



Exploring Employee Motivation and Creativity on SMEs Innovation Implementation Activities in Nigeria

M. A. Ndaliman^{1*}, Kamariah Ismail², A. I. Chikaji³ and Mohd Khairuddin Ramliy⁴

^{1,2,3,4} Universiti Teknologi Malaysia, Faculty of Management, T03 Building,
81310, Johor Bahru, Malaysia

ABSTRACT

Objective – The study is aimed at uncovering the impact level of employee motivation and creativity on innovation implementation among SMEs sector in Nigeria.

Methodology/Technique – The study adopted a survey research method to elicit data from the sample of selected SMEs using simple random sampling technique.

Findings – The study revealed that employee motivation and creativity has significant positive impact on the implementation of SMEs innovations.

Novelty – The paper demonstrate how motivation and creativity of employee determine their positive attitude and re-enforcement on the factors to spur efficiency in implementation.

Type of Paper: Empirical

Keywords: Employee Motivation; Creativity; SMEs; Innovation Implementation.

JEL Classification: J80, Q55.

1. Introduction

Largely, organizations often require both human and material resources to function effectively and achieve predetermined objectives. While, the human element seemed to play a more significant role in mobilizing resources and putting them into effective use, creativity and motivation play an important role in ensuring effective management of organization innovation towards achieving performance (Brownell and McInnes, 1986; Ngu, 1998; Emmanuel, Kominis and Slapnicar, 2008; and Abejirinde, 2009). Measuring firm's innovation and performance are one way of determining how they can effectively and efficiently utilize both human and material resources at their disposal. Previous studies have traditionally measured innovation performance using simple outcome-based financial indicators (Venkartraman and Ramanujam, 1986; and Taticchi, Cagnazzo, Botarelli and Sameh, 2009). Motivation and creativity are thus, antecedent of

* Paper Info: Received: March 17, 2013

Accepted: April 25, 2013

* Corresponding author:

E-mail: ndaliman2000@yahoo.com

Affiliation: Universiti Teknologi Malaysia, Faculty of Management, T03 Building, 81310, Johor Bahru, Malaysia

organizational and firm performance described as the behavior and outcomes that employees engage into to bring about and contribute to organizational and innovations goals (Onukwube, Iyabga and Fajana, 2010).

Thus, the study intends to understanding the relationship between employee motivation and creativity on SMEs manufacturing firm's innovations in Nigeria. Based on the study objective, studies have been carried out to investigate the effects of managerial motivation on performance (Emmanuel et al., 2008). Similarly, Abejirinde (2009) investigated the relationship between motivation and work performance among private and public enterprises. Yet, Baibaita (2010) carried out an investigation on the impact of motivation on employees' performance. An examination of an array of some these studies indicates that little or no efforts have been placed on understanding the nature of relationships between employee motivation and creativity on innovations of SMEs sector towards achieving greater implementation effectiveness. Therefore, the problem of this study is rooted to fill the gap by exploring employee motivation and creativity effects the innovations created by SME.

2. Review of Literatures Studies

Motivation generally is a buzz word and define my many in different ways. A simple definition of it can be described as a process that arouses, energizes, directs, and sustains behavior and performance (Luthans, 1998), while Pinder (1998) equally defines work motivation as the set of internal and external forces that initiate work-related behavior, and determine its form, direction, intensity and duration. Similarly, Latham and Pinder (2005) regard motivation as the forces within a person that determines his or her direction, intensity and persistence of voluntary behavior. The direction mentioned in Latham and Pinder's definition refers to the path along which people engage their effort (see: McShane, 2009). Intensity is the amount of effort allocated to the goal, while persistence is the sustenance of efforts applied until the set goals are achieved. Armstrong (2009:317) describes motivation in the following manner:

"Motivating other people is all about getting them to move in the direction you want them to go in order to achieve a result. Motivating yourself is about setting the direction independently and then taking a course of action that will ensure that you get there. Motivation is a goal-directed behavior. People are motivated when they expect that a course of action is likely to lead to the attainment of a goal and a valued reward – one that satisfies their needs and wants".

Creativity is defined as the effort towards making an objective change in the social or economic through the use of power, Blanchard, et al. (1999) refers to it as making use of mental capacity for creation of a new notion or idea. In management however, it is defined as constructing or fostering a new idea that will lead to the production of a new products or travelling to a new road to make a new journey through a familiar road Blanchard, et al. (2001). Based on this, it can be deduced from the reviewed definitions that motivation and creativity are some worth in-built in every human being and only needed to be activated or aroused. Similarly, it is temporal as a motivated person at one time can become de-motivated another time. As such, employee motivation must be sustained and nourished after it has been effectively activated. Likewise, the very essence of motivation in management and implementation is to align employee's behavior with that of the organization.

