could be against the ethics and norms of their organizations. Similarly, inadequate financial provisions for the study also hindered the rate of progress of the research work. Yet another constraint was the short period of time within which to complete this study. These

shortcomings notwithstanding, were teething problems which did not create much problem on getting sufficient data collected and used for generalization of findings in the study

1.9 Operational Definitions of Terms

The following terms are defined as used in the study:

Productivity: A measure of the efficiency of SMEs in converting input into useful outputs.

Employee Morale: Employee morale is conceived as a factor of performance which influences the workforce willingness to cooperate with others in the achievement of the corporate goals.

Leadership style: Leadership style is the typical pattern of behaviour that a leader uses to influence his or her followers to achieve organizational goals.

Motivation: Motivation is the activation or energization of goal-oriented behavior and as the set of internal and external forces that initiate work-related behavior.

Small and Medium Enterprises (SME): These are enterprises with small capital outlay and limited number of employees in its operations. They are private initiatives aimed at developing resources in small scale within an economy and in the process earned some profits.

Job satisfaction: The amount of overall positive feelings that employees have towards their job.

Employee's commitment: The overall attachment of an employee to his/her work organization, in terms of loyalty, willingness to exert effort and give energy on behalf of the organization.

Product quality: Reliability of the product within a specific time frame.

Profitability: The degree to which SMEs yield profit or financial gain.

Team Spirit: The feelings of pride and loyalty among team members in goal achievement and support for each other and attitudes that make collectivity of employees better than the individuals in goal attainment.

Work-effort: Energies exerted by employees towards the achievement of organizational goals and objectives

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Chapter Two

Literature Review

This chapter reviews the available and relevant literature pertinent to this study. It will draw relationship between the study and the previous work carried out, which will provide necessary guidelines for a systematic investigation. The review is presented under the following sub-headings:

2.1 Conceptual Review

2.1.1 Productivity

Productivity is both an economic and business concept. It has been defined in various ways by different scholars who have shown interest in it. Simply put, it is defined as getting to the highest level of performance with the least expenditure of resources¹. As such, it is a measure of how well resources are brought together in the organization and utilized for achieving the set goals and objectives. Productivity also means the efficiency or effectiveness of individuals, groups, organizational unit, entire organization or even industry². Within this context, productivity has always been tied to the relationship that exists between the process of production and the effective utilization of those resources at human disposal. It includes the volume of output of goods and services produced in relation to the factors of production used and time expended³. In essence, productivity is a function of employee's level of competence in business organizations. Many of the definitions of productivity are often associated with words such as "value" and "time", because productivity is basically about creating value through the efficient utilization of inputs for greater output within a given time period. There are other elements influencing

productivity and efficiency of an organization. Such factors include volume of capital, workload, availability of technology, number of employees and their training, staff motivation, etc.; All these play important roles when considering productivity⁵.

Thus, productivity refers to the quality, state, or fact of being able to generate, create, enhance, or bring forth goods and services for human usage and consumption. A classic and yet simple definition of productivity is “a way to measure efficiency”. Productivity is how to measure the output that comes from units of inputs⁴. It is therefore a result of output that exceeds or surpasses a given resource/s input at a point in time. Productivity is a measure of the efficiency of a person, machine, factory, system, etc., in converting inputs into useful outputs. Productivity is computed by dividing average output per period by the total costs incurred or resources (capital, energy, material, personnel) consumed in that period. Productivity is the assessment of efficiency of a worker or group of workers⁵. It is considered a key source of economic growth and competitiveness and, as such, is the basic statistical information for many international comparisons and country performance assessments.

Productivity is about how well people combine resources such as raw materials, labour, skills, capital, equipment, land, intellectual property, managerial capability and financial capital to produce goods and services.⁶ It also means the efficiency or effectiveness of individuals, groups, organizational units, entire organization or even industry. Productivity is often used interchangeably with such concept as output, individual performance, profitability, work quality and organizational effectiveness and the likes.

It is a key factor and plays a critical role in organizational goal achievement. As such, it is a measure of the performance of employee in an operation system relative to resource utilization divided by input. In addition, it is also described as the rate of which goods and services are produced. Hence, if productivity is low, the reward accruing to employees will be low, the prices of goods and services will be high and the real purchasing power of the consumer will be low. This makes productivity to be a ratio of how well an organization converts input resources (labor, materials, machines, money) into goods and services. Therefore, productivity can be stated as “the increased functional of organizational performance, which includes quality, output delivery, enhanced work effort and better profitability”.

Measurement of Productivity

Productivity is always measured against such factors as Job knowledge, quality, quantity or output leadership abilities supervisor’s dependability, versatility and the like⁵. A measurement of productivity is generally defined as a ration relating output (goods and services) to one or more of the inputs (labour, capital and materials) which were associated with that output. More specifically, it is an expression of the physical or real volume of goods and services related to the physical or real quantities of inputs⁷. A variety of plausible productivity measures can be developed, depending on the purpose to be served. For example, output per labour input, which is commonly useful in understanding changes in employment or labour costs. This measure might be based on man-hours paid or man-hours worked, with different results. A more comprehensive measure of input might be useful in studying how the economy is using labour and capital combined.

In the assessment of productivity, all the production inputs have to be considered, namely: labour, capital and materials. Ideally therefore, a composite measure of productivity will be obtained by dividing output by the sum of all inputs. However, there are many problems involved, the main one being aggregation. To be able to divide outputs by the inputs, the latter have all to be reduced to a standard unit, generally monetary, and the result, therefore has to be expressed in money units. To avoid this problem, another approach is to measure each factor independently. The most useful productivity measure, whether in an enterprise or the entire economy, is perhaps an output per unit of labour input measure of what is generally termed as a labour productivity measure⁸. There are good reasons for this. First and most important is that labour is almost universally required for carrying through all types of all endeavours, albeit in varying degrees. Thirdly as a practical matter, it is perhaps the one most measurable input. Other factors such as capital or power are much more difficult to quantify in productivity measurement. However, it can be operationalized on the whole by measuring the output of effectiveness over input of efficiency in an organization. In this regard, enhanced productivity thus means more from less inputs, more from same inputs and same from less inputs.

In actual terms, productivity is a component which directly affects the organizational profits and may be evaluated in terms of the output of an employee in a specific period of time. Typically, the productivity of a given employee will be assessed relative to an average output for employees doing similar job. It can also be assessed according to the amount of units of a product or service that an employee handles in a defined time frame. As the success of a company depends chiefly on the productivity of its staff, therefore, employee productivity has become a vital objective for businesses. The focus of the study is labour productivity, not only because labour is regarded as

the most important factor of production, but because of a rise in the productive capacities of the employee is some reflection of their commitment to the achievement of organizational goals and objectives particularly in the SMEs sector.

Overall, there is a lack of an effective and standardized way to assess productivity. More often than not, productivity is based on the amount of time that an employee is physically present at his/ her job, besides the extent to which he/ she is “mentally present” or efficiently working during the presence at the job.

Factors Affecting Productivity

Productivity focuses attention on the performance of the individual employees who make up the organization. This makes it solely a function of the performance of individuals. However, there are other factors at work which operate on the individual and affect his performance. These factors include the environment in which the individual works, the leadership demonstrated and supervision given; the skills and knowledge of the individual and even his personal attributes. All these factors bear on productivity. Moreover, there are other factors which affect productivity in respect of which the individual employee or management may have no direct control. These factors are many and varied and can be grouped into five, namely; infrastructural, economic, human, sociological, technological and managerial.

Infrastructural factors

Great harm has been done and continues to be done to the productive capacities of employees by poor infrastructural facilities. Electrical power supplies, on which the economic activities of any nation depend, are inadequate and uncertain. Constant power-Cuts demoralize workers and lead

to idleness, indiscipline and lay-off of labour. Those SMEs that can afford them buy diesel generators with the concomitant rise in production costs, which must inevitably be passed on to the consumer. There are industries which are run exclusively on generators, and even with these, there is no assurance or a constant supply of diesel fuel.

Water, like power, is a valuable commodity for industries. Consequently most of these companies rely on their own boreholes. Once again there are problems with such alternatives because of the failure of pumps and the costs involved, especially with regard to the SMEs.

The traffic jams in the big cities, especially in Lagos and Ibadan, are so frustrating that the working man, on reaching his destination, is really not in a good frame of mind to do a good day's work. Public transport has always been and continues to be inadequate. Good living accommodation is scarce and very costly. All these frustrations take their toll employees and thereby affecting their capacity

Economic factors

Productivity can be enhanced where hard work and commitment are singled out and remunerated according here is no doubt that the immediate problem facing the employee particularly in Nigeria is how to make ends meet. Unless these basic needs are satisfied, and unless effort is recognized and adequately rewarded, employees will not be inclined to increase productivity.

How motivated then are those who choose to remain to do the work? Therefore, the role of good wages and salaries cannot be over-emphasised.

Human factors

Human beings come to the workplace with their individual needs. A need is accompanied by a state of drive or tension that results in behaviour being directed toward a goal, that will satisfy the need and thus reduce the drive or tension. It is the satisfaction of these needs that will determine how much energy an employee will be prepared to expend on the jobs. The nature and conduct of a person is an important factor that affects productivity. These include ability to work because productivity rests on the potential or calibre of an individual to work, be it labour or a manager. It is often regulated by the education, training, experience, attitude, aptitude, and health of a person. Also, the willingness to work in terms of motivation and morale play an important role in deciding a person's will to work. Therefore, factors that affect the will of employees are: wage incentive schemes, worker's participation and involvement in management, promotion rules and the hygienic and non-hygienic factors of work.

There are a number of determinants that influence productivity. So, we are going to talk about these factors here under:

Managerial Factors

Poor management is a major contributing factor to low productivity. The success of any enterprise depends on the ability of those who manage the establishment. That ability of management will stem from the knowledge, training and competence possessed by them. If management exercises the appropriate leadership style and disposition to work, they will create a conducive environment which will enhance productivity. Relatedly. The way an organization is set up has critical effect on employees work attitudes and behavior which often implicate productivity in organizations. Managers are the main lead of an organization. No matter how

skilled and efficient workers are, the company has hired employees to be led by the managers. If the attitude and competence of managers are not up to the mark, productivity will remain low. Inefficient and indifferent management does more harm to the organization than good. But, if the managers are competent and dedicated to their work, the company would be able to reap extraordinary results. This is because only managers can make effective use of organization's resources.

Natural Factors

It is quite obvious that there are some factors that are not under the control of anyone. These are natural factors. The physical, geographical, geological, and climatic conditions fall in this category. These factors highly influence industries that carry out extraction activity and implicate their productivity. The social factors in the society we live and which we have to follow its culture, traditions, customs, rules, and norms also pose a significant influence on productivity. However, the social factors differ from place to place. This means what is considered wrong in India, might not be considered wrong in other countries like Japan or USA and vice versa.

Factors Affecting SMEs Productivity in Nigeria

The SMEs sector is generally regarded as a critical force driving the economic growth and employment creation in both developed and developing Nations. This is because the SMEs firms with 200 or less employees make up the largest business sector in the global economy. In Nigeria, SMEs play a key role in the informal sector. No doubt the performance of the SMEs in the country has been very clear since the sector accounted for over 90% of the Nigerian business, 95% of formal manufacturing activity and 70% of the Industrial business. Inspire if this

dominance of the Nigerian economy by the SMEs, their contribution to the GDP is below 5%. It is noted that generally, SMEs tend to have low productivity and as a result are weak in terms of competition consequently; factors affecting SMEs productivity in Nigeria are multifarious.

Financial Factor

Insufficient access to financial resources is a significant barrier to the productivity performance and growth of SMEs. It is a major challenge that has accounted for the non-performance and high rates of failure among SMEs in the country. The government has made concerted efforts to increase accessibility to finances, but the targeted programs recorded limited success because of low awareness of the programs. Furthermore, high interest rates also pose a constraint to SME performance and development. The interest rate which is between 20 and 25 percent need to be redressed. This is because the spreading between lending and borrowing rates is high in Nigeria, with banks, preferring to give lower rates to big establishment. SME owners lack business plan preparation, mentoring and management training in accessing external finance for transformation stages of micro-enterprises with growth potential for expanding. Thus the criteria and credit rating used by banks diminish the procedure and performance of SMEs.

Human Resource Factor

The productivity and performance of SMEs is not only related to only financial aspect, but also depends on the characteristics of the entrepreneur in terms of character and many more key strategic factors. It is one of the key factors for fully developing new firm is the full time commitment of the owner manager and employees. The human force factor forms one of the most significant areas for successful performance of an organization. As such, the biggest

problems for small firms is recruiting, motivating, and retaining employees. When the morale of and employee are low, turnover is likely to be high. Author concluded in a study of small companies that there are positive effects of HR practices, which increased employee skills and motivation, and ultimately resulted in improving productivity. Also in one research study conducted it shows that one of the most significant reasons for the non-performance of SMEs in the country is their inadequate application of essential business management practices. It was found that there is a positive impact of professional HR practice on long term performance and sustainability of small firms. SMEDAN and other institutions are trying to play a role to try and reduce unskilled SMEs but the numbers are still at alarming rates.

Marketing Factor

There is also, ample research evidence to demonstrate that marketing takes on a substantial part in the performance of SMEs. Marketing determines in the long term, whether the business will succeed or not. In fact, it has been recognized as one of the most important business activities and essential element to the survival and growth of the Enterprise. Inadequate marketing skills of owners create marketing problems in the small business sector. Author reviewed that marketing limitations of SMEs as limited resources (such as financial, time and marketing knowledge), shortage of exclusive marketing techniques, and limitation on market influence. Thus, productivity and sustainability of SMEs in Nigeria have been hampered due to lack of marketing skills.

Technological Factor

Nigerian SMEs rely on more traditional labor rather than the use of modern technology due to lack of enough capital or sheer ignorance of technological advances, Entrepreneurs tend to

purchase obsolete and inefficient equipment, thereby setting the stage *ab initio*, which brings about lower levels of productivity and poor product quality. Most SMEs manage their business with traditional approach. This effect on low functioning in terms of productivity, low quality products and exploring to small and local market. This as a result of using conventional technology and not having maximum utility of machinery. Due to limitation of funding it will not be possible for them to improve in technology. Developed countries are upgrading their machinery time to time, but it becomes difficult for SMEs of developing countries due to financing limitation mainly. Upgrading technology time to time and coping up with market demand will generate highly positive results for SMEs. There has to be efforts and incentives from policy makers to help SMEs to embrace new technology.

Indicators of Productivity

Work effort

Work effort is a key indicator of productivity, because of its link to job performance; it is an elusive and ill-defined construct in the literature but can simply be defined as how hard one works. This suggests the amount of physical and mental energy devoted to work. Work effort is also used as proxy for work intensification, that is, the energy exerted by employees on activities being carried out in the organization to boost productivity. As such, work effort is the amount of energy spent on the act per unit of time, or the amount of energy an individual expends in a given situation. It is also the doing of improving quality with great efficiency and what is needed in order to make a success of the activities at hand in the work place. In this manner, work effort is the resource employees allocate to different job tasks. Work effort is also defined as the amount of effort exerted in relation to the amount the worker could reasonably exert.

Thus, it is the direct outcome of motivation and often reflects the relationship between actual rate of performance and capacity of an individual at a given time. Work effort is an internal attribute that can be measured and also defined in terms of direction, intensity and persistence, it can be described as the persistency, consecutiveness of activities and endurance against obstacles and through hindrances. It can also suggest the overall amount of effort people devote to their work. As such, work effort denotes high level of hard work, dependability and quality on the job. This implies that employees who exert more effort at work can exhibit better performance and enhance productivity in the workplace. In essence, organizations are increasingly struggle to ensure that work effort provided by employees have unique output and is tangible as a function. Therefore, work effort is an extra role performance and antecedent of productivity since it is a behaviour that results from motivation. With work effort, employees can ensure timely completion of tasks produced high quality product and actualize goal attainment.

Profitability

Profitability is critical to a company's survival in the long-term and it measures a firm's past ability to generate returns¹. It is a concept that a lot of managers in organizations lay emphasis on in terms of bottom line. Profitability is therefore the capacity to make a profit while profit is defined as the financial benefits realized when revenue generated from a business activity exceeds the expenses, costs, and taxes involved in sustaining the activity in question¹. It is an index of efficiency and is regarded as a measure of efficiency and management guide to greater efficiency. Profitability is measured through profitability ratios. The ultimate long-term goal for a business should be growth in bottom line¹⁴⁸. As such, profitability is a key growth in the bottom line of an SMEs organization. Profitability is a key issue for every profit-oriented firm

and maximizing it is the goal of the firm. So to achieve higher profitability, it is imperative for every firm to have its own strategy that will fit into the current rapidly changing business environment. For an SMEs, profit is the primary goal, and with a company that does not initially have investors or financing, profit may be the corporation's only capital and the absence of sufficient capital or the financial resources necessary to sustain and run a company, will lead to an imminent business failure¹⁹.

Organizations also have operating profit which is the profit that is earned from a firm's normal core business operations^{14 7}. This figure excludes any profit earned from the firm's investments like from minority interests in other firms, non-recurring items like accounting adjustments, one-time transactions like legal judgments, disposal of non-core assets like real estate and production equipment, interest earned on treasury operations, and gains on currency transactions; and it is arrived at before the deductions of taxes and interests on debt obligations that must be met even if the debts are directly tied to the firm's normal business operations⁵⁰. Operating profit represents the earning power of the firm as regards revenues generated from ongoing normal operations. It means that the net profit arising from the normal operations and activities of the firm without taking into account all extraneous transactions and expenses of a purely financial nature^{51 52}.

Profitability is the business's ability to generate earnings as compared to its expenses and other relevant costs incurred during a special period of time⁵³. The ability of a firm to continue to exist as a going concern depends on its ability to generate profit or attract equity capital and additional investors. Profitability is the ability of a given investment to earn a return from its use⁵⁴. Profitability means ability to make profit from all the business activities of an organisation,

company, firm, or an enterprise. It shows how efficiently the banks management can make a profit by using all the resources available in the market⁵⁵, However, the term Profitability' is not substitutable for the term Efficiency. Though profitability is an important yardstick for measuring efficiency, the extent of profitability cannot be taken as final proof of efficiency⁵⁶. Sometimes satisfactory profits can mark inefficiency and conversely, a proper degree of efficiency can be accompanied by an absence of profit.

