

**MANAGING THE HUMAN RESOURCES OF BUSINESS
ORGANIZATIONS IN A DEPRESSED ECONOMY – A
CASE STUDY OF MB ANAMMCO LTD
EMENE ENUGU**

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FEBRUARY, 2002

TITLE PAGE

**MANAGING THE HUMAN RESOURCES OF BUSINESS
ORGANIZATIONS IN A DEPRESSED ECONOMY – A CASE
STUDY OF MB ANAMMCO LTD EMENE ENUGU**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT
OF THE REQUIREMENTS FOR THE AWARD OF DEGREE OF
MASTER OF BUSINESS ADMINISTRATION IN MANAGEMENT**

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FEBRUARY, 2002

CERTIFICATION

This is to certify that **MICHAEL OKONKWO EDEANI**, a

**Postgraduate Student in Department of Management with
Registration Number PG/MBA/98/45296 has satisfactorily
completed the requirements for the course and research
work for the award of degree of master in Business
Administration in Management.**

**The work embodied in this project is original and not
part or full of any degree or diploma of this or any other
University.**

DR. U.J.F. EWURUM

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(SUPERVISOR)

DATE:_____

DATE:_____

DEDICATION

This project report is dedicated to **GOD ALMIGHTY – MY CREATOR, PROVIDER AND SUSTAINER. HE OWNS MY LIFE AND MY ALL.**

ACKNOWLEDGEMENT

May all praises, honour and adoration be ascribed to God Almighty who made it possible for me to complete this research work in particular and the entire MBA programme. May HIS Name continue to be glorified in Jesus Name, Amen.

My acknowledgement and indebtedness go to the numerous people God used to influence the realization of this work. Of special mention is my project supervisor, MR. C.O. CHUKWU, who not only guided me through this work but also proved to be a friend indeed. I will not forget to mention my inspirational lecturer, Dr Ikeagwu of Department of Management, University of Nigeria, Enugu Campus.

I am immensely grateful to my dear wife, Paschaline Oluchi Edeani (mrs) and my children Ifeanyichukwu, Chinedu, and Chukwuemeka for their moral support and encouragement.

May God Almighty in His infinite mercy bless every one of you abundantly in Jesus name, Amen.

EDEANI OKONKWO MICHAEL

ABSTRACT

Human Resources Management exists to help employees and organisations reach their numerous goals. In the course of doing this, they face many challenges arising from the demands of the employees, the organisations and the society. And, in a depressed economy like Nigeria, it takes an effective and efficient human resources manager to meet these challenges proactively.

The purpose of human resources management is to improve the productive contribution of people in the organisation in way that

are strategically, ethically and socially responsible. This purpose guides the study and practice of human resources management.

In line with the above, this research work investigated low productivity of workers as a basis for investigating the methodology adopted in managing human resources in MB-ANAMMCO Ltd. Emene Enugu.

Chapter one looked at the background to the study, the statement of the problem, the objective of the study, hypotheses, the scope and limitations, the assumptions as well as the definition of terms.

In chapter two, several literatures were reviewed. This assisted the researcher to investigate how to manage the human element at MB-ANAMMCO for effective result.

In chapter three, research design and methodology were discussed, and the discussion included population for the study, sample size, as well as primary and secondary sources of data.

Chapter four discussed the presentation and analysis of data. Mathematical and statistical tools were used in the analysis of these data. Special and technical words were clearly explained.

Chapter five discussed the findings, conclusion and recommendations based on the analysed data.

TABLE OF CONTENTS

Cover page	...	...	...	...	...	...	...	...	...
i									
Title page	...	...	...	...	...	...	...	...	ii
Certification	...	...	...	...	...	...	...	...	iii
Dedication	...	...	...	...	...	...	...	...	...
iv									
Acknowledgement	...	...	...	...	...	...	...	...	v
Abstract	...	...	...	...	...	...	...	...	...
vi									
Table of contents		...	...	...	...	...	...	...	...
viii									
List of tables and figures	...	...	...	...	...	...	...	...	ix

CHAPTER ONE

INTRODUCTION

1.1	Background of the study	...	...	...	...	...	...	1
1.2	Statement of the problem	...	...	...	...	...	...	10
1.3	The Objectives of the study	...	...	...	...	...	...	11
1.4	Hypotheses	...	...	...	...	...	...	13
1.5	The scope and the limitations of the study	...	...	...	...	...	...	14
1.6	The significance of the study	...	...	...	...	...	...	14
1.7	Assumptions	...	...	...	...	...	...	15
1.8	Definition of terms	...	...	...	...	...	...	16