While, Creativity and Motivation are perceived as key and veritable ingredient of innovation (e.g., Amabile et al., 1996; Bharadwaj & Menon, 2000; Mumford, 2000; Shalley, Zhou & Oldham, 2004). It refers to the development of novel product and service ideas, processes and procedures by employees or a small group of employees to be successfully implemented within the firm to develop innovation (Amabile et al., 1996). Although creativity and innovation are distinct constructs (Shalley, Zhou & Oldham, 2004), they are perceived to be so closely linked that the constructs have been used interchangeably (Georgsdottir & Getz, 2004).

The apparent importance is that innovation among literatures studies have portrays them towards support to work environment (Shalley, Gilson & Blum, 2000; Shalley & Zhou, 2009). With creativity stimulating work environment is equally assumed to be beneficial for innovation, even though studies have not equally been

clear on its impact on level on innovation (Puccio & Cabra, 2010). Others studies equally have pictured it in the area of work climate to have a positive influence of a firm innovativeness (Sohn and Jung, 2010).

From above, one can say that these studies have approached innovation and implementation from an abstract level, e.g., innovative behaviour observed in different departments of the firm, rather than focusing on a concrete outcome of creativity. Most of the creativity literature has approached creativity as one unitary construct and assumed that it has desirable consequences for innovation (Shalley, Zhou & Oldham, 2004). Innovation as the outcome of creativity has also been seen as a unitary construct. However, It has not been questioned whether other creativity factors stimulating work environments are required to develop different types of innovation, e.g., product-process, incremental-radical, or administrative and technical innovation (Ettlie & Reza, 1992).

Adding to that, most of the studies carried out in this area can be said to have analysed creativity in the work environments of large and often R&D firm (Amabile, 1988; Amabile et al., 1996; Ekvall, 1996), overlooking the differences that might exist among firms in terms of work tasks and workforce characteristics with specific emphasis on SMEs to understand their impact and advancement of innovation as well. Considering the diverse nature of innovation and extending the study to the context of SMEs innovation implementation this study was based. Therefore, the objective of this paper is to elaborate more on the existing practices of SMEs innovations on the issues mentioned using empirical analyses to test whether employee motivation and creativity at work within SMEs environment impact on to stimulate innovation implementation activities for their innovations.

3. Methodology and Sample Size of the Study

This study was carried out through a survey of SMEs firms in Kaduna State, Nigeria. A total of 272 SMEs were identified as the study population from a recent survey of SMEs carried out by Small and Medium Scale Enterprise Development Agency of Nigeria in 2010. The finite nature of the population makes it easy to estimate the sample size scientifically and subsequently distributed questionnaires to for answering. Since the population of the study is finite, it's conceivable accurate to estimate the sample size scientifically. Thus, Guilford and Flruchter (1973) formula advanced for estimation of sample size was applied to determine the number of responses that will be required to make generalization based on this study. The sample size was thus, calculated as follows:

$$\text{Sample size} = \frac{N}{1 + \alpha^2 N} = \frac{250}{1 + (0.05^2)(250)} = \frac{250}{1 + 0.8675} = \frac{250}{1.625} = 153.846 \approx 154$$

Where:

N = size of the population; and
 α = alpha (0.05)

Additionally, the population of registered SMEs obtained from small and medium scale enterprise survey carried out by the agency in 2010 detailing total number of SMEs by state were subjected to (Krejcie and Morgan, 1978) to further corroborate the sample size determination arrived at scientifically. In all, a total of 154 questionnaires were randomly selected from the administered questionnaires representing (77%) which were duly completed after careful examination of the returned ones before analysis was done. The received sample used in this study was adjudged a good representative of the population for SMEs in that State based on the standard threshold as proven by the scientific approaches applied in its determination.

4. Results and Findings

The examination of the relationship for the construct correlation analysis indicates a positive correlation between all the construct with employee motivation and innovation activities showing very high correlation among all at 95.9%. Similarly, the regression analysis was also positive with R value of 0.981 showing that about 98.1% of the SMEs innovations are affected based on employee's motivation and creativity employed.

Based on the above result obtained, the regression analysis revealed that employee motivation exerts the most significant influence on overall innovation implementation based on the given $R = (0.981)$, $R^2 = (0.962)$, $Beta = (0.738)$, and $P = (0.000)$. Specifically put, the regression analysis indicates about 98% level of association between employee motivation and creativity, which thus show that motivation is everything and key to spur any kind of implementation towards organizational innovations. While, the coefficient of determination (R^2) indicates the percentage of variation and shows the variance of the overall innovation implementation as significantly explained through employee motivation and creativity influence, the f-statistics (1928.747) indicates the change level in the regression model which thus indicates that it very robust and useful in predicting the effect of adequate employee motivation and creativity over innovation implementation. Hence, the hypothesis which states that employee motivation and creativity has a significant influence on the overall innovation implementation is supported.