Like all businesses, business profits by earning more money throw what they pay in expenses, the major position of a firm profit comes from fees that it charges for its services and the interest that it earns on its asset, More so, Profit refers to the total income earned by the enterprise during the specified period of time while profitability refers to the operating efficiency of the enterprise. As⁵⁸ rightly note, to the financial management, profit is the test of efficiency and a measure of control, to the owners, a measure of the worth of their investment; to the creditors a margin of safety, to the government a measure of taxable capacity and a basis of legislative action; and to the country, profit is an index of economic progress, national income generated and the rise in the standard of living. While profitability is an outcome of profit, profitability may be analysed using ratios such as Gross profit ratio, Net operating profit ratio, Return on net capital Employed ratio and Return on owners' equity ratio⁵⁹.

Profitability means ability to make return from all the business activities of an organisation, company, firm, or an enterprise. It shows how efficiently the management can make a profit by using all the resources available in the market¹²⁵, Profitability analysis, however, is only a quantitative analysis. It discards the importance of managerial skills that accurately predicts and plans for profitability, manual efficiency, and efforts that contributes a lot in achievement of

projected level of profits, external factors like market conditions, demand of products, business cycle, and the like. It does not depict those terms, which cannot be expressed in monetary terms. Profitability is a measure of value to show if the company is doing well or not¹⁶⁰.

Work Performance

Work performance is described as the extent of the accomplishment of job tasks by employee in the work organization*. It is the proficiency with which employees perform their scheduled duties that are formally recognized as part of the key result areas of the work and which contributes to the total goal accomplishment. It is also perceived as activities which workers are able to accomplish successfully subject to the normal constraints of reasonable utilization of the available resources.

This entails the cumulative efficiency, effectiveness and relevance of employees as a resourceful asset in the achievement of organizational goals and objectives. It is also seen as the extent of the ability of the work force to achieve the organizational goals in terms of quality and quantity in the workplace. As such, work performance is the contribution of employees on the job as an important factor for the development of an organization. In essence, work performance is how well an employee is effectively fulfilling his or her job requirement or discharge his or her job responsibilities so as to achieve good result.* It can also be stated as an act of executing a task or an accomplishment or achievement. In this manner, work performance can be described as the way employee reacts or behaves and fulfils or achieve the intended purposes or obligations of their organizations.

Thus, work performance can be measured using three criteria's:

The first criteria are that: employee's output meets the standard of performance set by organizations external customers. Second criteria is that, employee performance can be defined in terms of how the social processes utilized in the performance of their jobs enhances or maintain the capability of the employees to work together on subsequent group tasks. Finally, those employees personal needs are satisfied instead of them being frustrated by the group performance. In this regard, work performance is an individual's behavior at work and the result. This suggests that it is seen as the way in which employees get their work done in organizations. Work performance can also be considered in terms of employee's effectiveness and efficiency. Effectiveness is a function of performance and seen as the capacity of the work force to generate right results. It has to do with employees working on those things that creates or adds value and their ability to produce high quality products⁴⁹. Employee efficiency refers to cost of achieving a task or the speed at which a task is accomplished. Efficiency is making better use of time or materials to achieve better results. Therefore, employee efficiency look at the degree to which an employee is able to accomplish his or her work with minimum resources available. On the other hand, effectiveness is the ability to accomplish a work purpose or produce an intended or expected result. Work performance in terms of effectiveness or efficiency is thus a function of ability and motivation⁵¹. This implies, that if employee motivation or ability is low, the resulting effect is that work performance will also be low. Work performance can thus be determined based on three factors: Work environment, Ability and Motivation⁵³.

Quality Product Delivery

Quality product delivery entails a attitude relating to a particular service, the customer's overall impression of the relative inferiority or superiority of the organization and its service⁶⁴.

It is a cognitive judgment consisting of more or less intangible activities which are provided as solutions to customer's problem. Good product quality delivery is a vital element of an organizational system and delivering good product quality is now the philosophy of several organizations. High quality product delivery would result in high customer satisfaction and increase customer's loyalty. This stimulates profit growth and ensures customer's satisfaction. In this way, an enhanced quality product delivery is an ultimate goal of achieving increased productivity and financial performance in most organizations. Therefore, the idea of high quality product delivery, customer's satisfaction and customer's loyalty are undoubtedly linked to productivity in organizations⁶⁷.

2.1.2 Perception of Employee Morale

The word morale is originated from the Latin word 'mores' which means the ethics, attitude or behavior. Every organization is set up with certain goals. In order to achieve these goals, different people and activities are grouped together. Mere grouping of people and activities and assigning the duties and functions does not lead to attainment of goals set for them, except their morale is positive. As such, employee morale is a cognitive, emotional and motivational stance towards the goal of a group¹⁴. It is an attitude of an employee towards his job, his superior and his organization. Employee morale is a degree of enthusiasm and willingness with which the members of a group pool together to achieve group goals. This may range from very high to low as it is not often static but keeps changing, depending on working condition, motivation, leadership style of superiors, relationship with fellow workers in the workplace.

Employee morale has in-fact been linked to outcomes using "willingness to combat" surfacing crises in organizations. Employee morale is a cognitive, emotional, and motivational stance

toward the goals and tasks of a group.¹⁴ It subsumes confidence, optimism, enthusiasm, and loyalty as well as a sense of common purpose'. Also, employee morale is the degree to which an employee exhibits a positive or motivated psychological state.¹⁵ It can manifest itself as pride in the organization and its goals, faith in its leadership, and a sense of shared purpose with, and loyalty to, others in the SME organization'. Employee morale is a mental disposition which can be attributed to one's internal health and wellbeing.¹⁶ It is described that as the feelings and attitudes that employees have towards their job, work environment, team members, superiors and the organization as a whole. When a particular employee has a favorable, attitude towards his work, he is said to have a high morale. In organization context, we usually talk of group morale as each person has an influence over the other's morale¹⁷.

Employee Morale plays vital role in the origination success. High Morale leads to success and low Morale brings to defeat in its wake. The success of failure of the industry much depends up on the Morale of its employees. A satisfied, happy, efficient, dedicated and hardworking employee is the biggest asset of any organization. Employees 'morale is mainly dependent on the healthy work place and management care and concern about employees. Employees' with high morale is linked with their performance, satisfaction, innovation etc. This makes and employee to honour his work, group work and integrate with organisational mission with their involvement towards their work and commitment behaviour towards their organization. This enables them to attain group objectives along with their individual objectives. The outcome of high morale in organization is: better productivity, high performance, high quality output delivery, enhanced creativity, and better quality work.

Employees' morale is seen as an outcome of job satisfaction, and well-beingness of employees¹⁷. High morale ends up in higher level of productivity, and that is the strong fundamental of any organisation. Employee morale proves to be detrimental to the business in these respects. Morale alone can drive an organization forward if not; it will result in employees' discontent resulting in poor productivity, and more of absenteeism. Employee Morale, in simple terms, is a mix of numerous elements that inspire an employee to do well in his or her profession. If a company wants its employees to be as productive as possible, employee morale is critical. Monotonous working patterns might cause the human factor's performance to decline over time. Rewards and a creative work environment, on the other hand, might encourage employees to compete with one another and so flourish in their fields. As a result, it is critical that employees in any organization be sufficiently motivated in order to assure optimum contribution from them, which is necessary for the organization's profitable operation¹⁷.

Employee morale can be defined by a person's job satisfaction and the degree to which the individual receives satisfaction from the job situation¹⁸, motivated job-engagement¹⁹, feelings of well-being toward the company²⁰, and the emotional connection employees have during their time within a workplace environment based on the risk, policies, and management¹⁹. —Morale is generally referred to as high morale or low morale. Employees who are satisfied with their job and have a positive attitude at work are said to have positive or high employee morale¹⁸. Byproducts of high employee morale generally include: willing cooperation, organizational and leadership loyalty, disciplinary compliance, reasonable to high degrees of initiative and job interest respectively, and organizational pride¹⁸. On the other hand, employees who are dissatisfied and show negative attitudes at work are said to have negative or low employee

morale. Byproducts of low morale include: apathy towards the company and customers, infighting, distrust, jealousy amongst employees, disloyalty, and noncompliant actions toward the company and management¹⁸. The negative repercussions stemming from low morale impact productivity and outcome quality²⁰.

Employee morale is the overall attitude of employees to the work environment. The work moral in this case is in the context of the workplace, namely the degree to which employees feel good about work and work environment. Work morale reflects the degree to which individuals voluntarily work and contribute to organizational goals. Work morale refers to employee attitudes both to the organizations that employ them, as well as to typical work factors, such as supervision, fellow employees, and financial stimuli. Employee morale could be understood as the way an individual think, acts and feels. Employees in an organization tend to cope with anxiety, uncertainty and finding new employment opportunities when surrounded by a merger or acquisition²¹. An employee's morale is a necessary factor in achieving the goals of the organization as it reflects their attitudes and sentiments towards the organization.

Employees are the most valuable asset in an organization²⁰. Employee morale is a major factor for the organization and a contributing factor to consumers' satisfaction. In the United States, employees' low morale is costing the economy \$350 billion in lost productivity each year²². Employees' low morale decreases productivity, increases absenteeism and costs, and changes employees' attitudes toward the workplace²³. Low morale costs the billion each year²². The general business problem is that employees' low morale affects the productivity, sustainability, and profitability of their organizations. The specific business problem is that some organizational

leaders lack strategies to increase employee morale to improve productivity and profitability in their organizations.

The implications of morale cannot be overemphasized because it can have unlimited influence on employee relationships, employee productivity, organizational growth and development. It can have far-reaching effects on outcomes and overall output of individuals and groups that can reflect the status and rating of an organization. Employee morale can affect many facets of a company's business outlook, including productivity, employee commitment and retention and customer service. If employees are not motivated and have low- morale, chances are the company and customers will suffer. Good morale in the workplace can be promoted in several ways to reap the benefits that high morale can offer²⁴. From the meanings and implications of morale, it is inferred that it is a critical and crucial element in human activities, more especially, in the context of human productivity. Morale is the mental and emotional condition of human beings in terms of enthusiasm, spirit and loyalty of an individual or a group with regard to the function(s) or tasks at hand. It cannot be detached from the activities of employees (workers), particularly in relation to work attitude, employee commitment, efficiency and productivity of organizations²⁴.

The realization of the importance and relevance of the human factor in not only the production processes but also in the sustenance of productivity growth has been evident right from the early 20th Century, particularly from the point of view of author Individuals constitute the employees in industries and every industry strives to survive, grow and develop because failure to do that ensures their collapse and extinction. Right from the early 20th century to the present 21st century, human beings (workers) remain the most potent factor of production; being the major

drivers of the process of production. They make effective and efficient use and management of both fellow human beings (co-workers) and other factors of production such as capital, machine, land, etc., to ensure that production take place. They also pursue and sustain productivity growth in industries, organizations and nations²⁴.

The conditions of these workers, that is, employees in terms of their state of mind vis-à-vis confidence, loyalty, commitment, self-esteem, spirit, esprit de corps and determination towards work (put simply, morale) affects what they do and how they do things in the workplace. The role employee morale plays in the pursuit of growth in productivity cannot ever be diminished nor misplaced, particularly, in this 21st century economic context, in which the commitment and hard work of every employee remains significant. If morale is the amount of confidence felt by a person or group of people, especially when in a dangerous or difficult situation, it therefore, expresses the level of satisfaction felt by employees when working together. High morale helps teamwork and information-sharing²⁵.

Like every other dynamic concept, the concept of morale is yet to have a generally acceptable definition, reason being that morale appears to be more of a feeling, rather than an action or outcome; it's difficult to measure directly and a consensus is yet to be reached on whether morale is a group phenomenon, an individual experience, what antecedents of morale exists and the manifestation level of morale²¹. However, despite the hitches with the literature on the right definition of employee morale, a pool of descriptions of what morale is has been made by diverse scholars who spelt out their various views on how best morale could be defined. The body of research examining morale spills over to the field of retails sales; light industry; trade unions and utilities. Each of these research works applied variety of definitions of morale and

several different dimensions, making the consensus on one generalized meaning for morale incoherent almost impracticable literature wise. Within the management literature, the term morale is usually subsumed or seen as synonymous with job satisfaction, job involvement, organizational commitment and group cohesion or perceptual terms like organizational climate. Morale also been linked to outcomes using = ‘willingness to combat as a rough substitution for morale²¹.

Employee morale is a cognitive, emotional, and motivational stance toward the goals and tasks of a group. It subsumes confidence, optimism, enthusiasm, and loyalty as well as a sense of common purpose’. Employee morale is the degree to which an employee exhibits a positive or motivated psychological state. It can manifest itself as pride in the organization and its goals, faith in its leadership, and a sense of shared purpose with, and loyalty to, others in the organization’. Employee morale is a mental disposition which can be attributed to one’s internal health and wellbeing¹⁸. Employee morale as the feelings and attitudes towards one’s job, work environment, team members, managers and the organization as a whole as well as an entire thought process which goes beyond people being happy to go to work each day. This implies that employee’ morale stems up in an employee’s attitude towards: the organization, the work he or she is doing, their co-workers and the employers as well²⁰.

Employee morale refers to how employees positively and supportively feel about and for their organization¹⁷. Authors aptly stated that employees’ morale plays the key role in setting a healthy work place and that high level of employee morale is linked with the employee work satisfaction, creativity and innovation, honourable mind with the work, employee commitment towards the organization, and anxiousness to achieve group objectives beyond individual objectives, thus

leading to enhance the organizational productivity¹⁷. Workers' morale is very influential in creating a unified and functional work environment and organizations recently focus on the performance and efficiency of the workers which indeed, depends partly on the employee's morale. Employees' morale has various indicators which encompassed variables that point out that a worker's morale is at play and evident in the outcome of the worker's work either negatively or positively¹⁷.

2.1.2.1 Importance of Employees' morale

Good employee morale generally means that workers are happy to come to work each day comfortable in the nature of their work and with their co-workers and optimistic about their production. Reduced absenteeism: Absent employees cost organization thousands of dollars in missed production or lower revenue employee who miss less work are less likely to fall behind and easily get over whelmed in carrying out their roles. They also experiences more positive relationship with colleagues which can help in minimize stress.

Collaboration: In one on one interaction and in work term, positive morale is likely to increase the level of collaboration among workers, if you have a high morale environment, worker likely greater comfort with other and a willingness to work together towards goals.

Esteem and satisfaction: With high morale and greater levels of production, manager and employees tend to have high self-esteem. When you produce good results and have them recognized you tend to want to repeat the experiences. Employees generally prefer an organization that enhance feeling of esteem and provide a meaningful, satisfactory work experiences.

Better Production: When employees feel positive and enjoy the work environment, their production is normally higher. For managers, this helps in achieving departmental and organizational objectives. As an employee, higher levels of production can often lead to increased compensation and promotion opportunities.

Employee morale is a mental disposition which can be attributed to one's internal health and wellbeing. It was described that employees' morale as the feelings and attitudes towards one's job, work environment, team members, managers and the organization as a whole as well as an entire thought process which goes beyond people being happy to go to work each day.

Employees' morale is of great importance. Author's states six reasons why the employee morale is important in an organization: (a) improving productivity, (b) improving performance and creativity, (c) reducing number of leave days, (d) paying higher attention, (e) providing safe workplace and (f) improving quality of work¹³. The high worker morale leads to on-time reporting of workers for work, and improving communication, recruitment and creativity of workers. He further added that high workers' morale aids retention of workers in the organization. Workers' morale is also important because it leads to more efficient production from each employee in the sense that when employees enjoy their work environment and have a positive attitude towards their work, their production is usually higher. For the employee, higher levels of production often lead to increased compensation and promotion opportunities while for managers, this is desirable as it assists in achieving departmental and organizational objectives/goals²⁶.

2.1.2.2 Levels of Employee Morale

Morale could be high or low in level. High worker morale arises when workers are pleased and happy with their job, the organization they work for as well as their co-workers. High worker morale can result to increased customer satisfaction and as well result to profit maximization for the organization²⁶. The employees who work for an organization with high morale develop higher rates of job satisfaction, creativeness and innovation, job honorability (i.e., respect for their own job), commitment to the organization, eagerness to satisfy group objectives instead of individual objectives, and they desire to improve the organization's performance²⁶. High employee morale is essential to success in the workplace and that morale is primarily influenced from top-down as opposed to bottom up. Low staff morale on the other hand is an opposite of high morale. It arises when workers are not pleased or not happy with their job, the organization as well as their co-workers and even the customers¹⁶. Organizational layoffs, employee conflict/disputes over contract, high level of employee turnover, unfavourable changes of leadership, and indistinct expectation and corporate direction also lead to create the low employee morale in an organization. Workers with low morale naturally appear less productive and exhibit undesirable attitude which can result to poor customer service, or a negative performance and behavior towards the organization¹⁸.

Workers' morale is a very essential factor in the survival, success and attainment of organizational goals. When the Morale of the workers are positively high, they prioritize their tasks efficiently so that much focus is placed on the most important and time-pressed tasks first. Productivity is a function of the time workers spend in actively carrying out the assigned task for which he was employed so as to meet up the target of the employer. By so doing, deadlines will

be met, service delivered promptly, efficiency in productivity will be enhanced and good customer relationship maintained. Customers become endeared to any organization for diverse reasons comprising the timeliness with which workers accept and attend to clients bearing in mind that their clients bring about the profits and financial growth of the company¹⁹.

2.1.2.3 Dimensions of workers' morale

Employee Well-being

The concept of employee's well-being in most organizations has become a thing of great interest in recent years. In today's world, the increasing reliance on overall market forces places a considerable load on salary earners and those of working age as regards delivery of goods and services. Consequently this has adversely affected the health, safety and general wellbeing of the workforce. Therefore the well-being of a workforce cannot be underestimated as workers also have similar needs be it physical or emotional. These needs may vary ranging from welfare, security, health and a sense that they are capable of coping with life. Employees now look to their organizations for assistance in achieving this because a significant amount of their time and lives are expended at work. Most business establishments around the globe understand the necessity for a healthy workforce as they are crucial in enhancing an organization's productivity levels and fiscal performance. As such, most organizations take giant strides in a bid to improve the welfare of their workforces by implementing several health and productivity programs that is aimed at promoting the well-being of their workforce. Well-being is defined as a concept that encompasses physical, financial and psychological health, as well as a personal connection and a sense of belonging and not just the absence of an ailment or injury. It is an extensive ideology

that takes cognizance of the individual as a whole as regards the physical and mental states of a person⁴³.

