Effect of Job Recognition and Training on Employee Performance: Mediating Role of Intrinsic Motivation

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Abstract

Employee performance is a vital issue that attracts the attention of scholars, researchers and practitioners across the globe. In Nigeria, employee performance is becoming an important matter in both public and private organizations. Manufacturing sector in the country is believed to be an engine of economic growth and development. However, the sector has largely been left out of growth process due to its low contribution to the nation's gross domestic product. Similarly, report on the analysis of Nigerian manufacturing sector by Central Bank of Nigeria revealed that the total contribution of the sector has been declining. Thus, this study examined the effect of job recognition and training on employee performance in manufacturing firms: mediating role of intrinsic motivation. Cross-sectional research design was used to collect data from the 327 respondents. The population of the study comprises of all employees of four major pharmaceutical manufacturing firms in Kano State. The data collected were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM) version 3. The result shows that training and job recognition have positive and significant effect on employee performance. At the mediation model, it was found that intrinsic motivation does not significantly mediate the relationship between job recognition, training and employee performance. The study therefore, made recommendations based on the findings.

Keywords: Employee performance, training, job recognition, intrinsic motivation, manufacturing firms.

Introduction

Globally, the issue of performance of employees has grown significantly over centuries. Scholars and practitioners recognized the importance of effective human resource management for individual performance (Isah, Umar, Garba & Ibrahim, 2022; Cesário & Chambe, 2017) in that, employee performance is the vital source for organizational survival. In the current atmosphere of turbulent environment and intensified competition, companies have begun to realize that employees are their most valuable asset (Vomberg, et al, 2018; Miller, et al., 2019). It has been argued that the fastest path through which an organization can achieve its aims and objective is through employee's performance (Mughal, 2020).

Employee performance is increasingly becoming a critical concern in both public and private organizations across Nigeria (Ahmed, 2022; Ogbonna, 2020). Particularly, the Nigerian manufacturing sector, often seen as a key driver of economic growth and development, has struggled to make significant contributions to the nation's GDP, primarily due to the poor

performance of manufacturing firms (Afolabi & Laseinde, 2019). Reports analyzing the Nigerian manufacturing sector, such as those by the Central Bank of Nigeria (CBN, 2011), highlight a consistent decline in its contribution to the GDP over the years. Despite occasional surges, the sector's share in GDP has dwindled steadily, reflecting its ongoing challenges and weak performance outlook (Adekoya, 2020).

Comparative analysis further shows the magnitude of the issue, as the Nigerian manufacturing sector lags behind its counterparts in other nations. For instance, while Nigeria's manufacturing sector contributed only 9% to GDP on average from 2019 to 2021, countries like Malaysia, China, Brazil, and South Africa recorded significantly higher contributions ranging from 13% to 30% during the same period (Kolawole, 2022; Afolabi & Laseinde, 2019). This disparity highlights the pressing need to address the declining performance of employees within the sector, which is a crucial factor contributing to its underperformance.

Existing research in the literature, as documented by various scholars (Chantal et al., 2022; Chanif & Melinda, 2021; Mughal, 2020; Mahmood et al., 2018; Cesário & Chambe, 2017), has identified several factors contributing to the poor performance of employees, including insufficient training and lack of job recognition. Adeneji (2018) emphasizes the importance of providing training and recognizing employee efforts as crucial elements for fostering intrinsic motivation, which in turn can lead to organizational success. According to this perspective, the effective operation of any organization hinges on the extent to which employees are equipped with the necessary skills and acknowledged for their contributions.

A review of the literature indicates the significance of job recognition as a key determinant of employee performance. Previous studies (e.g., Bhagwat, 2018; Hussain et al., 2019; Dickson, 2020; Odigie et al., 2020) have demonstrated that businesses fostering a culture of employee recognition witness notable improvements in employee performance. Dickson (2020) highlights that recognition fosters a sense of intrinsic value among employees, leading to increased motivation and enhanced performance. However, most of these studies have been conducted in Western contexts, with only a limited number focusing on Nigeria. Moreover, the studies in Nigeria primarily concentrate on sectors such as banking, education, and healthcare, thereby overlooking the manufacturing industry.