CHAPTER TWO

2.0	Document study	...	...	...	...	...	...	18
2.1	The history of the organisation	...	...	...	...	...	...	19
2.2	Nature of human resources management	...	...	...	...	...	...	29
2.3	The role of adequate motivation and compensation of workers on performance and productivity	...	...	...	...	...	...	36
2.4	Effective management of human resources of Business organisation in depressed economy	...	...	...	...	...	...	53
2.5	The role of training and development in Performance and productivity of workers...	...	...	...	...	...	...	67
2.6	The role of supervision/leadership style on workers' Productivity and performance.	...	...	...	...	...	...	73
2.7	Summary of literature review...	...	...	...	...	...	...	75

CHAPTER THREE

LIST OF TABLES AND FIGURES

3.01 NUMBER OF EMPLOYEES	83
4.01 QUESTIONNAIRE RESPONSE RATE.....	86
4.02 DISTRIBUTION OF QUESTIONNAIRES	86
4.03 QUESTION 1 PRESENTATION	88
4.04 QUESTION 1 RESPONSES	88
4.05 TESTING HYPOTHESIS 1	89
4.06 THEORITICAL FREQUENCY OF HYPOTHESIS 1	90
4.07 HYPOTHESIS 2	90
4.08 REFERS TO QUESTION 3	93
4.09 4	94
4.10 THEORITICAL FREQUENCY OF HYPOTHESIS 2	95

4.11	REFERS TO QUESTION 5	.....	98
4.12	.. ..	6	99
4.13	.. ..	6	99
4.14	.. ..	7	102
4.15	.. ..	8	103
4.16	.. ..	8	103
4.17	.. ..	9	105
4.18	.. ..	10	109
4.19	.. ..	10	109

CHAPTER ONE

1.1 BACKGROUND TO THE STUDY

An organisation exists when two or more people come together for the purpose of achieving certain objectives that ordinarily would be difficult for an individual to achieve. According to Akpala (1990:4), an organisation is a combination of people or individuals working together in pursuit of certain common purposes called organisational objectives. All organisations are purposive, which according to Nwachukwu (1992) means that all organisations whether profit seeking or non profit seeking, exist for some purpose. The goals may be profit making (Business organisations); training and educating

people (Schools); National defence (Army) and social satisfaction / affiliation (social clubs) etc.

Individuals in an organization work in order to help accomplish the organisational objectives. These individuals also wish to accomplish their own goals through the organization.

To achieve their goals, all organizations need to combine the three main resources of men, money and materials in pursuit of their goals using the process known as management (Ikeagwu 1992 P. 2). Management has been described by Glassman (1978) in Ikeagwu (1999) as the process through which organisations seek to utilize their resources to achieve their established objectives.

Nwachukwu (1992:P4), defined management as the coordination of all the resources of an organisation through the process of planning, organising, directing and controlling in order to attain organisational objective(s).

According to Ikeagwu (1999), an organisations three main resources of men, materials and money are coordinated for specific purposes in the process known as management.

With these different resources and different ways of combining and utilizing them, management can be said to be an all embracing process subsuming a number of sub processes. Thus one can think of sub process of managing money, the sub process of managing materials and the sub process of managing men (people) which is called Human resources management.

Some authors use the terms human resources management (HRM) and personnel management (PM) interchangeably while some view human resources management as being somewhat different from the traditional personnel management on the grounds that personnel management appears to be more clerically oriented and narrower in scope than human resources management.

Personnel management is defined by Fillipo as the planning, organising, directing and controlling of the procurement, development, compensation, integration and maintenance of people for the purpose of contributing to organizational goals. Human resources management according

to Fisher et al (1990:P6) involves all management decisions and practices that directly affect or influence the people who work for the organization. According to Ikeagwu (1999) the two terms human resources management and personnel management are synonymous but personnel management is the older and more an established name while human resources management is the more up to date title for the field.

Some distinct features of human resources management include that while personnel management is work force oriented, deals with every problem exclusively and emphasises employees welfare; human resources management is management oriented, emphasises research and analysis, looks at the whole thing globally, goes into detail to get the root cause of the problem, aims at obtaining and retaining people for maximum performance by ensuring that the right person is selected for the job by using the right method of recruitment and selection.