Finally, for health and well-being programs to be successful an organization must be able to relate effectively with their workforce and ensure that matters of great concern that may be termed personal to staff and their relations are catered for. Some of these matters may include their welfare packages, health-related behaviours, present and eventual monetary state of affairs as well as their experiences in the place of works. It is imperative to note that the attitude of a workforce provides several clues on how to obtain the best returns on health and productivity investments. There are proofs showing that the health and wellbeing of an organization's labor force is inseparably associated with their levels of productivity as well as the health of the nation's economy. As such employers of labour are also very much aware of the importance of wellbeing programs and are concerned with seeking out better ways to improve employee wellbeing through various health protection and promotion benefit programs⁴².

Most organizations even allow staff to take several days off due to illness without being deprived of their pay. Some even compensate members of their work force for not taking sick leave by giving them additional pay. The managers give their workers paid time off, free lunch and relaxation times, vacations, leave etc. This is done with a view to ensure that workers stay healthy and motivated thereby increasing their levels of effectiveness and efficiency in the workplace resulting in high productivity⁴⁴.

Enthusiasm: The Business English Dictionary, describes enthusiasm as intense and willing enjoyment, interest, or endorsement while describes enthusiasm as —trait like, habitual,

recurring emotion. Enthusiasm is a demonstration of a positive attitude and eagerness to tackle the job timely, interestingly and ever willing to learn and adapt to changes²⁷. Enthusiastic workers consistently produce meaningfully more than the job requires, repeatedly working all kinds of hours to get things done right; quests for ways to advance things rather than just reacting to management's requests; inspires co-workers to high levels of performance instead of involving in destructive arguments; and welcomes rather than resist changes. Enthusiasm for goal attainment impel workers to action, does not call for conflict, makes workers return to work even after securing injury, makes the workers to be consistent on the job which yields trust between subordinates and managers, amongst team members, leads to increased productivity and when such trust is built, the workers/subordinates feel secure about their duties and put in his best on the job.

The policies and practices that expedite workers' enthusiasm commences with the theory of equity — the degree to which people are certain that their employer treats them with ultimate fairness, comparative to fundamental and generally accepted societal standards. Policies encroaching the privacy of the organization, group or individuals could lead to conflict and a direct attack on workers' moral. Thus, if any manufacturing company in Rivers State seeks to have enthusiastic workers, it must understand that the workers are not mere objects. A critical condition for workers' enthusiasm is a flawless, dependable and inspiring organizational purpose, innovativeness and policies that transforms workers into having the feeling to remain in the organization.

2.1.5.4 Relationship with Co-workers

An employee's relationship with co-workers describes the associations that exist between workers of equal levels on the hierarchy in an organization without any form of authority over one another. Workers who enjoy great support from their co-workers are highly industrious and find their workplace friendly. Employees who have a decent affiliation with their fellow workers are usually prosperous and very productive in the workplace even when their jobs are very stressful⁵³. This means that a co-worker's support is very essential in minimizing stress. Scholars as well agreed that co-worker support is vital in aiding productivity in the workplace. Although, the relationship that exists among co-workers as well as managers in relation to support has seldom been considered, the kind of relationships a worker has in terms of support from his coworkers has a very strong influence on his performance and productivity levels⁵⁴.

A rational explanation of relations that exist amongst workers be it friendly or strictly professional has an impression on the level of effectiveness and efficiency of a worker which are elements of productivity. For instance workers who enjoy support from fellow workers also have personal relationships outside of work and bond more with their co-workers tend to appreciate the workplace and hence perform exceedingly well and are highly productive in their work as opposed to those with lesser support. Employees have a sense of belonging when they can comfortably request assistance from colleagues in the completion of certain jobs, which promotes unity⁵⁴.

Good relationships with co-workers are very effective in minimizing job stress and promoting harmony amongst the staff of an organization. This can be achieved through organized social

functions aimed at promoting the bond between members of the workforce. Existence of effective relationships between employees and colleagues also ensures job satisfaction⁵⁴. Such relationships with co-workers create room for flexibility in work scheduling, division of workload among others. Co-worker interactions play a huge part in determining the conduct of workers as regards productivity levels on the job. When workers are pleased, it is generally due to the fact that they are contented with their jobs. This is also reflected in the quality of their work. Workers who derive pleasure in working with fellow workers are motivated beyond personal factors and are often engaged with their jobs⁵⁵.

Consequently workers who relate well and enjoy working with their colleagues particularly when engaged in team work are highly productive. Such workers tend to be more devoted and motivated as opposed to their equals who lack such relationships with their coworkers. That is to say they operate more effectively and efficiently with the success of the organization in mind⁵.

2.1.5 Employee Motivation

Motivation is a critical ingredient in employee and productivity. Even when employees have the right skills, clear work objectives, and a supportive work environment, they would not perform their job effectively without motivation. This is because motivated employees are enthusiastic to exert a certain level of efforts towards the achievements of organizational goals. With the prevailing uncertainty in the economy, coupled with an emphasis on customer satisfaction and long-term business relations, there is revived interest in the motivation of sales representatives. Social science literature, especially in organizational behavior and sales management, has long recognized the crucial importance of rewards and incentives as means of motivating employees.

Employee motivation affects productivity, and part of a sales manager's job is to channel subordinates' motivation towards the accomplishment of the organization's vision or goals. A poorly motivated sales force will be expensive to the organization in terms of decreased productivity and performance, excessive staff turnover, increased expenses, higher use of the sales manager's time and a negative effect on the morale of colleagues. Companies need to ensure that their sales forces are highly productive and motivated. As a result, they try to improve the productivity of their sales force through better selection, training, motivation and compensation. Of these, compensation and incentive or reward schemes play an important role in motivating sales people to perform better.

Motivation is central to any discussion of work behavior because it is believed that it has a direct link to good work performance; it is assumed that the motivated worker is the productive worker. Not everyone is motivated by the same rewards, and sales managers must work towards tailoring the motivational environment to the individual, within the boundaries and policies of the company. Motivation and learning theories suggest that pay should be based on performance. However, having highly motivated workers does not automatically lead to high levels of productivity- the work dynamic is more complex than that. Therefore, a manager must approach a productivity problem very carefully- a detailed assessment of all other variables that can affect productivity must first be undertaken. The adoption of a performance management system can be seen as an attempt to integrate HRM processes with strategy. Appraisals are used to ensure an individual's performance is contributing to business goals and managers are encouraged to combine the perspectives of several models to create a complete motivational environment for their employees.

Fredrick Herzberg developed a theory of motivation that highlighted the role of job satisfaction in determining worker motivation. He proposed that the determinants of job satisfaction were different from those of job dissatisfaction. The factors giving rise to satisfaction were called motivators (e.g. recognition, responsibility and achievement), while those giving rise to dissatisfaction were called hygiene factors (e.g. salary, company policy and working conditions). Motivators are things that lead employees to be satisfied and motivated by their jobs and have to do with job content, they are inherent in the work itself: Their presence results in job satisfaction and motivation, but their absence results only in neutrality.

Motivators include intrinsic factors such as possibility for promotion, demanding work, recognition, achievement and responsibility. Motivator factors operate only to increase job satisfaction. Hygiene factors are related to the context in which people perform their jobs e.g. supervisory problems, interpersonal relations, low salary, administrative practices, poor working conditions and unfavourable company policies. The presence of hygiene results in job dissatisfaction, but their absence leads not to job satisfaction or motivation- only to neutrality. Hygiene factors, also called dissatisfies, operate only to decrease job satisfaction or create job dissatisfaction. The reverse of job satisfaction is not job dissatisfaction but instead, lack of job satisfaction; and similarly, the reverse of dissatisfaction is not job satisfaction, but lack of job dissatisfaction.

Staff motivation is the activation or energization of goal-oriented behavior and as the set of internal and external forces that initiate work-related behaviour, and determine its form, direction, intensity and duration. Staff motivation as the set of internal and external forces that initiate work-related behaviour, and determine its form, direction, intensity and duration. The cited

definitions shared some implicative commonalities. First, motivation is in-built in every human being and only needed to be activated or aroused. Second, motivation is temporal as a motivated person at one time can become de-motivated another time. Hence, staff motivation must be sustained and nourished after it has been effectively activated. Third, the essence of staff motivation in management or an institutional setting is to align employee's behaviour with that of the organizations. That is, to direct the employees thinking and doing (performance) towards effective and efficient achievement of the organizational goals⁴⁷.

Staff motivation can be seen as those psychological characteristics of humans that contribute to an individual's level of commitment towards a goal. It comprises several elements that causes, directs, and sustains an individual's behavior in a specific way. He went further to say that motivation is one of a number of elements that affect an organization's productivity and performance levels respectively⁴⁸. Staff motivation as a mental force that governs the direction of an individual's behavior in an organization, an individual's level of effort, and an individual's level of determination when faced with obstacles. In addition she stated that even with appropriate strategies and administrative structures in place, an organization can only be productive if its employees are sufficiently motivated to perform at higher levels⁴⁸.

Staff motivation as any impact that brings out, guides, or sustains a person's goal directed behaviours. Staff motivation refers to those set of forces that triggers certain behaviors and regulates its form, course, intensity and duration⁴⁹. Motivation as the process of guiding an employee's actions towards a particular end via the manipulation of rewards. Motivation as the mental process giving behaviours the will-power, drive and tendency to act in a certain way in order to attain certain unsatisfied needs⁵⁰. Motivation could be defined in relation to forces

within employees that justify the levels, directions, and resolution as regards efforts they expend in the workplace. Work motivation as self-induced forces that control the directions and behavioral patterns of the workforce in an organization taking into account their levels of commitment and enthusiasm towards the successful accomplishment of set goals⁵¹.

Staff motivation is an inner state that inspires actions as well as direct and channel behavior towards a goal. Authors argued that motivation deals with —the motives underlying behaviours⁵². In addition, motivation simply as —those elements that pushes an individual to act or not to act. Staff motivation as the individual's readiness to expend energy so as to accomplish set goals. He is of the opinion that motivation relates to a person's enthusiasm for specific patterns or behaviours. Also he further stated that the ambitions, needs and wants of a person may influence, direct and control their attitude⁵⁰. Staff motivation entails what goes on inside a person that results certain behaviors. As regards organizations, he stresses that an absence of motivation is reason enough for a worker not to attain gratification from the work. Furthermore, it was argued that staff motivation as a term is applicable to the drive, yearnings, needs and wishes of a person. From the above definitions it can be said that staff motivation as a whole, is more or less fundamentally concerned with those forces or elements that trigger certain human actions or behaviours. It can also be deduced that creating a work place environment in which adequate motivation is sustained has a positive impact on employee performance. This is because employee motivation is the core of the field of an organization's behavior and a high level of motivation encourages employees to be highly productive and perform better at their jobs. However creating such an environment still poses a challenge to managers and organizations as a

whole. This problem may be based on the fact that an organization's productivity levels increase as the level of employee motivation rises⁵¹.

Motivation is the process of arousing and sustaining goal-directed behaviour. While other sees it as the process that arouses, energizes, directs, and sustains behavior and performance, while another scholar defines staff motivation as the set of internal and external forces that initiate work-related behaviour, and determine its form, direction, intensity and duration. The cited definitions shared some implicative commonalities. First, motivation is in-built in every human being and only needed to be activated or aroused. Second, motivation is temporal as a motivated person at one time can become de-motivated another time⁴⁹. Hence, staff motivation must be sustained and nourished after it has been effectively activated. Third, the essence of staff motivation in management or an institutional setting is to align employee's behaviour with that of the organizations. That is, to direct the employees thinking and doing (performance) towards effective and efficient productivity of the organizational goals. This is because a lack of staff motivation leads to reduced productivity which is harmful to institutional performance and continuous success. Extrinsic motivation also helps boost an employee's effectiveness and efficiency levels. This is because certain external factors such as adequate compensation, work environment as well as training and career development appeal to employees as such are essential in inspiring them to resourcefully and successfully discharge their duties. An institution that fails to provide a conducive work environment, compensate its workforce adequately, create room for proper training and career advancement is at risk of having a demotivated workforce. This means that such a workforce being demoralized would fail to effectively and efficiently discharge their duties leading to low performance and productivity levels. Another scholar cited

three warning signs of a demotivated workforce these include poor workplace atmosphere, slipping job standards and decreased productivity. He further stated that if any of these factors is observed to be trending downwards then there is a great chance that the organization is dealing with a demotivated workforce⁵¹.

2.1.5.1 Types of Motivation

Motivation can either be intrinsic or extrinsic. In the workplace as well as other settings, motivation is often classified as being naturally extrinsic or intrinsic. There are several classes of motivation namely; extrinsic and intrinsic motivation. Intrinsic motivation can be referred to as motivation derived from within the individual or from the activity itself, it can be said to have an affirmative outcome on the conduct, performance and well-being of an individual. In the workplace, it springs from impulses that are characteristic of the work itself .It is what workers derive because of their success in completing a task. Such Intrinsically motivated rewards comprise the chance to showcase expertise and abilities, receive gratitude, good recognition, freedom, responsibility and mutual respect. A worker that is inherently inspired, would be devoted to his job for as long as he believes the job is able to satisfy his wants. Intrinsically driven work conduct is behaviors performed for one's own sake, that is, the inspiration to work emanates from within the individual. Here the worker is motivated because he derives happiness in doing the job⁵¹.

For instance, a domestic worker in an organization whose pay is quite low compared to other workers cleans the surroundings every time and even put in extra hours to clean not because of an increase in pay but because of the happiness derived in doing it. Such a motivation originates

from rewards that are considered inherent to a job or activity itself such as the pleasure an individual derives from a game of chess or the love of playing soccer. Therefore when an individual engages in activities without any apparent inducements with the exception of the activity itself such an individual is said to be motivated intrinsically. On the other hand extrinsic motivated behaviours are those that are external to the activity or the work, such as compensation, conditions of work, welfares, safety, and elevation etc. these motivators are usually determined by the company the individual works for. Extrinsic behaviors require workers to work hard or put in extra hours so as to get the reward that comes with it. Workers may not like the task but are inspired by the additional benefits, awards etc. It is a behaviour that is put up to obtain substantial or social rewards and to evade chastisement. For instance, a receiver in a guesthouse is aware that working hard and diligently would bring about additional benefits and even promotion may not be happy putting in extra hours but the incentive forces him/her to work harder. An extrinsically inspired individual will be dedicated for as long as external rewards are available⁵¹.

For example, good pay has been perceived over time to be an effective strategy businesses utilize to motivate their workforce to perform thereby improving organizational performance. Also, most employers of labor have understood the point that for businesses to contend well in a business setting, the performance of their workforce is very essential and crucial in influencing the result in terms of the success of the business. Hence, it can be presumed that the performance of a workforce is not only key to the progress, solidity and enlargement of the business alone but also for personal advancement of the workforce as a whole⁵⁰.

Motivation that is considered extrinsic stems from outside of the performer. Money can be said to be the greatest example, nevertheless coercion and the fear of punishment are also common extrinsic motivations. In various organizations, Competition is seen as extrinsic since it encourages the performers to win and outwit their rivals, rather than appreciate the intrinsic rewards associated with the activity. However it is also imperative to note that extrinsic rewards may result in over justification and a later a decrease in intrinsic motivation. The universal difference between intrinsic and extrinsic motivation is that whereas intrinsic motivation is triggered by internal forces or those within oneself, extrinsic motivation is determined by external forces⁴⁷.

2.1.5.2 Intrinsic Motivational Factors

Although there are various forms of intrinsic motivation, this study focuses on an employee's wellbeing, employee's relationship with co-workers as well as their managers as factors that may influence an employee's productivity levels in an organization. Intrinsic motivation derived from within an individual or from the nature of the work itself, positively influences behavior, wellbeing and productivity⁴⁷. These factors are discussed below;

Extrinsic Motivational Factors

Also there are various forms of extrinsic motivation; this study focuses on an employee's work environment, compensation as well as training and career development as factors that may affect personal relationships outside of work and bond more with their co-workers tend to appreciate the workplace and hence perform exceedingly well and are highly productive in their work as opposed to those with lesser support. Employees have a sense of belonging when they can

comfortably request assistance from colleagues in the completion of certain jobs, which promotes unity⁵⁴.

Good relationships with co-workers are very effective in minimizing job stress and promoting harmony amongst the staff of an organization. This can be achieved through organized social functions aimed at promoting the bond between members of the workforce. Existence of effective relationships between employees and colleagues also ensures job satisfaction⁵⁴. Such relationships with co-workers create room for flexibility in work scheduling, division of workload among others. Co-worker interactions play a huge part in determining the conduct of workers as regards productivity levels on the job. When workers are pleased, it is generally due to the fact that they are contented with their jobs. This is also reflected in the quality of their work. Workers who derive pleasure in working with fellow workers are motivated beyond personal factors and are often engaged with their jobs⁵⁵.

Consequently workers who relate well and enjoy working with their colleagues particularly when engaged in team work are highly productive. Such workers tend to be more devoted and motivated as opposed to their equals who lack such relationships with their coworkers. That is to say they operate more effectively and efficiently with the success of the organization in mind⁵.

Also there are various forms of extrinsic motivation; this study focuses on an employee's work environment, compensation as well as training and career development as factors that may influence an employee's productivity levels in an organization. Extrinsic motivation derived from outside the person or from those things that are external to the work or activity itself, positively influences behaviour, performance and productivity. The above mentioned factors are discussed below;

2.1.5.6 Compensation

Compensation refers to the amount of money and benefits that an employee receives from his organization in return for his or her contributions to the organization⁵⁶. This practically satisfies material, social and psychological needs of the individual⁵⁷. Compensation or pay is linked with general satisfaction and more closely linked with pay satisfaction. Employees receive different kinds of benefits in the form of wages, salaries and pay. Mostly individuals with good education, relevant skills and experience are unsatisfied with their job and salary packages resulting in high rates of turnover and low productivity. As such organizations make compensation plans for them in a bid to minimize the turnover and to motivate them. In other words you can say that compensation motivates employee for better performance and higher productivity levels. Compensation may also come in the form of Fringe benefits which focuses on maintaining the quality in terms of lifestyle as workers, provide them with a certain level of safety and financial security taking into consideration their family relations. Some common examples are; retirement or pension plans, medical insurance, education reimbursement and time off. Fringe benefits are forms of indirect compensation provided for a worker or group of workers as a result of their status as members of the organization⁵⁸.