Similarly, employee in manufacturing sector just like any other employee is from time to time developed through training as improved capabilities, knowledge and skills of the talented workforce proved to be a major source of company strengths (Enebong, 2019). With the emerging trends of manufacturing sector in Nigeria, the quality of employee as greatest organizational asset is becoming increasingly threatened (Odigie, et al., 2020; Dewi, et al., 2021). The employee has to keep abreast with the changes in this dynamic business environment and hence the importance of training for employee in manufacturing sector.

However, it is common to notice some employees who may be provided with training and integrated culture of job recognition in their workplace, to aids in the discharge of responsibilities, yet perform below expectation. This might be as a result of missing link between independent and dependent variables. Jnaneswar and Ranjit, (2022) argued that by taking into account variables such as training, job recognition and by attempting to increase intrinsic motivation, performance might improve. Likewise, other scholars have noted that the presence of these motivational factors leads to increased levels of intrinsic motivation and in turn work performance (Jnaneswar & Ranjit,

2022). Arooj and Abid, (2017) aver that when individuals are intrinsically motivated, they typically perform at relatively high levels. Thus, this study is about exploring the effect of training and job recognition on employee performance in manufacturing industry in Kano State through the mechanism of intrinsic motivation.

Past studies (e.g., Sandamali, et al. 2018; Dewi, et al., 2019; Haryonoa, et al., 2020) have proved a positive link between training and employee performance, as training brings benefits for the employee along with for the firm by positively impacting employee performance through the enhancement of employee's competencies and behavior. To them, well trained employees show both quantity and quality performance. There is less wastage of time, money and resources if employees are provided with training. However, these studies study did not extend their findings on how training through other mechanism improves performance. Thus, they are limited for being direct studies. The studies have also paid more attention to banking sector, educational sector and health sector thereby neglecting the manufacturing sector. Hence the current study will fill this gap by conducting indirect study that focus on manufacturing industry in Nigeria. Furthermore, Pramono and Prahiawan (2022), suggested that future research can analyze the impact of training on performance of employee through other variable, such as employee intrinsic motivation, to improve the quality of results more comprehensively. Hence, the inclusion of employee intrinsic motivation in the relationship between training and employee performance in the current study.

Furthermore, previous studies in the literature have investigated the link between recognition and employee performance (e.g., Chantal,et al., 2022; Odigie, et al., 2020; Dickson, 2020; Hussain, et al, 2019;Olajide et al., 2019; Bhagwat, 2018). However, Gyedu, et al., (2021); Kekina and Suvanjumrat (2017) noted that similar studies in another context that is turbulent may yield different results due to unexpected and unpredictable changes emanated from frequent technological breakthroughs, changes in customer demand and preference, competitors' moves, and internal changes take place (Pavlou & Sawy, 2017; Kurtz, et al., 2012). Furthermore, most of the previous studies (Hussain, et al, 2019; Odigie, et al. 2020; Olajide et al., 2019) investigated direct effect between the variables. Therefore, conducting further research on both direct effects of job recognition on employee performance in manufacturing sector in Nigeria and through the mediation of intrinsic motivation is an important contribution to the body of knowledge.

Despite the above studies that linked training and recognition with employee performance. Most of the past studies (e.g., Deari–Zeqiri & Aliu, 2021; Wiredu,et al., 2021; Mulyono, 2022;) were conducted outside Nigerian context, only a handful studies (e.g., Ahmed, 2022; Isah, et al., 2022; Odigie, et al., 2020; Ugoani, 2020; Ogbonna, 2020; Omori & Bassey, 2019; Bamidele & Olubunmi, 2017) were conducted in Nigerian context. And these studies have paid more attention in banking industry, education sector, health sector, transport industry among others, there by neglecting the Nigerian manufacturing industry, specifically in Kano State. Additionally, most of the previous studies (e.g., Wiredu, et al, 2021; Sihdu & Nizam, 2020; Abdel Rahim, 2020) had small sample size which might affect the generalizability of their findings.