Additionally, the content validity of the construct was initially scrutinized and tested for their internal consistency to ensure its fit and in conformity with existing literatures studies. Nevertheless, since the content validity relies mostly and usually based on the personal judgment that are often subjective in nature at times, a reliability analysis test was further carried out to compliment the study validity. For this study, its reliability scales was determined using Cronbach's alpha value method which is (0.882). Thus, the value is above the acceptable threshold as suggested by (Hair et al, 2006) and is therefore acceptable for application in this study. Furthermore, the collinearity statistic was equally checked to ensure that the data collected were normal and fit for analysis before the analysis were carried out as shown in the Table 1-4 below:

Table 1. Results of Correlations among the Study Constructs

		Employee Motivation	Employee Creativity	Innovation Implementation Activities
Employee Motivation	Pearson Correlation	1	.516**	.959**
	Sig. (2-tailed)		.000	.000
	N	154	154	154
Employee Creativity	Pearson Correlation	.516**	1	.671**
	Sig. (2-tailed)	.000		.000
	N	154	154	154
Innovation Implementation Activities	Pearson Correlation	.959**	.671**	1
	Sig. (2-tailed)	.000	.000	
	N	154	154	154

**. Correlation is significant at the 0.01 level (2-tailed).

Table 2. Results of Model Summary for the study Constructs

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.981 ^a	.962	.962	.24184	.962	1928.747	2	151	.000

a. Predictors: (Constant), Employee Motivation, Employee Creativity

b. Dependent Variable: Innovation Implementation Activities

Table 3. Results of ANOVA for the study Constructs

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	225.619	2	112.810	1928.747	.000 ^b
	Residual	8.832	151	.058		
	Total	234.451	153			

a. Dependent Variable: Innovation Implementation Activities

b. Predictors: (Constant), Employee Motivation, Employee Creativity

Table 4. Results of Coefficients showing Collinearity Values of the Constructs

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.295	.112		-2.627	.009		
	Employee Motivation	.738	.016	.835	45.304	.000	.734	1.363
	Employee Creativity	.314	.024	.240	13.018	.000	.734	1.363

a. Dependent Variable: Innovation Implementation Activities

4.1 Normal P-P Plot of Regression Innovation Implementation Activities

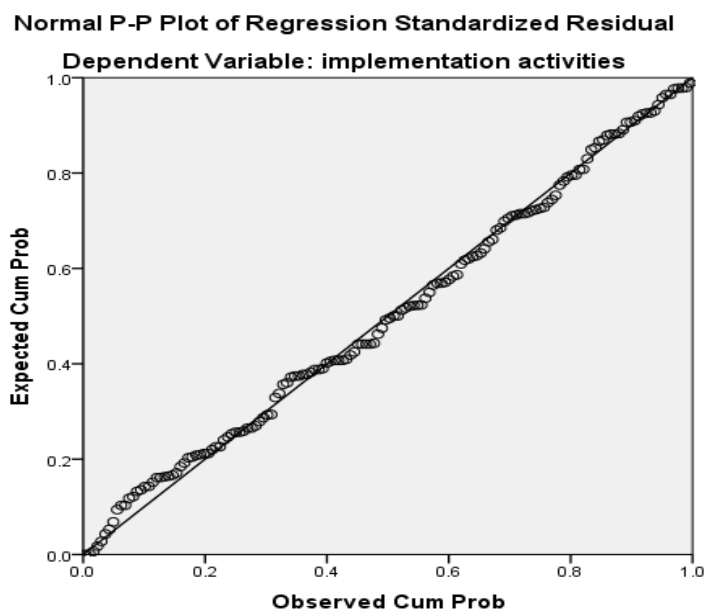


Figure 1. Showing P-P Plot of Regression based on Standardized Residual Value

5. Discussion and Conclusion

SMEs innovations is one way of determining and ensuring the survival of the firm's innovations. Employee generally plays a vital role in ensuring that to be achieve through their creative and innovative abilities with their success of dependent on they can be effectively managed and motivated. Thus, the study investigated the effect of employee motivation and creativity and found that, indeed, employee creativity and motivation has significant influence on their innovations. According to Manzoor, (2222) studies indicates that recognition and empowerment play a vital role towards enhancing employee motivation on jobs performed. To them, the sees the appreciation for work done by involving workers in decision making processes which in turns make them internally satisfy to perform even more better. Abejirinde, (2009) suggest that since motivation and the performance of employees positively correlates, the presence of adequate motivation provided to workers will ultimately improves performances which will in turn enhances innovation implementation activities.