Also overtime is the payment over and above the normal salary and wage rates where the workers are paid extra for working additional hours⁵⁸. Furthermore, Company housing or house rent allowances is offered by organizations who feel obliged to help an individual meet one of the basic needs a roof over one's head in order to enable them have access to reasonable accommodation while on official duty. Senior employees are provided with accommodation which may be owned by the organization while other organizations reimburse rent payments. In

order to avoid a decline in employee productivity levels, workers also require health and safety packages, job security and adequate working conditions⁵⁸. The cost of compensating workers that is in form of payments, wages, and other benefits - are a huge and increasing part of operational expenditures; yet, productivity may decrease amongst employees if such payments and benefits are not made available to them. Simply put employees are more industrious and productive when reasonable pay is attached to productivity. Although compensating workers may have an effect on productivity, other factors can also increase output with little or no costs to the organization. While pay can be seen as an example, workers also appreciate being validated if they are to be productive in the workplace. The need to feel that their jobs are of value and contributes significantly to the success of the organization is important to the workers. While adequately compensating them may help, validation does not necessarily have to be financial. This is because simply thanking them can also make an employee feel appreciated. As regards validation, workers may also be extremely productive when they can envision where they fit in the big picture. Workers want to be seen as an integral part of the organization as such strives to be indispensable. They want to have a grip on every aspect of operations, which could also be favorable to their hopes and aspirations as this may present them with the opportunity to showcase their capabilities and skills in other areas excluding their areas of specialization. They also need to know that they have a voice and that their managers are willing to give listening ears to their opinions as well as involve them in decision making processes⁵⁶.

Team spirit

Team spirit is the feeling and viewpoints that employees hold about the group. It is employees sharing the problems together within an organization. It is viewed as work group working

together it a common purpose for the achievements of an organizational goal. Team spirit suggest therefore that the collectivity of employees within a cooperative environment in the interest of a common goal by sharing knowledge, skills and being flexible enough to serve multiple roles in organizations. Team spirit is composed of group member's feelings, beliefs and values. It is a means of improving manpower utilization and potentially raising performance for not just the individual but for the organization's ultimate interest because it can expand output of individuals through collaboration. Team spirit helps employee to cooperate, share information, confront differences and sublimate potential interest for the greater good of the team. As such, team spirit rests on the degree of employee morale in an establishment.

Empirical Review

2.3.4 Employee Motivation and Productivity of SMEs

Motivation is the key to talent retention in SMEs. It is often concerned with why employees behave in a certain way. It is also seen as the degree to which an employee chooses and desires to adopt certain specified behaviour. As such, motivation is complex and personal to the individual employee and it is influenced by many factors such which are important essential to enhancing productivity. Motivation as a process starts with a need in human being which creates a vacuum in a person. As such, it is a act targeted to making the employees to work willingly and a sort of way full desire to direct employees behaviour towards goal achievement. In this manner, motivation is a force that energizes, direct and sustains employees drive towards corporate goal attainment. Hence, motivation begets productivity in the workplace.

Thus, in a study carried out on effects of motivation on employee productivity in manufacturing companies in Nnewi, the researchers using descriptive research design with sample population and found that employee motivation has significant positive effect on productivity in the selected manufacturing companies. In this regard the ultimate essence of motivating employees is to ameliorate low productivity in organizations. When employees are influenced by motivational factors that are directly related to productivity, the consequences often implicate positively performance and delivery output in such organization. This makes productivity as the ratio of output or production or service capacity of the employees in organizations. Related in a study conducted in p.m. Golding properties limited in Nairobi, Kenya and effect of employee motivation, the scholar found that when motivational factors are appropriately applied, productivity and performance are enhanced in industries. This study suggests that productivity depends essentially on the level of motivation in the workplace.

Various studies have examined the effect of extrinsic and intrinsic motivation on a workers' performance and productivity levels. Also most of these studies have obtained different results from their analysis. For instance, Rewards that an individual receives be it intrinsic or extrinsic are very essential in understanding the concept of motivation. Previous studies have proposed that rewards leads to fulfillment and can affect a worker' to be affected, which directly influences the performance as well as job productivity levels of the employee. Another study stated that certain elements affect worker's productivity levels in relation to their jobs. First, productivity is dependent on the amount of monetary or non-monetary benefits they actually receive as opposed to the amount they feel they deserve. Also, evaluating what other workers receive in comparison to their own affects their individual performances, while the worker's contentment with both

intrinsic and extrinsic rewards acquired has an effect on overall work performance and productivity levels. Furthermore, workers vary largely in the rewards they crave and the degree of value they attribute to each reward. Finally, it is observed that extrinsic rewards tend to please workers more than intrinsic because they lead to the achievement of other rewards. As such, these observations propose the necessity for a diverse reward system. The research carried out on the assessment of intrinsic and extrinsic motivation on employee productivity. The results gotten from the examination revealed that there was a significant correlation between extrinsic motivation and the productivity level of the workers, while that of intrinsic motivation was statistically less significant than extrinsic even though a correlation also existed between intrinsic factors and workers' productivity levels. As a result, implications of the findings for future study were stated¹⁰¹.

In the study; motivation and workplace productivity amongst workers basically assumed the similar methods. The study shows some supports for the impact of motivation on productivity¹⁰². However more value was placed on extrinsic factors than intrinsic. Another research also based their inquiry on Herzberg's two-factor theory of motivation, which divided job variables into several groups: hygiene factors and motivators. They utilized a population of 692 participants to test the rationality of the theory on worker effectiveness and efficiency levels. It was revealed that at higher professional levels, motivators or Intrinsic job elements were more appreciated, while at lower occupational levels hygiene factors or extrinsic job elements were more appreciated. As a result, they concluded that organizations that fulfill both intrinsic and extrinsic elements influencing employees' behaviour are able to gain the best out of them¹⁰². A study investigated the effect of financial incentives and its removal on workers performance and

productivity; it revealed that participants in the experimental group who received personal inducements performed better than those in the control group. Study also examined the role of extrinsic and intrinsic motivation on productivity among Nigerian workers, it showed that using a sample of employees of high and low professional levels. The assumption that low income employees will be inherently motivated and highly productive was not validated, and the assumption that higher incomes employees will place great values on intrinsic motivational elements than low income employees was also not validated¹⁰³. This explicitly illustrates the degree of value workers place on extrinsic motivational elements even in the absence of any significant change in motivational levels across various classes of employees in the organization. Scholars perceived that poor compensation is linked to the profitability of an organization. Wage differences amongst high and low salary recipients was linked to the loss of morale, lack of commitment and low productivity. Also reported that the decline in productivity levels of employees on some elements, amongst them is a company's failure to cater for the well-being of their staff, provide adequate compensation, training and career development, adequate working conditions, suitable working environment and failure to promote cordial relationships amongst co-workers, managers and their organizations which is very demoralizing to the workforce leading to reduced their levels of productivity¹⁰³.

An investigation which is of importance to this research, is that carried out and the studied based on the relationship between motivation and job effectiveness of various workers taking into account their attitudes to the job in question. The study concluded that most workers placed more importance on extrinsic factors than intrinsic factors citing the need to satisfy other needs as major criteria for their choice. He also noted that majority of the research participants cited poor

work environment, inadequate working conditions and a lack of resources as factors affecting worker efficiency levels in most organizations.

Also, in a similar research, equated the comparative position of ten motivational tools such as pay, training, security, etc. considered external to the job, and other internal factors like employee well-being, good relationships with managers, responsibility etc. among 80 employees of an organization. It was assumed that greater value will be put on internal rather than external job factors. However, findings failed to validate the assumption as it was revealed that two extrinsic factors sufficient compensation and job safety were rated as the most important tools.

The above are practical works undertaken by various scholars in the area of motivation and productivity. Based on these empirical examinations and conclusions, one may possibly deduce that both intrinsic and extrinsic motivational factors are very essential in improving workers' productivity levels in the workplace. As such an individual's performance levels can be expected to result in higher productivity if the right motivational tools are put in place¹⁰⁴.

Employee Team Spirit and Work Effort

Team Spirit is a key success factor in achieving common goals in organization. It is a valuable assets which generate positive synergy through coordinated efforts in the workplace. Team spirit facilitates employee participation in operating decision and is also an effective behavioral approach which can be used to galvanize the work effort and increase productivity in SMEs. As a decisive attribute of morale, team spirit ensures cooperation and improves work efforts in organizations. In this connection, team spirit normally encourages employees to work harder and also create a climate that makes employees to exert better work effort in the workplace. Team spirit makes employees to be closer to work related problems, and often make group members to

take effective decisions quickly, have united commitment to put in more work efforts to enhance productivity.

Team spirit shows a clear understanding of the goal to be achieved in SMEs and even make ineffective members to be provoked to better performance and be more committed in the discharge of their work. It is a reinforcer which elicits high mutual trust, integrity, character and inspiration for incremental ability and will to work by employees. Thus, team spirit has significance leverage for optimizing work effort in the organization. The climate of trust in organizations tends to strongly influence employee work effort, thereby increasing productivity. With team spirit, employees are characterised by good and effective communication, which gives a healthy dosage on performance. Employees are quick and effective in sharing ideas and feelings to raise productivity. They also engage themselves physically, cognitively and emotionally during role performance. As such, employees within the team spirit are enthusiastic about their work, there by directly strengthening on their work efforts. They are also emotionally attached and socially involved with their establishments to improve productivity.

In a study carried out on the impact of teamwork on employee performance, using Komfo Anokye Teaching Hospital and Ejisu Government Hospital, several measures of team performance were analyzed including team trust, recognition and rewards. The study used correlational techniques in order to analyze the relationship between the two variables that is teamwork and organizational performance. The study found that teamwork is positively and significantly related to organizational performance. In another study worked on the effect of teamwork on employee performance, using the staff of higher education department of Khyber Pakhtoon Khawa, Peshawar Province of Pakistan. The study which was designed as descriptive

survey design found that positive and significant relationship exist between teamwork and employee performance.

In a study on the effect of team building in the organization, it was found that employees working within the team can produce more output as compared to individual effort. Also, in another study carried out on linking teamwork with performance. It was found that a good manager is the one who assigns responsibilities to his/her employees in a form of group or team in order to take maximum output from the employees. In another study carried out on how to increase teamwork in an organization, it was found that teams offer greater participation, challenges and feeling of accomplishment. It was concluded that organizations with team will attract and retain the best people as employees.

In a related study, carried out a study on impact of effective teamwork on employee performance, using the entertainment company in Kuala Lumpur capital of Malaysia as the study area. The study adopted descriptive and exploratory research design. The result showed that efficient communication, level of trust, leadership and accountability, has positive and significant impact on employee performance while 180 intrapersonal skills and cohesiveness has no influence on employee performance. Similarly, another scholar conducted a study to determine the effect of teamwork on employee performance in the Liquidified Natural Gas Plant, Bonny, Nigeria. The study adopted descriptive research design. Result from data analysis indicates that significant relationship exist between teamwork and employee performance. It was concluded that the current team building in the plant should be sustained.

Scholar did a study on impact of teamwork on the achievement of targets in organizations in Kenya, using SOS Children's village, Eldoret was the study area. The study adopted descriptive

research design. The study found that job satisfaction was to be achieved through recognition of achievement, promotions, good working environments and fair rewards and remunerations. This was to impact team performance if it was done correctly. It was concluded that there was no effective teamwork at SOS despite employees being aware of how much they can achieve by working together in teams. Also, a study on promotion practice of teams in an organization and found that there is positive relationship between promotion practice for teams and perceived performance of employees.

Another scholar carried out a study on team work and employee in burning Nigeria Liquefied Natural Gas plant, River State. The study measures teamwork language, motivation/commitment. It also measures the relationship between teamwork and increased employee performance. The above gap has given impetus to this present study, which has been resigned to investigate the effect of employee performance in productivity.

Compensation and Product Quality Output

Compensation in any organization contributes to the greatest single cost of doing business. It is designed to attract capable employees, motivate them towards announcement of product quality output and ensure superior performance. As such, compensation has dual interactivity with product quality output enhancement in Small and Medium-scale Enterprise (SMEs). From the organization's point of view, compensation is intended to motivate performance. If the compensation plan is seen to be unfair and unrealistic, it may thwart product quality output in organization, be it in SMEs.

Compensation refers to the wages paid directly for time worked as well as more indirect benefits that employee receive as part of the employment relationship with an organization. It is

perceived as an important factor affecting organization over others and try to enhance product quality output. Relatedly, the extent to which employees perceive, they are receiving delivery and how they view their contribution. In this way, compensation is not just about salary but can come in various forms in Organizations.

According to study described compensation as an efficient method to where employees are rewarded with monetary compensation to motivate them on the return of the work they do for the organization. Bob Further argued that compensation will help the employee to achieve several personal purposes which on the return helps them get the job satisfaction. A good compensation management system will help the employee increase their performance hence create a more engaged workforce that in the organizational hence improved performance across. Such kind of systems should be clearly defined and uniform and should apply in all the levels of the organization as a general system that can acts as a guide. These systems will also help the individual employee to improve on their performance when it comes to making very critical decisions on reward planning. Another study concluded that effective compensation 18 management helps the employee to enjoy stronger visibility in the team when it comes to making critical compensation planning decisions.

Effective compensation management systems helps employee to get more motivated and hence improve their performance. Performance appraisals assist organizations in determining compensation and their benefits to the employees. These appraisals are also influential in identifying ways to help the individuals improve their current positions and prepare for future opportunities within the organization. Research done has shown that human resource is the most vital resource for any organization. It involves every decision taken, and each and every work

done to drive the results in the organization. In order to improve on performance, Employees should be managed properly and motivated by providing best remuneration and compensation as per the business standards. A study on rewarding compensation concluded that good compensation and rewarding will help attract and retain the best employees in an organization. According to the survey done, effectiveness of teams can be judged through the overall team performance in delivering the wider organizational goals and objectives. Specialized teams are expected to achieve and surpass the set goals and objectives of the organization. These teams are responsible for solving the complex problems affecting the business performance and offer lasting solutions. In his research concluded that the highly specialized teams are only considered as successful once they sort the major problems escalated to their attention.

Various teams in every organization is expected to pursue goals and objectives that reflect the organizational direction. This can be achieved through the organization embracing its beliefs and values consistently. When ideas are distributed by the teams, priorities are developed which end up helping in making decisions about goals and strategies. This as results has a major impact to delivering the organizational objectives through the spirit of teamwork. Major involvement of the team in planning enable the team to contribute both to high-quality planning which can be translated to 19 good results. Team involvement also helps the leaders to understand the position of their own roles in accomplishing the team's accomplishments, hereafter helping to improve the employee's perceptions at the individual-level. Staff training, problem-solving, planning and empowering to people in the organization increase team productivity. Through this involvements, improved goal-related intelligent and opinions of effectiveness of teams is achieved across the

whole organization, this in turn are connected the power of positive thinking which can easily be attained through building effective team cohesiveness.

Exceptional team's consequences include clear understanding and adaptive relationships, where some of those interactions are designed or supported between team members in the organization. Through these relationships, knowledge and involvement is provided to enable the cohesive of the team members. This as well provides the traditional for the team member's commitments to build related adaptive and supportive communications process outside the team context after the team accomplish the objectives assigned by the manager. Specialized teams in the organization should also be treated fairly like any other team in the organization to enable has cohesion in delivering the company set goals and objectives. In this study concluded that team is more effective when they embrace the common values and beliefs as this is significant in helping the organization to achieve its goals and objectives. Some of the shared values help to drive to the effectiveness of the team's performance through reduced organizational conflict that can hamper the productivity and profitability. Further argument has concluded that shared interpretations regarding the specialized teams are viable consequences and coping with the effectiveness of the teams. In his study concluded that specialized teams should be held accountable for the productivity of every organization.

According to the study, it was established that through enforcing an effective team which is well aligned with specialized team, the organization is able to operate well in its entire framework hence improving performance due the teamwork embraced. However, some of the team members sometimes are somehow unwilling to share sensitive information with the other team members in the organization due to lack of trust. The Managers supervising such team members

have the responsibility to address such as this can have a major drawback the individual productivity. However for the specialized teams in the organization it is important to build perception of 20 cohesiveness where the group's members are expected to work in cohesion to enable realize the company objectives. In order to motivate the specialized teams in the organization the managers has to listens to their viewpoints and, opinions tastes and preferences as this has a lot to do with the overall organization performance. A study research concluded that teams are more likely to work in cohesion hence became effective in their areas of operations, To achieve this, team working and holding people accountable will help in achieving the company goals and objectives. Finally to achieve the organizational objectives, it is critical to enhance the shared opinions through the spirit of teamwork across the whole organization to enable drive the performance hence the important of the study.

2.3.1 Employee Morale and Productivity

Employee morale is often a predictor and outcome of a behavioral reaction and response of the workforce in Organizations. It is a very complex and dynamic phenomenon affected by such factors as Organizational design, reward, good leadership, supervision, work environment, Job satisfaction and compatibility with fellow employees. As such, employee morale drives productivity by influencing it, either negatively or positively in organizations. This suggests that it is a double-edged sword. On one hand, employee morale can ensure satisfactory results by building a tighter and more employee focused organization with radiating effect on productivity on the other hand, it can unleash a black lash of serious productivity problems such as restriction of output, job satisfaction and work disenchantment which can negate productivity in

organizations. In essence therefore, employee morale can pose as impediments retarding productivity or act as incentive which can facilitate productivity enhancement in SMEs.

The impacts of employee morale and acquisitions on the productivity value of shareholders in the Bahraini banking sector. The population of the study comprised of 27 managers in the banking sector of Bahrain. The study used the descriptive approach. Using an electronic questionnaire, the study collected quantitative data that was then analyzed using the SPSS statistical tool⁶⁴. This study established that the value of productivity is increased by employee morale and acquisitions in the banking sector. Accordingly, it was found out that employee morale and acquisitions also enhance the performance of institutions as well as reduce their operational costs⁶⁴.

A study was carried out an empirical study to examine the impact of employee morale and productivity on the financial performance of Tata Steel and Corus post Covid-19. Sample size of the research consists of Tata Steel and Corus Company which had undergone employee morale and productivity during 2007-08. To understand the impact, the annual report of Tata Steel and Corus Company was analyzed by taking 19 years audited and published annual report, from period 2002-2020. The finding of this study shows that there is significant development in financial performance of organization after employee morale, but due to pandemic there is a decline in the productivity of the company⁶⁵.

A research was conducted that primarily centered on examining the impact of employee morale) on the business productivity of the banking organizations in Hong Kong along with assessing the need for strategies for businesses. In this relation, the study evaluates the current scenario regarding the adoption of strategies in the banking sector of Hong Kong for analyzing the impact

of morale strategies on the banking sector's performance. It was revealed that morale strategies in the banking sector positively influence productivity and economies of scale in aspects of cost reduction, competitiveness and financial performance⁶⁶.