Literature also indicates that the correlation between training, job recognition, and employee performance is not exclusively direct; there are also indirect pathways (Dewi et al., 2019). Research has illustrated that training and job recognition can influence employee performance through various mechanisms, such as commitment (Irakoze & David, 2019), job satisfaction (Omokojie & Edith, 2021), and employee creativity (Jnaneswar & Ranjit, 2022).

However, the literature lacks sufficient exploration of how job recognition and training impact employee performance through the lens of intrinsic motivation (Jnaneswar & Ranjit, 2022). Consequently, future studies are encouraged to investigate additional mediators that could significantly enhance employee performance (El-Achi & Sleilati, 2016; Pramono & Prahiawan, 2022). This study aims to fill this gap by examining intrinsic motivation as an intervening mechanism in the relationship between job recognition, training, and employee performance in the manufacturing industry in Kano State.

Objectives of the Study

i. To investigate the effect of training on employee performance in manufacturing firms in Kano State.

ii. To examine the effect of recognition on employee performance in manufacturing firms in Kano State.

iii. To determine mediating effect of intrinsic motivation on the relationship between training and employee performance in manufacturing firms in Kano State.

iv. To examine mediating effect of intrinsic motivation on the relationship between recognition and employee performance in manufacturing firms in Kano State.

Hypotheses of the Study

Ho_1: Job recognition does not significantly affect the employee performance in manufacturing firms in Kano State.

Ho_2: Training does not significantly affect the employee performance in manufacturing firms in Kano State.

Ho_3: Intrinsic motivation does not mediate the relationship between job recognition and employee performance in manufacturing firms in Kano State.

Ho_4: Intrinsic motivation does not mediate the relationship between training and employee performance in manufacturing firms in Kano State.

Methodology

The study is cross sectional in nature and a survey research design was used. This is because the researcher utilized a structured questionnaire administered to the employees of four major pharmaceutical manufacturing firms in Kano State. The use of questionnaires is helpful because questionnaires are economical, speedy, there is no bias (as in interviews), and the possibility of anonymity and privacy encourages candidates to be willing to respond on sensitive issues, and do so honestly. The population of this study comprises of 2200 employees of four major pharmaceutical manufacturing firms in Kano State. Using Krajcie and Morgan (1970) sample size table to determine the sample size, the sample is 327. The study employed multi stage sampling to sample participants from each of the four major pharmaceutical manufacturing firms in Kano. Furthermore, all instruments used in this study were adapted from previous studies. The study employed PLS-SEM for data analysis.

Result and Discussion

The measurement model is part of the SEM model, which describes the relationships among the latent variables and their indicators (Becker et al. 2012). The measurement model shows that all the study constructs had Average Variance Extracted (AVE) of more than the threshold of 0.5 and Composite Reliability (CR) of more than 0.7 (Hair et al., 2019). This indicates that the convergent