While studies have indicate that a direct and positive relationship exist between employee empowerment and employee motivation in performing organisation work (Constant, 2001; Smith, 2001; John, 2005; Reena, 2009; Mani, 2010; Amin, 2010), an hypothesized study conducted (Kotler and Keller, 2010) using a sample of motivated people show that positive and significant result is based on the belief of their readiness and agility to perform and which reside more towards the motivation that can be attained by them. This outcome was however further supported by another studies carried out among personnel of the banking sector (Baibaita, 2010). In view of above study, it is worth to note here that for innovation implementation and its effectiveness to be enhanced among SMEs sector, greater attention and emphasis on implementation process will continue to boost employee morale and creativity to perform. As such, adequate employee creative ability and motivation will further better the overall performance of the sector as a whole if possible than larger firms.

Acknowledgements

The authors wish to thank the small and medium scale enterprises (SMEs) who participated in this research for their response to the study questionnaires. Also, Universiti Technology Malaysia, Technology Entrepreneurship Centre (UTMTEC) and International Doctoral Fellowship (IDF) of Universiti Teknologi Malaysia for partly supporting this research.

References

- Abejirinde, A.A. (2009), Motivation and Workers Performance within Public and Private Enterprises in Nigeria, Lapai International Journal of Management and Social Sciences, Vol. 2 No. 2, pp. 101-112.
- Armstrong, M. (2009), Armstrong's Handbook of Human Resource Management Practice (11th ed.), London: Kogan Page.
- Babaita, I.S. (2010), An Appraisal of Employee Motivation in the Nigerian Banking Industry, Lapai Journal of Management Sciences, Vol. 1, No. 1, pp. 25-39.
- Brownell, P. and McInnes, M. (1986), Budgetary Participation, Motivation and Managerial Performance, The Accounting Review, Vol. 61, No. 4, pp. 587-600.
- Blanchard, K. H., Carlos, J. P., & Randolph, W. A. (1999). *The 3 keys to empowerment: Release the power within people for astonishing results*. Berrett-Koehler Publishers.
- Blanchard, et al. 2001. Management of employees empowerment; translated by trannejad parizi, mehdi; Tehran, Modiran Publication.
- Emmanuel, C.R., Kominis, G and Slapnicar, S. (2008), The Impact of Target Setting on Managerial Motivation and Performance, California: AAA.

- Glasberg and Ouerghemi, (2011) Innovation in Human Resources: A theoretical advancement on employee motivation and organisational innovation, 2011 2nd International Conference on Economics, Business and Management IPEDR vol. 22 (2011), Singapore
- Krejcie and Morgan, (1970) Educational and psychological measurement, 30, 607-610.
- Latham, G.P. and Pinder, C.C. (2005), Work Motivation Theory and Research at the Dawn of Twenty-First Century, Annual Review of Psychology, Vol. 56, pp. 485-516.
- Luthans, F. (1998), Organizational Performance (8th ed.), Boston: Irwin McGraw-Hill
- Ma, Björk, Præst Knudsen, Magnusson, Karlsson, (2013) Exploring Employee motivation in Collaborative Ideation Communities, A Paper presented at the 35th DRUID Celebration Conference 2013, Barcelona, Spain, June 17-19
- Ngu, S. M. (1998), Motivation Theory and Workers Compensation in Nigeria, Zaria: ABU Press.
- Onukwube, H.N., Iyagba, R. and Fajana, S. (2010), The Influence of Motivational Factors on the Job Performance of Construction Professionals in Nigeria, The Construction, Building and Real Estate Research Conference of the Royal Institution of Chartered Surveyors, held at Dauphine Universite, Paris between 2-3 September.
- SMEDAN, (2010) Nigerian Small and Medium Scale Enterprise Survey Report in Nigeria.
- Taticchi, P., Cagnazzo, L., Botarelli, M. and Sameh, M. (2009), Performance Measurement: Discussion on the Literature Available for Large and SMEs. Web-site: www.pma.otago.ac.nz/pma-cd/papers/1008.pdf (12/8/11)
- Venkatraman, N., & Ramanujam, V. (1987), Measurement of Business Performance in Strategy Research: A Comparison of Approaches, Academy of Management Review, Vol. 11, No. 4, pp. 801-814.
- Vijayarani and Radjamanogary, (2013) Motivating Employees Creativity through Suggestion System – An Empirical Study, IOSR Journal of Business and Management (IOSR-JBM), Volume 9, Issue 2 (Mar. - Apr. 2013), PP 22-27