The impacts of employee morale and productivity on employee spirit (morale) in the Insurance segment in Kenya. Adopting a descriptive research design, a purposive sampling strategy and simple random sampling was utilized to distinguish respondents. Data was broken down utilizing descriptive statistics by methods for SPSS. The examination discovered that employee morale/productivity had an incredible effect on the worker spirit of insurance agencies⁶⁷.

The effect of employee morale/productivity on the performance of assembling firms in Nigeria. Data created were examined graphically utilizing simple percentages. The investigation found that employee morale/productivity enormously influences the productivity of assembling organizations regarding productivity. Likewise, when organizations consolidate or are procured, they will, in general, conquer contenders, and this expands sales productivity⁶⁸.

From the views, there is a problem in determining the outcome of Productivity on Employee Morale in the Brewing Industry based in South-eastern Nigeria. The specific objectives of the study were drawn accordingly to determine the influence productivity has on the morale of the employee in the brewing company in South-east of Nigeria, to understand the nature and effect of demographic work-place diversity on the employee morale in the brewing industry that was studied, to establish the effect of morale on the willingness to perform aspect of productivity in the brewing companies in the area studied, to determine the influence of productivity on the aspect of polarization that affect employee morale of the brewing industry under the area studied

and to ascertain the effect of workplace management on the autonomy aspect of employee morale of the brewing industries under the area studied⁶⁹.

The study assessed the influence of productivity on organizations. He explored the way companies manage productivity and its consequences to the company's value and existence, as well as, examines how companies deal with the problems that come with employees from diverse cultural backgrounds⁷⁰. As a result of the fact that the research covers a wide range of human attributes and qualities, the research is thus, limited to the expected tools for productivity, disadvantages and advantages of managing a diversity of the workforce. It considered five industries in Finland and Ghana to acquire answer the question under the study. In gathering the data the researcher adopted current materials that contain studies on Human resource management. To that extent, a qualitative research method was utilized to generate and analyze the data on the organization where interviews three of the companies were subjected to interview sessions and also some vital information gathered from the internet on the two of the company studied. The outcome showed that morale on productivity played an essential role in numerous companies. The study examined diversity, employee Morale and productivity focusing the three musketeers. It gave dynamism to the study. The relationship between productivity occasioned by employee morale and diversity were examined. The study was noted that on the employees of Six (6) Transnational fast food Kitchen chains and customers of those fast-food restaurants in Pakistan and Karachi are in the frontline. The essence was to create a balance between the productivity and employee morale. The information on employee morale and productivity was generated from the workforce through questionnaires that are of self-reported extraction while data on the satisfaction of the customers were gotten from executes restaurant

where there were customers having their dining. To a large extent, a convenience and random based sampling of two hundred and thirty-five (235) respondents were captured for the study giving room for no bias in the study. Furthermore, a structural equation modeling; confirmatory factor analysis cum exploratory factor analysis was utilized to run a test on the significance and relationship of the model. In conclusion, the findings of the study show that the results rejected the mediated relationship of morale and productivity but showed a positive direct association between morale and productivity. Though the study failed to give recommendations on the findings, it captured and exposed the depth of the study through the revitalization of the essence of the study by revealing the problems⁷¹.

The study examines the role of employee morale on employees' productivity in a Nigerian Civil Service. Four conflict management strategies were considered which include collective bargaining, negotiation, avoidance and imposing. The descriptive survey design was adopted and self-developed questionnaire tagged *Morale and Employees' Productivity* was used in the data collection. The reliability of the instrument was tested and Cronbach Alpha reliability coefficient of 0.92 was obtained for the whole instrument. Taro Yamane formula was used in determining sample size and a stratified random sampling technique was used in selecting 240 respondents from a cross-section of four ministers in Akwa-Ibom State Civil Service, South-south, Nigeria. Pearson Product Moment Correlation and multiple regressions were to analyze the hypotheses. Employee morale showed a significant positive contribution to morale and employees' productivity while that obtained for avoidance and imposing were significantly negative. Also, employee morale indices were significantly positively related to employees' productivity. Therefore, the study out of the collective review and analysis carried out proffered that conflict

in whatever stage should not be overlooked but should be effectively and efficiently utilized for more productive employees' within the workplace. Employees at all deserve to be educated and given the right attitude and behavior-oriented towards knowing how to manage conflict and differences. Also, there is a need for training and retraining managers on ways to efficiently and effectively handle conflicts for better employees' creative output and productivity in an organization⁷².

The objective of this study probed into the effects of employee morale and productivity in a selected higher Educational Institution in South Africa. Again, the government of South Africa in an attempt to shape the employee in an Organization introduced various measures. However, these legislative measures expressly focused on compelling organizations to embrace employee morale and thus not considered the business needed of it and how it influenced employee behavioral results such as employee productivity. Based on the above, this study researched the effects of diversity workforce on the performance of the employee in HEI in South Africa. This study adopted a cross-sectional research design to shape the dynamics of the research. A random sample (n = 267) was chosen where employees were divided into homogeneous strata of academic and non-teaching employees. A Workforce Diversity Questionnaire and employee job Performance Questionnaire were administered. The research showed that a positive and significant relationship between independent and dependent variables respectively (employee morale) and (employee productivity). The relationship between morale indicators was not significant. The paper employed a cross-sectional research design, but could not make a meaningful conclusion on causality on the behaviors of the employee⁷³.

Morale could be high or low in level. High worker morale arises when workers are pleased and happy with their job, the organization they work for as well as their co-workers. High worker morale can result to increased customer satisfaction and as well result to profit maximization for the organization. Authors found that employees who work for an organization with high morale develop higher rates of job satisfaction, creativeness and innovation, job honorability (i.e., respect for their own job), commitment to the organization, eagerness to satisfy group objectives instead of individual objectives, and they desire to improve the organization's performance⁷⁴.

They further states that high employee morale is essential to success in the workplace and that morale is primarily influenced from top-down as opposed to bottom up. Low staff morale on the other hand is an opposite of high morale. It arises when workers are not pleased or not happy with their job, the organization as well as their co-workers and even the customers⁷⁴. Organizational layoffs, employee conflict/disputes over contract, high level of employee turnover, unfavourable changes of leadership, and indistinct expectation and corporate direction also lead to create the low employee morale in an organization. Workers with low morale naturally appear less productive and exhibit undesirable attitude which can result to poor customer service, or a negative performance and behavior towards the organization⁷⁴.

Author pointed that morale is the attitude of an individual or group relating to their work related factors such as involvement towards the company, their job, their reporting authorities, co-employees, working environment. They feel pride and that makes them to devote time to contribute effectively. The study was descriptive and structured questionnaire was adopted. It was observed that morale is psychological in nature and enables employees to be positive

towards their work and their organisation and takes the organisation to achieve its peak performance⁷⁵.

Author established that morale increases the employees' productivity and naturally increases the business outcomes as well. Their study attempted to identify their challenges and difficulties in their work place linking with morale and performance. The data was collected using structured questionnaire. The result ended up in pointing the view of employees that morale works beneficial mainly to the organization and positively influencing performance of the organisation⁷⁶.

Author explained that morale played an important role for the success of the organisation by point that high morale makes employees loyal to their job, and organization. So, they became more committed and sincere. These employers focus their work and also group performance. Further, the committed employee contributes effectively and efficiently and by which performance and productivity is more⁷⁷. The study analysed the concept of employee morale the study found that there is a complex relationship between morale and productivity. This is because morale is only one of the factors influencing productivity⁷⁸. The study analyzed the conceptual frame works on employee morale and satisfaction in work place. This article concludes that morale is the prime factor which results in effective performance of an organization⁷⁹. The study conducted a study on corporate restructuring and its effect on employee morale and performance. The result shows employee morale has dropped significantly post restructure⁸⁰.

A study conducted on Impact of Morale on Organisational Commitment, Through Structural Equation Modelling (SEM). It is found that higher the age, educational qualification, teaching

level, teaching experience and designation, higher is the morale among the teachers. And the organisational commitment of teachers significantly differs with respect to age, designation and nature of pay⁸¹.

A study analysed the employee morale and its impact on employee efficiency in spinning mills with reference to coimbatore district. Motivation is the process and morale is the product. Therefore, continues monitoring and improvement of morale is necessary for an organization⁸².

A study examined —The effect of low morale and motivation on employees' productivity and competitiveness in Jordanian Industrial Companies. it would appear that the influence of Low Morale and Low Motivation on Productivity and Competitiveness is significant, so the research hypothesis stating that Low Morale and Low Motivation affects Productivity and Competitiveness and makes on limiting its consequences⁸³.

A research was done on —A Study on Employee Morale with Special Reference to Butterfly Gandhimathi appliance Pvt Ltd. Good employee morale is the key role for success of the organization. Unless an employee has poor morale if always a possibility of Employee disharmony and also affect smooth running of the organization. The research proved that employee relations have a positive impact on employee morale⁸⁴.

A study analysed —The Effect of Human Resource Policies on Employee Morale in Dr. Reddy's, Hyderabadll. The research affirmed the proposition that HR Policies have a great impact on employee morale and companies must invest ample money, time and effort to enhance and boost employee's morale⁸⁵.

2.2 Theoretical Framework

2.2.2 Frederick Herzberg Two-Factor Theory

Frederick Herzberg maintained that two completely distinct set of factors determine employee behaviour in organizations. These include Hygiene factors and Motivators. Herzberg established that factors which appeared to ensure an employee's job satisfaction were connected to the job contents or the aspects of the job itself and he referred to them as motivators, meanwhile, factors which appeared to cause employees dissatisfaction were connected to the job context; and he referred to them as hygiene factors⁶⁰. Hygiene factors are factors that will eliminate dissatisfaction when present; examples are company policy, basic needs, status, working environment, salary, supervision etc. while motivators are those factors that will result in demotivation and lack of interest in the job when not fulfilled and this could result in employees looking outside the organization for employment. Hygiene elements are described as upkeep elements considered important in evading dissatisfaction. On the other hand, these elements single-handedly do not ensure employee job fulfillment and high levels of motivation. These are factors not directly concerned with the job but concerned with the job context⁶⁰. These factors are termed hygiene factors because their presence ensures a reasonable level of satisfaction and their absence can cause dissatisfaction. Hence, it is imperative that managers make available hygiene elements in order to minimize bases of employee dissatisfaction, however to it is much more important to ensure that motivators are present since these are the factors that motivate employees and eventually result in satisfaction. Motivators include job associated aspects including thought-provoking tasks, work achievements, acknowledgment and responsibility, chances for advancement and growth, recognition for achievement⁶⁰.

Motivated and contented workers are better positioned to be more committed as such productive than those who are merely not dissatisfied. This theory therefore admonishes that business managers should avoid being one-sided in making decisions concerning factors that ensure satisfaction and motivation for optimum performance. Based on his work, posited that in order to ensure job satisfaction, the following conditions should be ensured in the organization; provision of achievement and advancement opportunities, recognition for performance, ensuring fit between employees' competencies and tasks, ensuring learning and development opportunities. The motivation-hygiene theory is therefore relevant for this research as it reveals that hygiene factors including supervision, pay and benefits, company policies, work environment are vital to avoid job dissatisfaction and motivators, which include, learning and development opportunities, challenging tasks, rewards and recognition for performance, advancement and growth opportunities, ensuring fit between employee competencies and tasks are important to higher productivity levels from employees. Therefore examining the relationship between motivation and productivity also anchors on this theory.

Hygiene Factors

Herzberg claimed that the lack of certain elements capable of causing dissatisfaction amongst members of a workforce is referred to as hygiene elements. These elements focus mainly on the characteristics of the job as well as other external concerns. The presence of these elements may not guarantee employee motivation but a lack of it might result in dissatisfaction. These elements consist of: Salaries, Operational Conditions, Job Security, Level and quality of supervision, Business policies and managerial processes, and Personal relations at work.

Motivation Factors

These factors refer to elements capable of provoking workers to improve their work-related performance. These elements was characterized as intrinsic stating that they are largely concerned with the job design, and how it is integrated in achieving set goals. He asserted that managers aiming to attain enhanced performance levels, must consider the inclusion of several factors in the job setting. This in turn allows for the development of inherent motivation within workers. These elements comprise: Interest in the work, Recognition, Growth / development, and Achievement.

Motivators results from internal dispositions within workers. The both hygiene and motivation methods should be applied concurrently. He cited that the absence of hygiene elements does not affect morale but causes dissatisfaction amongst workers. Likewise the presence of those elements does not necessarily affect motivation, but leads to satisfaction among workers. Higher levels of motivation will certainly boost the morale of workers while lower levels of motivation will significantly decrease the general level of motivation. This will however not cause total discontentment but instead a sense of non-fulfillment⁶¹.

Relevance of the theory

Despite criticisms levied at the Two-Factor theory, it remains very important to organizations. It implies that managers and their organizations must constant guarantee the adequacy of the hygiene factors to avoid dissatisfaction amongst members of the workforce. This is because employee dissatisfaction leads to loss of morale which in turn leads to a decrease in employee productivity levels. Also, managers must make sure that the kind of work or responsibilities

assigned to employees is challenging, exciting and fulfilling so as to ensure workers are inspired to improve work related performance levels. This theory lays emphasis on job-enrichment so as to encourage workers to be highly productive. Finally to ensure that employees are highly productive, managers must ensure that the kind of task being assigned to the workers should maximally utilize their abilities and experiences. Focusing on the motivational factors can improve work-quality and productivity levels of both the employees and the organization as a whole.

2.4 Conceptual Framework

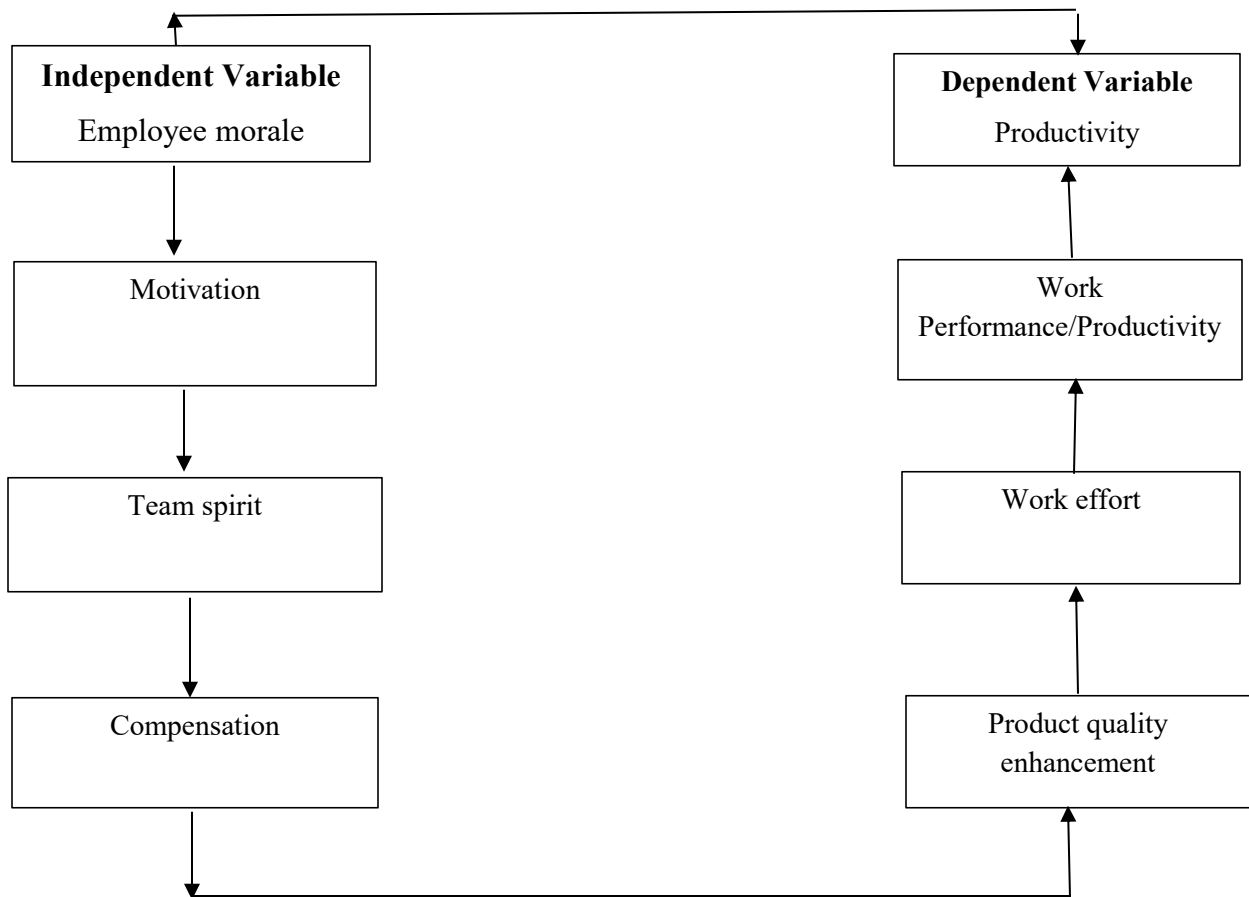


Figure 2.1 The Conceptual Representation of Independent and Dependent variables
 Source: Researcher's Computation, 2021

2.4.1 Researcher Explanation of Conceptual Model

The conceptual model for this study is composed of the Employee Morales, Leadership styles, In-service training, Staff Motivation on Productivity. Though several factors could be considered in which they are capable of influencing the productivity of SMEs in Lagos state in this study, the factors are Employee Morales, Leadership styles, In-service training, Staff Motivation. This is because literatures have shown that these have significant influence in productivity of SMEs in Lagos state.