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validity of the construct is adequate as all constructs have their AVE from 0.523 to 0.692 as shown in Table 1. Additionally, the internal consistency of the constructs was measured using composite reliability measure (Hair et al, 2019). As can be seen, all the composite reliability of the constructs are above 0.70.
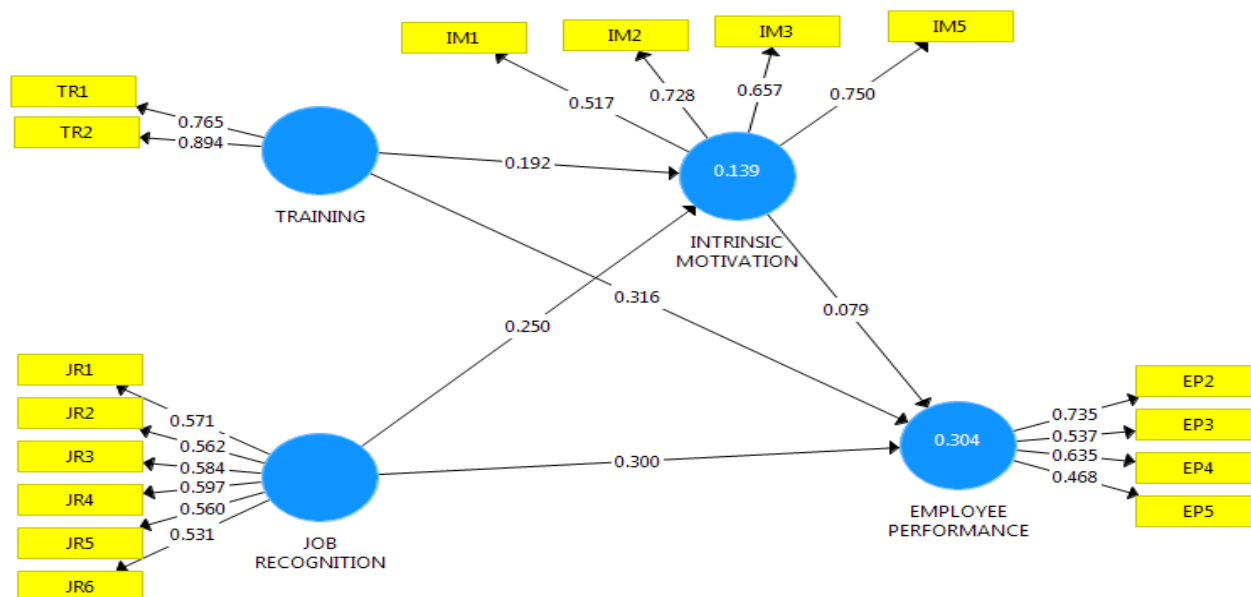
Table 1: Items Loadings, Average Variance Extracted and Reliability

Variable	Code	Loadings	AVE	Composite Reliability
Employee Performance	EP2	0.735	0.563	0.789
	EP3	0.537		
	EP4	0.635		
	EP5	0.468		
Training	TR1	0.765	0.692	0.817
	TR2	0.894		
Job Recognition	JR1	0.571	0.523	0.740
	JR2	0.562		
	JR3	0.584		
	JR4	0.597		
	JR5	0.560		
	JR6	0.531		
Intrinsic Motivation	IM1	0.517	0.548	0.761
	IM2	0.728		
	IM3	0.657		

|		IM5	0.750	

Table 2: Discriminant Validity: HTMT

	EP	IM	JR	TR
EP				
IM	0.467			
JR	0.832	0.527		
TR	0.801	0.456	0.709	

To measure the discriminant validity, Heterotrait-Monotrait ratio (HTMT) was used. HTMT is the mean of all correlations of indicators across constructs measuring different constructs relative to the mean of the average correlations of indicators measuring the same construct. To achieve discriminant validity, the threshold of HTMT value should be less than 0.85 or 0.90 (Hair et al, 2017). Table 2 shows the assessment of discriminant validity using HTMT. As indicated in the table, all the reflective constructs have satisfactorily meet the HTMT criterion because the HTMT value is <0.85 thereby indicating the achievement of discriminant validity.