The terms human resources management and systems have come to the fore in recent years. Their usage according to

Ikeagwu (1999:P73) reflects a growing concern for personnel system as distinct from compartmentalised personnel policies. In other words, there is a growing awareness by managers and personnel specialists that the organisation is an organic entity and that all its parts are so interdependent that a change cannot be introduced in one without affecting the total.

In tracing the historical antecedents of human resources models, Ikeagwu (1999:P75) stated that the theory x of Douglas McGregor preceded the human resources models. Theory x which implies an autocratic approach to management was widely accepted; and with few exceptions, universally practised before the human relations movement. The human relations movement slowly began to undermine the assumptions of theory x and by 1940s and 1950s, many managers and most theories of management no longer abide by the assumptions of theory x. Two factors that restructured practitioners' thinking about the management of people are human relations theory and research. This rethinking is summarised in McGregor's Theory y.

Theory y implies humanistic and supportive approach to managing people. While theory x approach preceded the human relations theory and practice of management, theory y marks the point of departure for the human resources management model. Ikeagwu (1999:P76) stressed that the basic assumptions of the human resources approach are similar to those of theory y but that it goes beyond theory y by stating what the actual implementation for the practice of management and the expectation of managers and workers will be. These policies are:-

1. The managers' basic task is to make use of untapped human resources.
2. He must create an environment in which all members may contribute to the limits of their ability.
3. He must encourage full participation on important matters and continually broadening subordinates self direction and control.

It is expected that these policies will yield some results such as:-

- a. Expanding subordinates influence, self direction and self control which will lead to direct improvement in operating efficiency
- b. Work satisfaction may improve as a by-product of subordinates making full use of their resources.

In summary, the manager in human resources model goes beyond human relations approach by having a real understanding of the complexities of human motivation, proper understanding of learning theories and behaviour modification, psychological process and personality theory, proper understanding of dynamics of individual differences, group dynamics and other social considerations. The human resources manager also undertakes an in-depth analytical study of these factors and backs them up by research findings.

Economic situation of a country or the financial condition of an organisation or a firm, affects the activities of the human resources manager to a great extent. To his effect, organisations tend to expand their human resources management activities when the economy booms or flourishes i.e. at time of prosperity; and contract or shrinks during

adverse periods i.e. at times of recession or economic depression. According to Ikeagwu (1999:P59), the management of Nigerian economy in the 1980s and 1990s during the military era (rule), caused thousands of graduates and others unemployed inflation at its highest level, Naira was unable to compete effectively with other currencies and prices of goods and services erratic (erratic market prices).

Nigeria of today is yet to attain balance of trade surplus with other countries of the world. With galloping inflation and high unemployment level and low standard of living, the poverty alleviation policy of the federal government of Nigeria is yet to make an impact. These and other economics indices, point to the fact that Nigerian economy is depressed and erratic. And unless something strategic is done to reverse the trends, history will always be reminding us of what Udeze (2000:P v1) called the golden moments in Nigeria. A period of oil boom 1973 – 1979; when it was crowed in many quarters that the street of Nigeria were paved with gold.

It should be noted that the cardinal essence of the human resources management is to increase the productivity of the organisations human assets. This idea is usually frustrated by economic crisis or enhanced by economic fortune a nation experiences at a given period. Such economic crisis like depression or recession as seen in Nigerian economic environment has reduced opportunities for gainful and productive employment for an increasingly large proportion of the Nigerian population.

Notwithstanding the economic crisis, the human resources management and or the personnel functions still have to be carried out for the existence and possible growth of the organisations. Though, the effects of the crisis bite hard enough on managerial decisions of the people – dimension of the management there is need to make the possible best productivity out of the little available (human, money and material) resources. Hence, managing the human resources of business organisations under such economic environment and the need to fill human resources management activities or

practices to the organisation and nation's economy in which they are embedded in order to achieve the strategic business objectives of enhancing performance and productivity, form the background of this study.

1.2 STATEMENT OF THE PROBLEM

Frequently, organisations in Nigeria face protracted and severe crises that often hamper the attainment of set goals. However, with a dedicated workforce, these much desired goals are usually achieved. This supports the saying that, the success of any business organisation depends largely on the performance of its people (i.e. the management and the subordinates). For this success to be attained and sustained over a period of time, the managers should aim at managing the subordinates and other resources in such a way that the people would contribute their best to the achievement of the organisational objectives.

For quite some time, the Nigerian economy has been under serious pressure as a result of prolonged economic

depression. In the face of the gloomy picture however, our organisations still need to stay afloat.