2.4.2.1 Model Specification

The model used in establishing relationships between the variables of the study has been specified in this section as:

$$Y = f(X)$$

Y = Dependent Variable

X = Independent Variable

Where:

Y = Productivity of SMEs (P)

X = Employee Morale (EM)

$$Y = f(X)$$

X = (x1, x2,x3, x4)

Where x_1 =Employee Morale (EM)

X_2 = Motivation (M)

X_3 = Team Spirit (TS)

X_4 = Compensation (C)

In regression:

$Y = f(x_1)$ Equation 1

$Y = f(x_2)$ Equation 2

$Y = f(x_3)$ Equation 3

$Y = f(x_4)$ Equation 4

H01: $Y = \alpha_0 + \beta_1x_1 + \mu_i$ Equation i

H02: $Y = \alpha_0 + \beta_2x_2 + \mu_i$ Equation ii

H03: $Y = \alpha_0 + \beta_3x_3 + \mu_i$ Equation iii

H04: $Y = \alpha_0 + \beta_4x_4 + \mu_i$ Equation iv

$Y = \alpha_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \mu$Equation ii

2.5. Summary of Gaps in Literature

Numerous studies have been done touching on various aspects of employee morale and productivity in large scale organizations. According to these studies, concerns were made with

regards to the specific scopes and the uniqueness of productivity in large scale organizations. From the literature reviewed, there appears to be shortage of studies done in the Small and Medium Scale Enterprises (SMEs). Most of the studies that have been conducted appeared to have been carried out in large scale organizations in countries like Nairobi, Kenya and Malaysia which reduces the study applicability to the Nigerian context. This shows that employee morale and productivity in the SMEs is highly understudied in the country, thus, necessitating the present study. In addition, previous studies that have examined employee morale have concentrated on profitability and work performance to the neglect of other indicators such as: Motivation, Team spirit, Compensation, Work effort, and Product quality enhancement. Having identifying this gap, this present research has decided to fill it by introducing new indicators. This new indicators enables this present study to present a holistic measurement of employee morale.

Relatedly, the study of productivity has been carried out in numerous settings in both public and private organizations. A number of these studies have attempted to examine the interrelation between productivity and work performance. Furthermore, the specific aspects covered in those studies are different from the aspects the researcher is proposing to investigate in the present study. Even, if there is evidence that studies have been done touching on the effect of employee morale on productivity in the organization, there is no revealing information that is available as regards to the present study in Small and Medium Scale enterprises (SMEs). However, Comparable evidence as regards to the effects of employee morale on productivity do exists. Based on this fact, there are significant explanations as to why this present study should be undertaken in SMEs.

Under the review of related literature in this study, many concepts were defined and reviewed; such concepts include employee morale in Nigeria, Importance of employee morale, level of employee morale, dimension of workers morale and productivity. Measuring of employee morale and productivity in selected SMEs. The meanings of the concepts as they relate to this present study were equally given. Productivity is typically measured with regards to the output. Measuring productivity is more difficult where there is no relationship between the service provided and the monetary value or where services are provided generally to the public. Productivity has always been tied to the relationship that exists between the process of production and the effective utilization of those resources at human disposal. Many of the definitions of productivity are often associated with words such as —value and —time, because productivity is basically about creating value through the efficient utilization of inputs for greater output within a given time period. There are other elements influencing productivity and efficiency of an organization. Such factors include volume of capital, workload, availability of technology, number of employees and their in-service training, leadership styles, staff motivation, etc.; all these play important roles when considering In this study the researcher used frequency count and mean, for analyzing research questions and Correlation, for testing the hypothesis at 0.05 level of significant. The literature reviewed also described the empirical studies conducted on Employee morale and Productivity in Nigeria, America, China, Europe, India, New York, Canada on related studies. Studies have been carried out in Nigeria on Employee morale and Productivity in south-western, Nigeria and the study is limited to employee morale and productivity of Small and Medium Scale Enterprises (SMEs) in Lagos, state, Nigeria.

Also a review of related studies in Nigeria shows that government policies revitalizes SMEs to greater utilization, much scope remain for more exploration in the field of SMEs and it can be done by taking into consideration i,e Productivity of SMEs. Another finding indicated that when credit to the SMEs improved by 10% manufacturing output increase by 14.5%. The finding also shows that interest rate and inflation rate had negative impact on manufacturing sector growth. A finding also revealed that productivity available to SMEs had positive and negative effect on economic growth respectively. Another result shows that SMEs and sustainable development of the Nigerian economy are related just as SMEs financing and improvement in productivity are related.

Theoretical framework

Relevant theories that give credence and necessary explanation to the study are discussed. Two related theories on the basis of study assumptions and objectives are used, namely Motivational theory and Team productivity theory. The two theories are used as complementary ones and suitably to provide the basic theoretical framework for the study.

Motivational Theory (Two factor-types)

The theory of motivation by Frederick Herzberg was developed in year 1959*. Herzberg theory states that there are certain factors that are related to the content of the job and provided satisfying experiences for employees. The theory expressed two set of factors in deciding employees working attitudes and level of productivity, which are hygiene factors and non-hygiene factors. The hygiene factors are the extrinsic to prevent any employee dissatisfaction. The non-hygiene factors are the intrinsic factors which are the real motivators that will increase

employee's job satisfaction with positive ripple effect on productivity. The theory also explained that meeting the lower level needs (extrinsic/hygiene factors) of the individual would not motivate employees to exert more effort on the job, but would only prevent them from being dissatisfied. In order to motivate employees and to enhance job satisfaction, high level needs (intrinsic/non-hygiene factors) must be activated.

Furthermore, Fredrick Herzberg proposed that the determinants of job satisfaction were different from those of job dissatisfaction. The factors which give rise to satisfaction were called: motivators. (These are, recognition, responsibility and achievement), while those giving rise to dissatisfaction were called hygiene factors (e.g. salary, company policy and working conditions). Motivators are activators that lead employees to be satisfied and motivated by their jobs and have to do with job content, they are inherent in the work itself: It must be noted that removing the causes of dissatisfaction through hygiene factors would not result in a state of satisfaction; instead it will result in a neutral state.

Motivators include intrinsic factors such as possibility for promotion, demanding work, recognition, achievement and responsibility. Motivator factors operate only to increase job satisfaction. Hygiene factors are related to the context in which people perform their jobs e.g. supervisory problems, interpersonal relations, low salary, administrative practices, poor working conditions and unfavorable company policies. The presence of hygiene results in job dissatisfaction, but their absence leads not to job satisfaction or motivation- only to neutrality. The proponent of the theory state that these factors, on their own do not lead to job satisfaction but there absence can create dissatisfaction. Hygiene factors, also called dissatisfies, operate only to decrease job satisfaction or create job dissatisfaction. The reverse of job satisfaction is not job

dissatisfaction but instead, lack of job satisfaction; and similarly, the reverse of dissatisfaction is not job satisfaction, but lack of job dissatisfaction.

The term "hygiene" is used in the sense that these are maintenance factors. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary. Herzberg often referred to hygiene factors as "KITA" factors, which is an acronym for "kick in the ass", the process of providing incentives or threat of punishment to make someone do something. Hygiene factors are what cause dissatisfaction among employees in the workplace. In order to remove dissatisfaction in a work environment, these hygiene factors must be eliminated. There are several ways that this can be done but some of the most important ways to decrease dissatisfaction would be to pay reasonable wages, ensure employees job security, and to create a positive culture in the workplace. Eliminating dissatisfaction is only one half of the task of the two factor theory. The other half would be to increase satisfaction in the workplace. This can be done by improving on motivating factors. Motivation factors are needed to motivate an employee to higher productivity and performance. The motivational two factor theory made some assumption that happy employees will provide more. What motivates one individual might be demotivator for another individual*. The application of the theory is that by removing the dissatisfying hygiene factors, productivity in the workplace but it would not serve as a motive, thus, motivation would not come as a result of intrinsic factors*. However, some studies have revealed that extrinsic factors such as competitive salary, good interpersonal relationship, friendly working environment are key for the retentions of employees. These can also make employees to work harder, thereby enhancing productivity in work organization. Theory does not

account for individual personality traits that could provide a different response to a motivator ideal factor

Team Productivity theory

The team Productivity theory was proposed by author in 1950. According to the theory, an individual can be productive and be motivated to achieve the team goals and objectives if they are healthy, safe, secure and in an environment of meaningful people.

The theory is a wide ranging idea that people work harder when they are being watched and monitored. It is also advanced that this is not the case when there are physical changes in their environment which makes them accountable.

The team productivity theory further proposes that productivity can only increase with the work-team only when members are in good shape, safe and happy. This denotes that if you impose fear, control and disrespect or over stress employee on goal achievement and deadlines, they become less productive and possess low morale at work. As such, the theory takes the view in this age of technology and low productivity, that employee need to be motivated to give their team extra boost by inspiring them on the job. In order to enhance productivity, the theory contemplated the use of perks, motivation, good working environment, by management on organization. In addition, employees must not be afraid to express themselves, express concern and be reluctant to seek for support if and when needed.

The team productivity theory has been widely applied towards understanding how productivity can be enhanced within the team-group morale can be considered as team-spirit or outwork and

only few organizations pay attention to the work-behavior of the employee in terms of morale in the workplace. Employee morale in human resource management can be described as the satisfaction, attitude, feelings of happiness of workers towards the system and themselves. These have direct effect on productivity in the workplace. More importantly, this theory sheds light in explaining and understanding employee's collective work-behavior and the effect on productivity because of it's relevance and scope it offers for analysing employee work-behaviors and attributes in organization. The theory is an all reaching and encompassing one which essentially focus on the general needs of employees and how they can be motivated to impact positively in productivity in the workplace. The theory thus is used to tackle poor behaviour and expressed the need for showing appreciation, making employee secure and understanding their problems in work-situations. Through its wide relevance to the present study, it has demonstrated to be most comprehensive model for analysing workforce problems and making them to be more productive in Organizations.

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Chapter Three

Methodology

This chapter presents the procedures and methods employed in carrying out the study. They include: research design; population; sample size and sampling technique; research instrument; validity of instrument; reliability of instrument; method of data collection and method of data analysis.

3.1 Research Design

The research design is an essential component of research methodology. It is the blueprint that guides a researcher on the conduct of the research process. It is also the structure and strategy to be used during research investigation. In this connection, this study adopted descriptive survey research design to enable the researcher examine the view of respondents on the variables; Employee morale and Productivity in selected small and medium enterprises in Lagos state. The study appraised the prevailing employee morale and described the phenomenon of productivity in selected Small and Medium Enterprises in the state. A survey method was employed to gather primary data on the study. The quantitative study helps to describe the situation and facilitate a detailed and credible assessment of the effect between Employee morale and Productivity in the selected SMEs.

3.2. Population of the Study

Population is the total collection of elements which researchers seek to examine or draw inference from¹. Also, a target population specifically refers to an entire group of individuals who

have common observable characteristics. Lagos State is the hub of largest concentration of SMEs in Nigeria and has the highest number of SMEs operations². The State has twenty Local Government Areas and from which three (3) targeted Local Governments were purposively selected namely: Ikeja Local Government Area, Mushin Local Government Area and Ikorodu Local Government Area. The three LGAs have the oldest and largest concentrations of SMEs industrial clusters in Lagos State, and from which four SMEs dealing with manufacturing activities were purposively selected in each of the three(3) Local Government Area, thus having a total population of: two thousand(2000) as got from the SMEs registers. The researchers chose the manufacturing SMEs operations, because manufacturing operations in Lagos state, propel all other sectors of operations and more than any industry helps to develop the much needed entrepreneurial and managerial skills.

3.3. Sample and Sampling Techniques

In order to determine the sample size for the study, Taro-Yamane formula for calculating sample size for finite population was adopted. One of the assumptions of this formula is that, it assumes the population from which the sample would be derived from, is a finite one and not infinite. It also assumes that the acceptable error margin for any sample must be greater than zero and never equal to or less than zero. A simplified formula to calculate sample sizes.

Where 'n' is the sample size, 'N' is the finite population size, and 'e' is the level of precision ".

Taro

Yamane Formula: $n = \frac{N}{1 + N(e)^2}$

$$1 + N(e)^2$$

The values used are

N=Study population (2000), n=sample size

e= 0.05 (level of significance)

1= Constant

$$n = \frac{N}{1 + N(e)^2}$$

$$= \frac{2000}{1 + 2000(0.05)^2}$$

$$n = \frac{2000}{1 + 2000(0.0025)}$$

$$= \frac{2000}{1 + 5}$$

$$n = \frac{2000}{6}$$

$$= \frac{2000}{6}$$

$$n = \frac{2000}{6}$$

$$= \frac{2000}{6}$$

$$n = \frac{2000}{5}$$

$$= 400$$

Table 2.1: Employees population and sample size of selected SMEs in Lagos state

Local government areas	Company	Population	Sample size	(%)
Ikeja Local Government Area, Ikeja Industrial Area SMEs cluster	i)Doyin plastics	195	39	9.3
	ii)Olam Industries	168	34	8.5
	iii)Packaging cartons manufacturers Nigeria	179	36	9.0
	iv)LongYie International Manufacturing Company	148	30	7.5
Mushin Local Government Area, Mushin Industrial Cluster	i)Daily Needs Company	182	36	9.0
	ii)Cakasa Nigeria Company	190	38	9.5
	iii)Band Chemicals Ltd	188	37	9.3
	iv)Ana Industry Ltd	140	29	7.2
Ikorodu Local Government Area, Odogunyan Industrial Area SMEs cluster	i)Century Chemical and Dye	162	33	8.3
	ii)Sungflag Nig. Ltd	180	36	9.0
	iii)PZ Wilmar factory	160	30	7.5
	iv)Ceramics Product Ltd	108	22	5.5
TOTAL		2000	400	100

Source: Researcher's field survey, 2022.

The study area has twenty local governments in Lagos state. The study employed purposive sampling techniques and simple random sampling to select three local governments, one (1) local government in each senatorial district (Mushin, Apapa, Ikorodu and Ikeja) from twenty local governments in the three (3) Senatorial District. A total of 400 SMEs staffs were selected for the study using a purposive sampling technique to select participants from the SMEs organizations who are currently within Mushin, Apapa, Ikorodu and Ikeja Local Government, Lagos State Nigeria. Reason for selecting this local government is because they are industrialized areas where SMEs will be able to thrive in the location.

3.5. Description of the Research Instrument(s)

Description of Research Instruments

The instrument used for this study is structured questionnaire. The questionnaire which is of close-ended type is divided into six (6) sections (A-F) with questions on the following broad themes.

- Socio-demographic Attributes
- Perception of Employee Adaptation
- Motivation and Productivity
- Team spirit and Work-effort
- Compensation and Product quality output enhancement
- Employee morale and Productivity

A) Socio-demographic Attributes

This section of the questionnaire contains variables such as Age, Gender, Marital Status, Highest Education Level, Employee Cadre and Length of Service. In all, six questions were drawn and they were all close-ended questions.

B) Perception of Employee Morale

This section of the questionnaire contained closed ended questions on the current level of the perception of employee morale in the selected SMEs. A total of eight (8) questions were drawn, which was presented in Likert scale type in form of simple statement to which respondents were to register their degree of concurrence.

C) Motivation and Productivity

This section of the questionnaire focused on the effect of motivation on productivity. In all, a total of five (5) questions were drawn and made up of close-ended questions and which utilized the 1 - 4 Likert scale format: strongly disagree to strongly agree. This was done to investigate the effect of motivation on productivity in the SMEs.

D) Team Spirit and Work-Effort

This section contained five (5) questions, all close-ended and utilized the Likert Scale in which respondents were presented with four alternatives.

E) Compensation and Product Quality Enhancement.

This section of the questionnaire contained five (5) close-ended questions. The questions were in Likert Scale type: Strongly Agree-Strongly Disagree, with numeric value of 1 - 4 respectively to capture the respondent's answers.

F) Employee Morale and Productivity

The last aspect of the questionnaire contained six (6) questions which were all close-ended which used the Likert scale showing Very High extent to Not at all with the numeric value of 1 – 5 respectively to capture the respondent's answers.

3.6. Validity of the Research Instruments

The face validity of the questionnaire was established by experts. A copy of the instrument was given to experts in the Management and Accounting Department, Lead City University, Ibadan. These experts were requested to check the suitability and clarity of the items and made their comments and inputs to the instrument. Comments and the observation of these experts in conjunction with the supervisor's comment were considered in the final draft of the questionnaire.

3.7. Reliability of the Research Instrument

The reliability of the research instrument was tested using cronbach alpha. This was used to measure the internal consistency to show how closely the set of items in the questionnaire are as a group. To achieve this pilot study consisting of 30 participants was carried out to ensure the scale was suitable for use. Cronbach alpha was employed in determining the reliability coefficients. The coefficients show how well the items are positively correlated to one another. The results shows that the Cronbach alpha value SMEs Productivity (0.871), Employee Morale(0.846), Work effort (0.823), Product quality enhancement (0.944), Staff Motivation (0.899).

3.8. Method of Data Collection

The researcher administered the questionnaire with the assistance of two trained research assistants who were educated on the mode of administration, purpose and importance of the study. Four hundred (400) copies of the questionnaire were thereafter administered to the respondents to obtain information relating to effect of employee morale on productivity. However, only three hundred and seventy five (375) copies of questionnaire were retrieved and fit for analysis, thereby making the response rate to be 93.75 percent.

3.9. Method of Data Analysis

The data collected were analyzed using both descriptive and inferential statistics. Descriptive statistics such as: Percentages and frequency table, mean and standard deviation were used to analyze the demographic variables and each of the variables of the study. Inferential statistics

such as Pearson Correlation was used to test the hypotheses formulated. All analyses were conducted at 5% level of significance. Relationship will be found significant when p-value is less than 0.05.

End notes

1. D. R Cooper and P.S Schindler- Business Research Methods (*12th edition*). New York: MC Graw-Hill Education. 2014.
2. SME, *Small and Medium Scale Industries in Lagos State*. **Nigeria Bureau of Statistics**, (NBS), SMEs Report 2021

Chapter Four

Results and Discussion of Findings

This chapter presents and discusses the result of data collected on the field as well as the analysis of results and discussion of findings based on the research questions answered and the hypotheses tested. Thus, the presentation of results and findings were done and explained in the tables of frequency and percentage, bar charts. Mean and standard deviation were used to analyze respondents' opinions while the study hypotheses were done with Pearson Product Moment Correlation PPMC statistical analysis. The research questions were answered thematically in consonance with the study objectives followed with the interpretations and discussions of findings.