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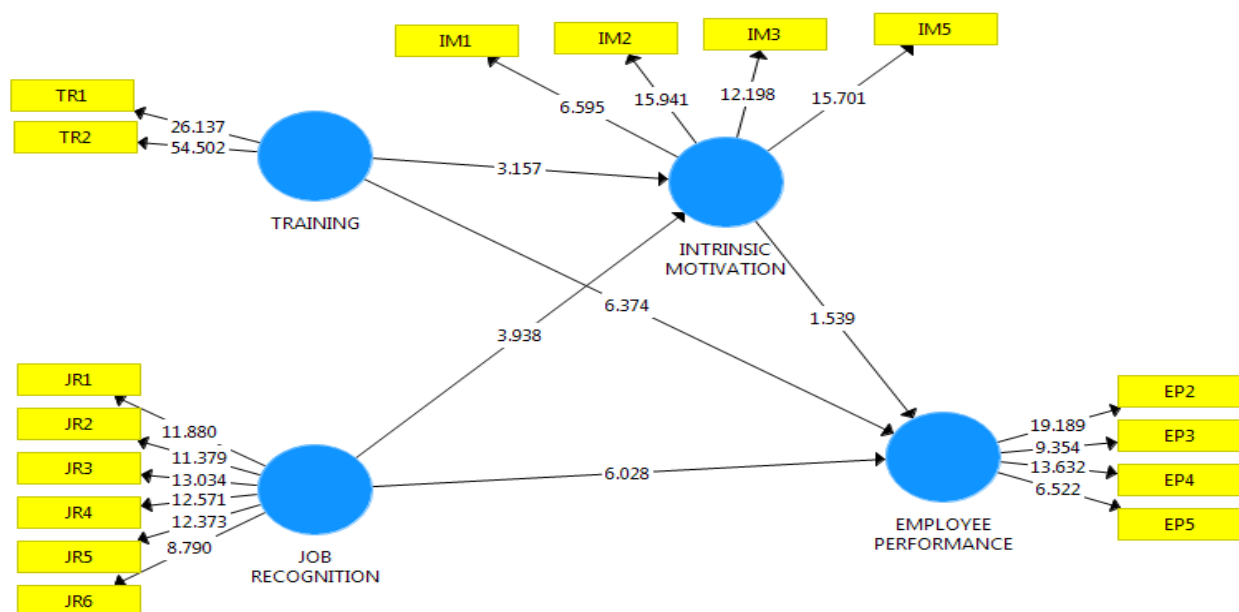
Figure 2: PLS Algorithm for Direct and Mediating Relationship

Table 3: Test of Hypotheses

Hyp	R/ship	B. Value	SD	T Sta.	P values	Decision
$H0_1$	JR-->EP	0.300	0.050	6.028	0.000	Reject
$H0_2$	TR-->EP	0.316	0.050	6.734	0.000	Reject
$H0_3$	JR->IM->EP	0.020	0.016	1.223	0.222	Failed to reject

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H0$_4$	TR->IM->EP	0.015	0.010	1.515	0.130	Failed to reject

The coefficient of determination (R^2 value) of this model is 0.304. This shows that the independent variables of the study account for variation in employee performance by 30.4%. Hence, the remaining 69.6% is explained by other variables not captured in the model. As can be seen in Figure 2 and Table 3, hypothesis one which stated that job recognition does not significantly affect employee performance in manufacturing firms in Kano state was rejected (**β**=0.300, T= 6.028, P<0.05). Additionally, the second hypothesis which stated that training does not significantly affect employee performance in manufacturing firms of Kano state was also rejected (**β**=0.316, T= 6.734, P<0.05).

For the indirect relationship (mediation), hypothesis three which stated that intrinsic motivation does not mediate the relationship between job recognition and employee performance in manufacturing firms of Kano state was not rejected (**β**=0.020, T= 1.223, P>0.05). Finally, the fourth hypothesis which stated that intrinsic motivation does not mediate the relationship between delegation of authority and employee performance in the manufacturing firms of Kano state was not rejected also (**β**=0.015, T= 1.515, P>0.05).

Conclusion and Recommendations

The study investigates the role of intrinsic motivation as a mediator between training, job recognition, and employee performance within the manufacturing sector. It fills a crucial theoretical gap by integrating intrinsic motivation as a significant variable, thereby advancing understanding in this field. The findings reveal the importance of initiatives like training and recognition in enhancing employee performance, with intrinsic motivation acting as a catalyst for productivity. The study recommends that managers implement effective recognition practices to acknowledge and reward employees, thus reinforcing their intrinsic motivation. This can be achieved through various means such as verbal praise, awards, bonuses, or promotions. Additionally, fostering a culture that values intrinsic motivation by promoting autonomy, skill development, collaboration, and a sense of purpose in work can further enhance performance. Ultimately, cultivating intrinsic motivation can create a positive work environment conducive to high performance in organizations.

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