The problem of the human element in Nigerian organisations has been that their take home pay is eaten up by inflation.

They have several needs that are grossly difficult to achieve. The low demand of outputs of organisations is affecting their willingness to empower their workers by way of training and development. The possibility of displacement by efficient machines (computers, robots etc) is affecting the psyche of the workers. The resultant effects of all these led to the following:

- i. Inadequate motivation and compensation of workers.
- ii. Non provision of suitable welfare packages to the workers.
- iii. Inadequate training and development of workers.
- iv. Poor financial status of the organisation.
- v. Poor supervision of workers.

1.3 THE OBJECTIVES OF THE STUDY

Mercedes – Benz ANAMMCO Ltd a joint venture between the federal government of Nigeria and Daimler-Benz A.G./Mercedes Benz A.G. of Germany.

MB – ANAMMCO Ltd manufactures commercial vehicles and leads in commercial vehicle market in Nigeria with five tons payload and above. Incorporated in January 1977, the objectives of establishing the multi-million naira MB ANAMMCO Ltd include:

- a. To carry out the business of manufacturing and marketing Mercedes – Benz Trucks, buses and vehicles to meet Nigeria’s increasing demand for commercial vehicles.
- b. To assist in manpower development through technological training.
- c. To alleviate the transport problem in the country i.e. in Nigeria.
- d. To help reduce unemployment in the country.

Regrettably however, most of the objectives listed above cannot be achieved. Specifically, it was reported that improper management of the workers at MB – ANAMMCO Ltd was responsible for the non achievement of the objectives stated

above; hence this study. Therefore, the objectives of this study are:

1. To examine the effects of inadequate motivation and compensation of workers so as to highlight their relationships on productivity of the workers.
2. To assess the effects of non provision of suitable welfare packages on the productivity of the workers.
3. To examine the effects of inadequate training and development of workers so as to determine their relationships on productivity of the workers.
4. To evaluate the impact of poor financial status of the organisation so as to determine their effects on productivity of the workers.
5. To verify the impact of poor supervision of workers on their productivity.

1.4 HYPOTHESES

1. There is evidence to show that inadequate motivation and compensation of workers affect their productivity.

2. There is evidence to prove that non provision of suitable welfare packages to the workers contribute to low productivity of the workers.
3. There is evidence to show that inadequate training and development of workers contribute to low productivity of the workers.
4. There is evidence to prove that poor financial status of the organisation affects the productivity of the workers.
5. There is evidence to prove that poor supervision of workers contributes to low productivity of the workers.

1.5 THE SCOPE AND THE LIMITATIONS OF THE STUDY

In this study, factors or causes which affect high productivity of the workers will be investigated. Equally the study will consider some other aspects of human resources management like recruitment, selection, transfer, promotion, demotion, compensation, training and development.

However, the study will not consider problems on financial management because of lack of time and financial

resources. The greatest constraint the researcher of this project faced in course of this work time. The next was the bottle-neck and apparent problem associated with getting information.

1.6 THE SIGNIFICANCE OF THE STUDY

1. The findings of this study will enable management appreciate better the need for effective manpower planning, training and development programmes in the organisation.
2. This study reveals how human resources management relates to the corporate purpose and objectives of an organisation.
3. Equally, it shows how an organisation can develop and maintain a good workforce that will ensure or enhance organisation's effectiveness and increased productiveness and increased productivity through effective manpower planning and development.
4. The findings of this study would highlight the need for managers and trainers to design the content of their training and development programmes to reflect the needs of the

employees and the organisation. In other words, managers and trainers of business organisations will find the research findings very useful.

5. The study will enable me to contribute my views and ideas on managing human resources of business organisations.
6. The study will be of immense help to other people and students who might wish to carry out other researches in other business organisations.

1.7 ASSUMPTIONS

The following assumptions were made:

1. The line managers and the human resources manager of the MB – ANAMMCO Ltd are well trained and experienced in their jobs.
2. The MB – ANAMMCO Ltd has adequate equipment that can ensure and sustain high productivity.
3. The work environment in the MB – ANAMMCO Ltd is very conducive for manufacturing of vehicles.
4. The workers are matured and physically fit for the job.

1.8 DEFINITION OF TERMS

Some words, terms or concepts used in this study were explained in this section for clarity.