4.1 Presentation of Data:

4.1.1 Demographic Characteristics of the Respondents

Table 4.1 Distribution of Gender Respondents Table

Gender	Frequency	Percent
Male	278	74.1
Female	97	25.9
Total	375	100.0

Source: Researcher's Fieldwork, 2022

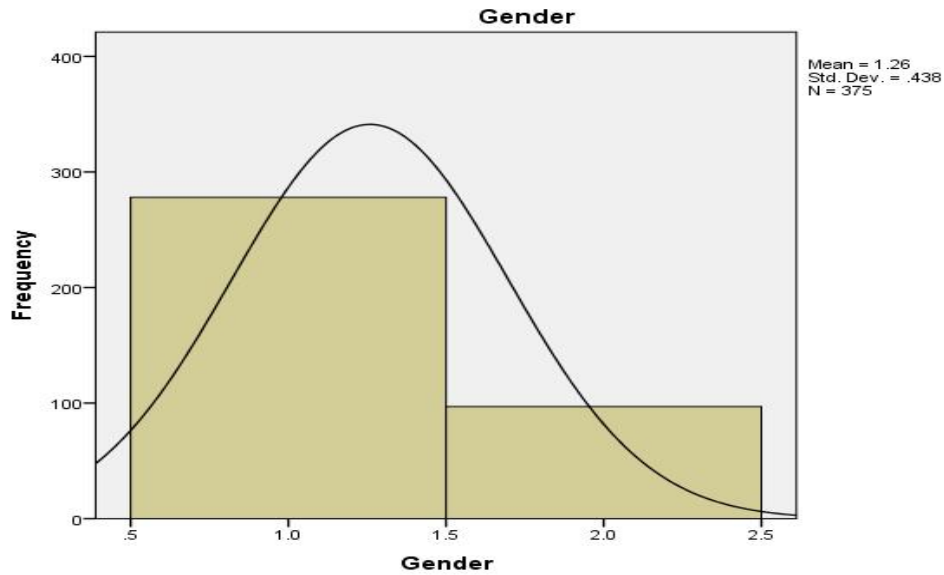


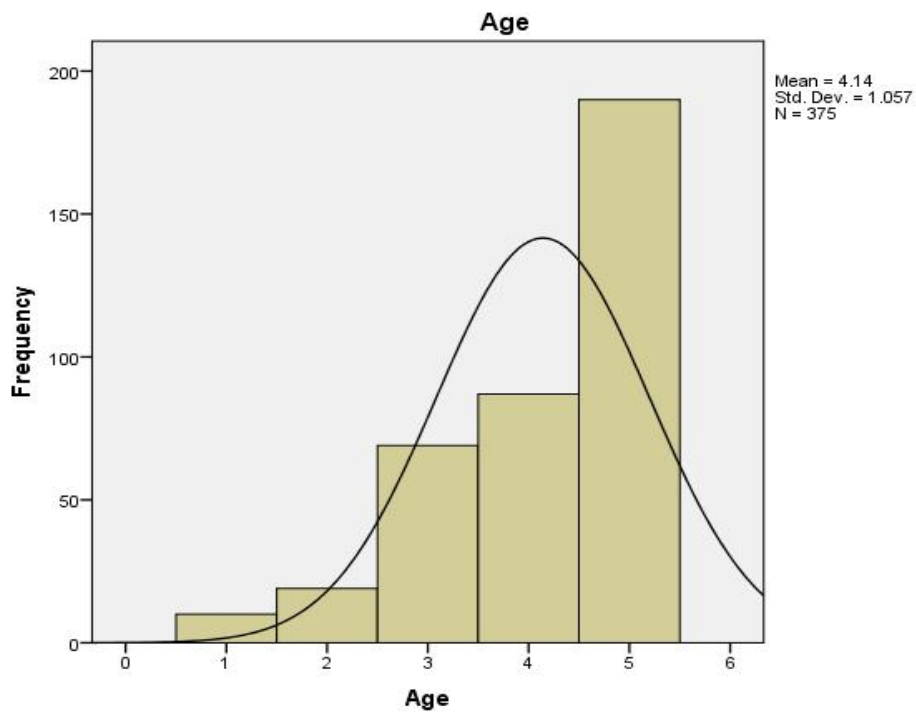
Figure 4.1: Gender of the respondents

Source: Researcher's Field Survey, 2022

Table 4.1 and the Figure 4.1 reveal the gender of the sampled respondents. From the Table, 278(74.1%) of the respondents are males, while 97(25.9%) of them are females. The report shows that majority of the respondents are males in this study.

This presents a ratio of 3:1 across the gender group skewed in favour of male respondents. The low female participation confirmed earlier findings that majority of employees working in SMEs are males.

Table 4.2: Age group of Respondents



Age(years)	Frequency	Percent
25 or below	10	2.7
26 – 35	87	23.2
36 – 45	190	50.7
46 – 55	69	18.4
Above 55	19	5.1
Total	375	100.0

Researcher’s Fieldwork; 2022

Figure 4.2: Age group of the respondents

Table and the Figure 4.3 reveal the age group of the sampled respondents. From the Table, majority of the respondents within 36-45 years were 190(50.7%), age group 26-35 years

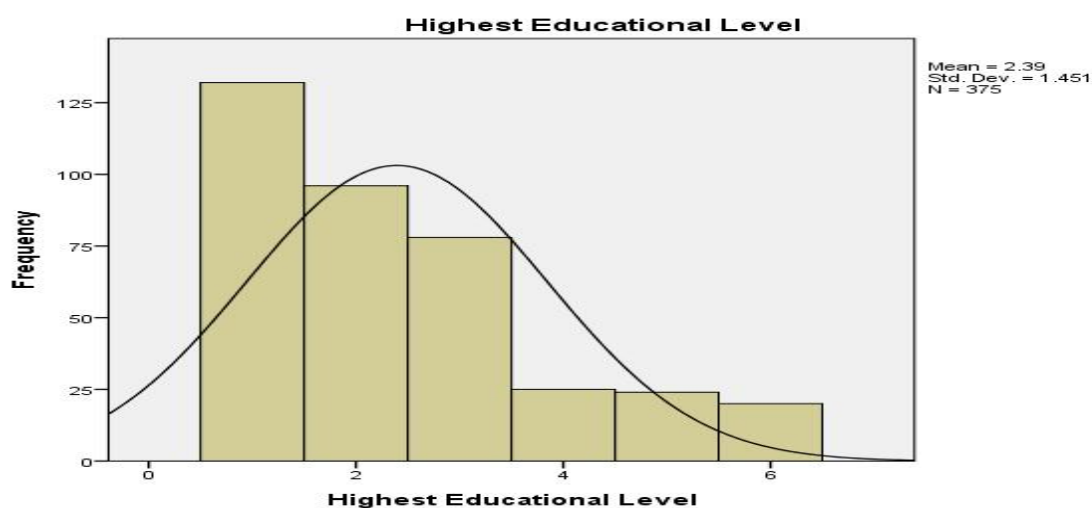
were 87 (23.2%), while respondents between 46 to 55years, 69(18.4%), 55 years and above were 19(5.1%) and age grade of 25 years and below were 10(2.7%)

Table 4.3 Highest Educational Level

Highest Educational Level	Frequency	Percent
BECE or equivalent	96	25.6
SSCE or equivalent	132	35.2
Diploma	78	20.8
First degree	25	6.7
Post graduate degree	24	6.4
Other	20	5.3
Total	375	100.0

Source: Fieldwork; 2022

Figure 4.3 Highest Educational Level



Source: Researcher's Field Survey, 2022

Table and the Figure 4.3 reveal the highest educational level of the sampled respondents. Data presented indicates that majority 132 (35.2%) of the respondents are SSCE or equivalent, 96 (25.6%) of them are BECE or equivalent while 78 (20.8%) are Diploma 6.7% had First degree, 6.4% had Post graduate degree and 5.3% had other certificate. The report shows that majority of the respondents had SSCE or equivalent.

Table 4.4: Length of Service

Variables	Frequency	Percentage
Less than 2 years	21	5.6
3-5 years	38	10.1
6-8 years	270	72.0
9 years and above	46	12.3
Total	375	100

Source: Researcher’s Field Report, 2022

Length of Service

Data presented on length of service of the respondents present a mean of **7.15** years for the sample population. Majority 270(72%) of the respondents have served in the SMEs between 6 and 8 years. 46(12.3%) are 9 years and above, while those between 3 to 5 years were 38(10.1%). The remaining 21 respondents who have served less than 2 years is 5.6% of the sample population. The inference drawn from this finding is that less than three-quarters of the respondents (**72%**) have worked in the selected SMEs for over 6years. It is therefore assumed that the selected participants have worked enough to be in a better position to give unprejudiced

and honest opinions on issues of employee's morale and productivity in their employing organizations.

Table 4.5: Employee Cadre/ Status

Status	Frequency	Percentage
Manager	5	1.3
Officer	21	5.6
Junior employee	349	93.1
Total	375	100

Source: Researcher's field report, 2022

Regarding the designation/status of the employees, data presented in Table 4.5 indicated that majority 349(93%) of the sampled population are junior employees. 21(5.6%) are officers, while the rest 5(1.3%) of the respondents are managers. This distribution is normal in an SMEs settings, where most of the employees are often junior cadre staffs. SMEs cannot afford to have many manager as a result of their size and non-complex nature of business.

Presentation of data

4.2 Research Questions

Research question 1: Explore the current level of perception of employees morale in the selected SMEs.

Table 4.7: Current Level of Perception of Employee Morale in the SMEs

Variables	Always	Often but not always	Sometimes but not often	Rarely	Never	M	S.D
There is respectability towards employees in the organization	64 (17.1%)	67 (17.5%)	96 (25.6%)	30 (8.0%)	118 (31.5%)	2.45	1.500
Management gives recognition to employees work	44 (11.7%)	55 (14.62%)	69 (18.4%)	96 (25.6%)	111 (29.6%)	3.43	1.326
Employees have feelings of job satisfaction	66 17.6%	81 21.6%	98 26.1%	32 (8.5%)	98 (26.1%)	3.22	1.478
The organization inspired the employees to be more enthusiastic in job performance	2 (0.6%)	20 (4.9%)	59 (14.1%)	170 (40.4%)	167 (40.0%)	2.82	1.372
Employees contributions are well considered and rewarded	8 (1.8%)	73 (17.4%)	162 (39.2%)	13 (3.1%)	162 (39.2%)	2.72	1.352
Employees are happy in doing their jobs	2 (0.6%)	40 (9.7%)	200 (47.9%)	49 (11.7%)	125 (30.0%)	2.78	1.414
Employees have excitement for job performance and to work harder	8 1.8%	15 (3.7%)	51 (12.5%)	167 (40.0%)	167 (40.0%)	2.56	1.279
The work environment is conducive to effective working	8 1.8%	77 (17.8%)	81 (21.6%)	51 (13.5%)	158 (45.3%)	2.39	1.212

N= 375. Weighted Average Mean: 2.88

Source: Researcher’s field report, 2022

Data generated from the respondents on the current perception level of employee morale in the selected SMEs were presented in Table 4.7. This was done in order to prepare the ground for establishing the effect of employee morale on productivity in the selected SMEs. The significance of the data in Table 4.7 lies in shedding of light on employee morale as a description of the personal attitudes of the workforce in achieving the set goals of the SMEs. Also, for ease

of discussion, the researcher categorized the mean score value into four, namely: Very high: 5 - 4.5, High: 4.4-3.5, Moderate: 3.4-2.5, and Low: 2.4 and below on the Likert scale, recorded mean value score for the total sample which ranged from (lowest 2.39 to 3.43 highest) on a scale of 1 – 5, always to never. This is to indicate the perceived current level of employee morale in the selected SMEs. From the data presented, 17.1% (64) respondents reported that there is always respectability towards employee in the SMEs. Also, respondents who reported often but not always are 17.53% (69), sometimes but not often are 25.6% (96), rarely are 8.4% (30). The remaining 31.5% (118) reported never. On whether management gives recognition to employees work effort, 11.7% (44) reported always, 14.6% (55) reported often but not always, 18.4% (69) stated sometimes but not often, while 25.6% (96) reported rarely. The rest 29.6% (111) respondents stated never. Also, on whether employees have feelings of job satisfaction, 17.6% (66) stated always, 21.6% (81) reported often but not always, 26.1% (98) reported sometimes but not often while 8.5% (32) reported rarely. The rest 26.1% (98) of the respondents stated never. On whether organizations inspires employees to be more enthusiastic on job performance, 0.6% (2) reported always, 4.9% (20) reported often but not always, 14.1% (59) reported sometimes, while 40.4% (170) reported rarely. The rest 40.0% (167) of the respondents said never. On whether employees' contributions are well considered and rewarded, 1.8% (8) reported always, 17.4% (73) said often but not always, 39.2% (162) reported sometimes but not often. The remaining 3.1% (13) said never. On whether employees are happy in doing their jobs, 0.6 (2) reported always, 9.7% (40) reported often but not always, 47.9% (200) reported sometimes but not often while 11.7% (49) said rarely. The remaining 30% (125) said never.

Furthermore, data presented in Table 4.7 indicates that 1.8% (8) of the respondents reported that they always have excitement for job performance and to work harder in the SMEs. 3.7% (15) reported often but not always, 40% (167) respondents reported sometimes but not often, while 12.5% (51) stated rarely. The rest 40% (167) of the respondents state never. On whether the work environment is conducive to effective working, 1.8% (8) of the respondents state always, 17.8% (77) stated often but not always, 21.6% (81) stated sometimes but not often while 13.5% (51) of the respondents stated rarely. The rest 45.3% (158) stated never.

Table 4.8: Legend of Weighted Mean Average of the Current Level of Perception of Employee Morale in the selected SMEs.

Category	Mean Score Value
Very High	5 – 4.5
High	4.4 – 3.5
Moderate	3.4 – 2.5
Low	2.4 and below

Weighted Mean Average=2.88.

The summation of the findings presented in Table 4.8 revealed that with weighted mean average of 2.88, the current level of perception on employee morale in the SMEs is of moderate type. This result suggests that employees only have a modest level of perceived employee morale in the selected SMEs.

Research question 2: Determine the effect of motivation on productivity in the selected SMEs

Table 4.8: Motivation and Productivity Interactivity Effect (N = 375)

Interactivity Effect	Level of Agreement				M	SA
	Strongly Disagree	Disagree	Agree	Strongly Agree		
High standard of industry in the organization delivers high performance and profitability	324 (67.4%)	98 (26.2%)	20 (5.3)	24 (6.4%)	1.85	0.188
Clear understanding of the organization goals and objectives enhances Optimum output delivering.	227 (60.5%)	111 (29.9)	17 (4.5%)	30 (8%)	1.96	0.126
Satisfaction with total compensation package I receive reduces resource wastages	236 (62.9%)	106 (28.3)	24 (6.4)	9 (24%)	1.93	1.027
Atmosphere of respect and trust within the organization ensure better output delivery	179 (57.2%)	144 (38.4%)	35 (9.3%)	35 (9.3%)	1.983	1.142
Fair share of training opportunities in the organization galvanizes employees to better performance and work effort	195 (52%)	123 (32.8%)	43 (11.5%)	14 (3,7%)	1.58	1.146

Source: Researcher Field Report: 2022

Data presented in table 4.8 shows by effect of motivation on productivity in the selected SMES. Findings revealed that more two-thirds that is (67.4%) of the respondents disagreed in strong and mild terms that the high standard of industry set in the SMES delivers high performance. The rest 32.6% agreed in strong and mild on whether clear understanding of the organizational

goals and objectives, enhanced optimum output delivery in the SMES, (65%) of the respondents disagreed in strong and mild terms. The rest (35%) of the respondents agreed.

Furthermore, data in Table 4.7 shows that majority (69.3%) of by respondents strongly disagreed that satisfaction with total compensation package reduces resource wastages in the SMES. The rest 30.7% agreed. As part of further investigation on the effect of motivation on productivity in data Table 4.7 indicates what majority (63.5%) of the sampled respondents disagreed that atmosphere of respect and trust within the organization ensured better output delivery. The rest (36.5%) agreed output. Relatedly data presented in hittable indicate majority (63.5%) of the respondents disagreed that the fair share of training opportunities in the organization did galvanize employees to better performance and higher output delivery. On the overall result, with the weighted mean average score of 1.52 and Sd of 0.792, respondent's level of agreements suggest that motivation did have negative effect on productivity in the selected SME. This finding might not be unconnected with the modest level of morale in existence in the selected SMES.

Research question 3: Examine the effect of team spirit on work-effort in the selected SMES.

Table 4.8: Team Spirit and Work-Effort

Attributes	Strongly Agree	Agree	Disagree	Strongly Disagree	M	SD
Team spirit brings the desire to put my best on the job	(15.5%) 58	(19.6%) 70	(22.2%) 83	(42.7%) 164	1.55	0.88
Team spirit generates loyalty and commitment in the me which results in to extra work effort	(8.0%) 30	(25.3%) 95	(35.6%) 136	(31.1%) 114	1.50	0.96
Team-spirit ensures the cohesiveness and strength which makes me to have zeal in putting more work effort	(24%) 24	(16.9%) 63	(18.2%) 68	(40.9%) 154	1.58	0.72
Sharing of problems among us enhances my work effort	(22.2%) 83	(23.4%) 88	(32.2%) 121	(22.2%) 83	1.71	0.69
Team spirit directly boost my work effort	(15.2%) 57	(30.2%) 113	(21.3%) 80	(33.3%) 125	1.82	0.54

Data Presented in Table 4.8 shows that 15.5% (58) respondents strongly agreed that team spirit brings out the desire in them to put their best effort on the Job. 19%(70) respondents also agreed. The rest 54.9%(247) respondent disagreed in both strong and mild terms. Also, 8% (30) respondents strongly agreed that team spirit generate loyalty and commitment which results in extra work effort. 25.3% (95) respondents agreed while the remaining 66.7% (250) respondents

strongly disagreed and disagreed respectively. Similarly, 24% (90) respondents strongly agreed that team spirit ensures cohesiveness and strength which make them to have zeal in putting more work-effort in the selected SMES. 16.9% (63) also agreed. The rest 51.1% (222) respondents strongly disagreed in both strong and mild terms furthermore 15.2% (57) respondent strongly agreed that team spirit directly boosts their work effort in the selected SMES, 30.2% (113) also agreed 21.3%(50) 21.3% and 33.3% strongly agreed and agreed respectively. Lastly, 222%(83) respondents strongly agreed that sharing of problems among them enhanced their work efforts 23.4%(88) respondents also agree. The rest 54.4% (204) respondents strongly disagreed in both strong and mild terms. Within weighted mean average of 1.63 and SD of 0.75 the overall result indicated that team spirit does have negative effect on work effort in the selected SMES.

Research question 4: Investigate the effect of compensation on product quality enhancement in the selected SMES.

Table 4.9 Compensation and Product Quality Enhancement

Variable	Strongly Agree	Agree	Disagree	Strongly Disagree	M	SD
Reward in the organization drives me to give my best on job	19 (4.6%)	291 (79.9%)	19 (4.5%)	46 (11%)	3.64	1.360
Fair pay is reflected in my work attitudes towards the enhancement of product quality output	8 (2.0%)	315 (85.7%)	28 (5.2%)	29.0 7.1	3.79	1.223
Incentives enhances work-output and good product quality enhancement in the organization.	2 (0.6%)	301 (82.0)	67 (16.1%)	5 (1.3%)	3.75	1.221
Bonuses improves my work responsibilities and mental requirement to achieve optimum product quality enhancement	4 (1.3%)	298 (79.5%)	74 (19.7%)	33 (8.8%)	3.53	1.103
Salary incremental system in the organization leads to constant product quality enhancement	0.0 (0.0)	322 (87.2%)	44 (11.7%)	5 (1.3%)	3.83	1.169

Source: Researcher field report 2002 weighted Average mean score = 3.62 Sd= 1.36

Data presented in Table 4.9 disagreed and 4.6% strongly agreed that reward in the organizations drives them to give their best on the job 79.4% (291) respondents agreed while (15.6%) 65 respondents disagreed in both strong and mild terms. Also, majority 82.6% (303) respondents agreed that incentives results in good product quality in the organization. The rest (17.4) 72 respondents strongly agreed and disagreed. In addition, 80.189 (208) respondents strongly agreed that bonuses improves work responsibility and mental requirement to produce optimum product quality enhancement in the organization. 44.3% (165) respondents also agreed. 87.7%

(323) respondents agreed in both strong and mild term that fair pay rests it so her work attitudes towards the enhancement of product quality one. The remaining (5.2%) 28 respondents and (7.1%) 29 respondents disagreed and strongly disagreed respectively. Furth more, (87.2% (327) respondents strongly agreed that the salary incremental system leads to consistent product quality enhancement in the SMES, The rest (13%) 49 respondent disagreed in both strong and mild terms. Lastly, majority (87.7%) 323 respondents agreed that fair pay reflected in the work attitude towards delivery of product quality enhancement in the SMES. The mean and standard deviation derived from the Liker scale 1-4 (strongly disagreed to strong agreed indicate that reward has mean value score of (3.64) and SD = 1.36, fair pay has mean score value of 3.75 and SD 1.22, incremental system has mean score value of 3.53 and SD of 1.20. The overall weighted mean average of 3.62 and standard deviation of 1.36 suggests that compensation has positive effect on product quality enhancement in the selected SMES.

Research question 5 Determine the extent to which employee morale constitutes an impediment to productivity in the selected SMES.

Table 4.10: Extent to which Employee Morale constitutes impediments to productivity in the Selected SMEs.

Variables	Very High Extent	High Extent	Moderate Extent	Low Extent	Not At All	M	SD
My happiness has not ensured vibrancy in the organization	212 (56.5%)	99 (26.4%)	28 (7.5%)	17 (4.5%)	19 (5.1%)	4.25	1.104
Skillfulness of employee has not shown in product quality of the high delivery in the organization	194 (51.7%)	113 (30.1%)	37 (9.9%)	21 (5.6%)	10 (2.7%)	4.23	1.016
My job satisfaction has impaired on the organizational goal attainment	188 (50.1%)	92 (24.5%)	46 (12.3%)	19 (5.1%)	30 (8.0%)	4.04	1.245
My enthusiasm for the Job has constituted hindrance to my productive work effort in the organization	180 (48.0)	108 (28.8)	22 (5.9)	54 (14.4)	11 (2.9)	4.05	1.175
Respectability and concern for employee in impede my performance for optimum result	215 (57.3%)	101 (26.9%)	30 (8.0%)	20 (5.3%)	9 (2.4%)	4.31	.993
Team Spirit does not regulate resource wastage in the	179 (47.7%)	146 (38.9%)	22 (5.9%)	17 (4.5%)	11 (2.9%)	4.24	.902

organization							
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Source: Researchers field Report, 2022 N = 375 Weighted Average mean score 4.21, SD = 1.08

Data presented in table 4.10 indicates that with weighted mean average of 4.21 and SD 1.08, Employee morals constituted a high implement to productivity in the selected SME. Majority 56.5% (212) respondents affirmed that employee happiness has not ensured organizational vibrancy to a very high extent in the SMES 264% (99) respondent also affirmed of high extent The rest 7.5% (28), 4.5% (17) and 5.1% (19) respondents states to a moderate extent low and not at all respectively. Also, 51.7% (194) respondents states that to a very high extent skillfulness of employees has not shown in product quality output, 30.1% (113) respondents said to a high ext. the remaining 9.9% (37) respondents saw to extent and 2.7% 10 respondents said not all . Similarly, 50.1% (188) respondents stated that to a very high extent, job satisfaction has impaired the goal attainment in the SME 24.5% (92) respondents said to high extent, 12.3% (46) respondents said to a low extent. The rest 8.0% (30) respondents said to a moderate extent and 19% to not all. Furthermore, 48% (180) respondents stated that their enthusiasm for job directly constitutes hindrance to productive work-effort to a very a high extent in the selected SMES. 28.8% (108) respondents said to a high extent, 5.9% (22) respondents said to a moderate extent while 14.4% (54) respondents said to low extent. The rest 2.9% (11) respondents said not at all. Furthermore, majority stated that 57.3(215) respectability and concern for employee impede performance in the organization for optimum results to a very high extent, (26.9%) 101 respondents stated high extent, (8%) (30) respondents said moderate extent white 5.30%(20) respondents stated low extent. The remaining 2.4% (9) respondents said not at all. Lastly,

47.7%(179) respondents stated that team spirit does not regulate resource wastage in the SMES 38.9(146) respondents said to high extent, 5.9%(22) respondents stated to a moderate extent. The remaining 4.5% and 2.9% said in extent and not at all respectively.

Table 11.4: Summary of Extent to which employee morals constitutes impediments to productivity in the selected SMES.

Category	Weight of Selected SMEs mean Average
Very High extent	Above 4.5
High extent	4.4 - 3.5
Moderate extent	3.4 - 2.5
Low extent	2.4 - 1.4
Not all	1.4 and below

Weighted mean average score 4.21

With weighted mean Average of 4.21 as presented in Table 4.11, the overall results implied that employee morale constituted impendent to a high extent to productivity in the selected SMEs.

4.3 Test of Hypotheses

Four (4) hypotheses were raised for this study and were subjected to Pearson Correlation statistical analysis. This was done to get in-depth understanding of the different variables and how they affect each other. All the hypotheses are presented in null form, which would thus be rejected if the P-value is greater than 0.05.

H₀₁: There will be no significant effect between motivation and productivity in the selected SMEs.

Table 4.15 Correlation effects of Motivation on Productivity in the selected SMEs

Variables		Employee Motivation	Productivity
Employee Motivation	Pearson Correlation	1	.203**
	Sig. (2-tailed)		0.51
	N	375	375
Productivity	Pearson Correlation	.203**	1
	Sig. (2-tailed)	.000	
	N	375	375
	Mean	14.375	10.692
	Std. Deviation	2.194	2.194

Sources: Researcher's field-report, 2022

** . Correlation is not significant at the 0.05 level (2-tailed)

The correlation above shows that there is no significant effect between motivation and productivity in the selected SMEs. Thus, the relationship between of motivation and productivity in the SMEs is negative and not statistically significant ($r = 0.203$, $p = 0.51 > 0.005$). The null hypothesis is accepted.

H₀₂: Employee team spirit has no significant effect on Work-effort in the selected SMEs

Table 4.16 Correlation effects of Employee team spirit on Work-effort in the selected SMEs

Correlations		Employee team spirit	Work effort
Employee team spirit	Pearson Correlation	1	.047
	Sig. (2-tailed)		.367
	N	375	375
Work effort	Pearson Correlation	.047	1
	Sig. (2-tailed)	.367	
	N	375	375
	Mean	24.378	18.832
	Std. Deviation	4.774	4.671

Sources: Researcher's field-report, 2022

** . Correlation is significant at the 0.05 level (2-tailed).

The correlation above shows that there is no significant effect of employee team spirit on Work effort in the selected SMEs. As such, the relationship between employee team spirit Work effort is not significant ($r = 0.047$, $p = 0.367 > 0.05$). Thus, the null hypothesis is accepted.

H₀₃: There is no significant relationship between Compensation and Product quality output enhancement in the selected SMEs.

Table 4.17 Correlation effect between Compensation and Product quality output enhancement in the selected SMEs

Correlations		Compensation	Product quality output enhancement
Compensation	Pearson Correlation	1	.541**
	Sig. (2-tailed)		.000
	N	375	375
Product quality output enhancement	Pearson Correlation	.541**	1
	Sig. (2-tailed)	.000	
	N	375	375
	Mean	23.285	19.832
	Std. Deviation	4.675	4.671

Sources: Researcher’s field-report, 2022

****.** Correlation is significant at the 0.05 level (2-tailed).

The correlation above shows that there is a significant effect Compensation on Product quality output enhancement in the selected SMEs. Thus, the relationship between Compensation and Product quality output enhancement is statistically significant ($r = 0.541$, $p = 0.000 < 0.05$). The null hypothesis is therefore rejected.

H₀₄: Employee morale does not have significant effect on Productivity in the selected SMEs

Table 4.18 Correlation effect between Employee morale and Productivity

Correlations		Employee morale	Productivity
Employee morale	Pearson Correlation	1	.102**
	Sig. (2-tailed)		0.415
	N	375	375
SMEs Performance	Pearson Correlation	.202**	1
	Sig. (2-tailed)	.000	
	N	375	375
	Mean	9.312	10.832
	Std. Deviation	5.096	4.671

** . Correlation is significant at the 0.05 level (2-tailed).

Sources: Researcher’s field-report, 2021

The correlation above shows that there is no significant effect of employee morale on productivity in the selected SMEs. Thus, the relationship between Employee morale and Productivity in the selected SMEs is not statistically significant ($r = 0.102$, $p = 0.415 > 0.05$).

The null hypothesis is thus rejected.

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Chapter Five

This chapter presents the summary of findings, conclusion and recommendations drawn from the analysis of the research data. It also captures recommendations, limitations and suggestion for future research.

5.1 Summary

The study is to investigate the effect of employee morale on productivity in selected SMEs, in Lagos, Nigeria. From the data analysed and the research questions was formulated, tested and answered respectively, the findings revealed that:

1. The level of perception on employee morale in the SMEs is of moderate type with the weighted average mean of 2.88. The employees only have a modest level of perceived employee morale in the selected SMEs.
2. Motivations have negative effect on productivity in the selected SME with the weighted mean average score of 1.52. This finding is not unconnected with the modest level of morale in existence in the selected SMEs.
3. Team spirit have negative effect on work effort in the selected SMEs with the weighted mean average of 1.63
4. Compensation has positive effect on product quality enhancement in the selected SMEs with the weighted mean average of 3.62.
5. Employee morale constituted impendent to a high extent to productivity in the selected SMEs with the weighted mean average of 4.21.

Hypothesis

1. The findings of this study revealed that there is no significant effect between motivation and productivity in the selected SMEs ($r = 0.203$, $p = 0.51 > 0.005$).
2. The findings of this study revealed that there is no significant effect of employee team spirit on Work effort in the selected SMEs ($r = 0.047$, $p = 0.367 > 0.05$)
3. There is a significant effect Compensation on Product quality output enhancement in the selected SMEs ($r = 0.541$, $p = 0.000 < 0.05$).
4. There is no significant effect of employee morale on productivity in the selected SMEs ($r = 0.102$, $p = 0.415 > 0.05$).

5.2 Conclusion

This study investigates the effect of employee morale on productivity in selected SMEs, in Lagos, Nigeria. This study showed employee morale constituted independent to a high extent to productivity in the selected SMEs. This study also advanced some inputs to the literature by confirming a significant influence between employee morale on productivity in Lagos state. Also there was a significant influence of SMEs performance on unemployment reduction in Ibadan, Oyo State, There are several or positive ways in which employee morale indices create productivity in selected SMEs in Lagos state. In addition, the study revealed further that there are lots of problems/challenges facing Small and Medium Enterprise (productivity in Lagos as a result of low motivation, low team spirit and policies from government and there is significant effects of compensation on Product quality output enhancement in the selected SMEs in Lagos state.

5.3 Recommendation

On the basis of the findings and conclusion drawn from the study, the following recommendations were made;

Also, for effectiveness and efficiency on the job, appropriate strategies for promoting the employees' morale and productivity need be entrenched in the cardinal goals of the SMEs business organization. The management style of the managers needs to foster employees' participation in decision making process in order to boost their morale, efficiency and productivity in any work organization.

The working environment which tends to attenuate the organizational support programmes, provision of adequate pension payment, substantive welfare package and provision of adequate compensation schemes for workers should be provided. This will definitely facilitate improved workers' morale and productivity in work organizations. The physical social infrastructures and political climate of the organizations should be friction free. In essence, democratic style of management that could be people- oriented and production- oriented should be adopted by the managers in managing organizational resources. This will afford the employees opportunity to participate actively in decision making process and virtually sustain their interest, morale and productivity at workplace.

Training and development programmes that could build the capacity of the workers in terms of updating their skills and knowledge of the jobs towards adjustment to changes in working environment should be introduced on regular basis in order to boost their morale and virtually fostered improved productivity among the workforce.

5.4 Contribution to Knowledge

- 1) This study will contribute immensely to knowledge on how the productivity of SMEs can be enhanced.
- 2) Moreover, it will serve as background upon which further study could be built on while considering private and public SMEs in Lagos State.
- 3) Also this study will further contributes to studies on factors that could hindered the productivity of SME in Lagos state as this is relevant to this study.

5.5 Area of further study

Future studies should endeavor to collect data from other non-public organizations with a view to generate the findings among other enterprises and multi-national organization. Also, further studies could also explore the use of both mixed method research design approach for investigating factors affecting productivity of Small and Medium Enterprises in area of Lagos state

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APPENDIX

FACULTY OF MANAGEMENT AND SOCIAL SCIENCES

DEPARTMENT OF MANAGEMENT AND ACCOUNTING

LEAD CITY UNIVERSITY, IBADAN.

**QUESTIONNAIRE ON: EMPLOYEE MORALE AND PRODUCTIVITY IN SELECTED
SMEs IN LAGOS STATE, NIGERIA.**

Dear Sir/Ma

This questionnaire is designed to collect information for the purpose of academic research on the above named topic. All information given will be treated with strictest **confidentiality**.

Your name is not required but candid opinion. Please spare part of your precious time to complete and return the questionnaire to the researcher. Thanks for the cooperation.

INSTRUCTION: Tick (✓) in the appropriate box

SECTION A

1. Age _____ in years (last birthday)
2. Gender (i)Male _____ (ii)Female _____
3. Marital status
(i)Single () (ii) Married () (iii)Divorced() (iv)Separated() (v)Widowed()
4. Highest educational level:
(i) BECE or equivalent() (ii) SSCE or equivalent () (iii) Diploma ()
(iv) First Degree () (v) Post Graduate () (vi) Others ()

5. **Employee Designation Status:** (i)Manager () (ii)Senior staff() (iii)Junior worker()
6. **Length of Service** _____ in years

SECTION B- Current perception of the morale of employees in the SMEs

Please indicate your responses by marking a tick (✓) under the appropriate rating scale.

5= Always; 4=Often but not always; 3=Sometimes but not often; 2=Rarely; and 1=Never.

S/N	Attributes	Always	Often but not always	Sometimes but not often	Rarely	Never
7	There is respectability towards employee in the organization					
8	Management gives recognition to employees work effort					
9	Employees have feelings of job satisfaction					
10	The organization inspires employees to be more enthusiastic on job performance					
11	I have influence on the pace with which my work is done					
12	Employee contribution are well considered and adequately rewarded					
13	Employees are happy in doing their job					
14	Our training needs are adequately met					
15	Employees have excitement for job performance and to work harder					
16	The work environment is conducive to effective working					
17	Employees are proud of the organization					
18	The supervisors listen to the concern of employees					

SECTION C; Table 3: Motivation and Profitability Interactivity Effect

Please indicate your responses by marking a tick (✓) under the appropriate rating scale. 4= Strongly Agree; 3=Agree; 2=Disagree; and 1=Strongly Disagree.

s/n	Interactivity Effect	Level of Agreement			
		Strongly Disagree	Disagree	Agree	Strongly Agree
19	High standard of industry in the organization delivers high performance and profitability				
20	Clear understanding of the organization goals and objectives enhances optimum output delivery.				
21	Satisfaction with total compensation package I receive reduces resource wastages				
22	Atmosphere of respect and trust within the organization ensure better output delivery				
23	Fair share of training opportunities in the organization galvanizes employees to better sales growth and market share				

SECTION D: Team Spirit and Work Effort

Please indicate your responses by marking a tick (✓) under the appropriate rating scale. 4= Strongly Agree; 3=Agree; 2=Disagree; and 1=Strongly Disagree.

s/n	Variables	Level of Agreement			
		Strongly Disagree	Disagree	Agree	Strongly Agree
24	Team spirit brings the desire to put my best on the job				
25	Team spirit generates loyalty and commitment in me which results into extra work effort				
26	Team spirit ensures the cohesiveness and strength which makes me to have zeal in putting more work effort.				
27	Sharing of problems among us enhances my work effort				

28	Team spirit directly boost my work effort				
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SECTION E; Compensation and Product Quality Enhancement

Please indicate your responses by marking a tick (✓) under the appropriate rating scale.

4= Strongly Agree; 3=Agree; 2=Disagree; and 1=Strongly Disagree.

s/n	Attributes	Strongly Agree	Agree	Disagree	Strongly Disagree
29	Reward in the organization drives employees to give their best				
30	Fair pay is reflected in my work attitudes towards the enhancement of my product quality output.				
31	Incentives enhances work-output and good product quality enhancement in the organization				
32	Bonuses improves my work responsibilities and mental requirement to achieve optimum product quality enhancement				
33	Salary incremental system in the organization leads to consistent product quality enhancement				

SECTION F: Extent to which Employee Morale has constituted impediments to productivity in the Selected SMEs.

Please indicate your responses by marking a tick () under the appropriate rating scale.

5=Very Great Extent; 4=Quite a lot; 3=A little; 2=Very little; and 1=Not At All.

s/n	Attributes	Very Great Extent	Quite a Lot	A Little	Very Little	Not At All
34	My happiness has not ensured vibrancy in the organization.					
35	Skillfulness of employee has not shown in product quality delivery in the organization					
36	My job satisfaction has impaired on the					

	organizational goal attainment					
37	My enthusiasm for the job has constituted hindrance to my protective work effort in the organization					
38	Lack of respectability and concern for employee impede my performance for optimum result.					
39	Team Spirit does not regulate the resource wastage in the organization					