1. **Document study:** Ikeagwu (1998, P. 209), a document study refers to the study of any written materials that contain information about the happening that are studied.
2. **Validity of instrument:** This is concerned with the worth of the instrument in providing measures that are appropriate indicators of the criteria of interest.
3. **Reliability of instrument:** This is defined as the degree of consistency present on a measuring instrument.
4. **Compensation:** This is defined as what employees receive in exchange for their contribution to the organisation.
5. **Organisational citizenship:** This is defined as discretionary behaviour that is not part of an employee's formal job requirements, but that nevertheless promotes the effective functioning of the organisation.

- 6. Job Satisfaction:** This is defined as the difference between the amount of rewards workers receive and the amount they believe they should receive.
- 7. Training:** This can be defined as an induction course given to employees to enable them to effectively perform their present jobs.

CHAPTER TWO

REVIEW OF THE RELATED LITERATURE

2.0 DOCUMENT STUDY

Ikeagwu (Cit), a document study refers to the study of any written materials that contain information about the happenings that are being studied.

In this section, we look at the history, objectives as well as other issues about ANAMMCO Ltd.

Later in the chapter, we shall review all the related literature concerning the topic. And for convenience, the researcher has broken down the factors surrounding the topic under the following sub-headings:

- Nature of human resources management

- The role of motivation and compensation of workers on performance and productivity.
- Managing the human resources of business organisations in a depressed economy.
- The role of training and development on performance and productivity of workers.
- The effects of poor supervision of workers on performance and productivity.

2.1 **THE HISTORY OF THE ORGANISATION**

MB – ANAMMCO LIMITED

Mercedes – Benz Anammco Ltd is a joint venture between the Federal Government of Nigeria and Daimler – Benz A.G/ Mercedes Benz A.G. of Germany. MB – ANAMMCO manufactures commercial vehicles and leads in the commercial vehicle market in Nigeria with five tons payload and above. The plant which occupies a sprawling 300,000 square meters site at Emene Industrial layout – Enugu is veritably a shining example of a profitable and viable economic and technological co-operation between the government and people of Nigeria and

Germany. "ANAMMCO" is an acronym of ANAMBRA MOTOR MANUFACTURING COMPANY.

MB – ANAMMCO Limited was incorporated on January 17, 1977 with authorised share capital of ₦7,000,000 fully paid. The plant was commissioned on July 8, 1980 by the first executive president of Nigeria, Alhaji Aliu Usman Shehu Shagari. It started official production in January 1981, and has to date made an enviable mark on the nation's industrial growth, adding over 28,000 vehicles to the Nations transport sector, backed up effectively with a network of over 36 after – sales service points and spare parts Depots in Enugu, stocks over 35,000 line items. The installed capacity production on one shift per annum is 7,500 Mercedes – Benz trucks.

OBJECTIVES

The objectives of establishing the N60 million MB – ANAMMCO Ltd include:

- a. To carryout the business of manufacturing and marketing Mercedes – Benz Trucks, business and vehicles to meet Nigeria’s increasing demand for commercial vehicles.
- b. To assist in manpower development through technological training.
- c. To alleviate the transport problem in the country Nigeria.
- d. To help reduce unemployment in the country.

SHAREHOLDING STRUCTURE

SHAREHOLDERS	PERCENTAGE
Daimler-BENZ A.G. (GERMANY)	40.00
Federal Ministry of Finance (Nigeria)	35.00
Enugu and Ebonyi States Ministry of Finance	10.50
Anambra State Ministry of Finance	2.00
Rivers State Ministry of Finance	3.40
Imo State Ministry of Finance	1.30
Abia State Ministry of Finance	1.20
Nigeria Citizen and Associations	6.60

Source: Mercedes – Benz Anammco at a glance publication and 1997 table diary.

STAFF STRENGTH

As at the time of this research work MB – ANAMMCO had a total of eight hundred and sixty employees made up of 850 Nigerians and 10 expatriates. The staff strength of the company for the past ten years was on average of eight hundred and ten with an expatriate Nigerian employee ratio of about 1:71.

Out of the 850 Nigerian employees, 282 were senior staff while 568 were made up of junior and intermediate staff. Due to fluctuating economic trends in Nigeria, the company had carried out several staff rationalization and or retrenchment exercises.

DISTRIBUTORS

The distributors of MB – Anammco Ltd include:

1. A.G. Leventis (Nigeria) PLC (motor and Technical product Div)
2. Allens (a division of John Holt PLC).
3. Chidi Ebere Motors Ltd.
4. C. Moore Obioha sons and Co Ltd.
5. Ekene dilichukwu Motors Ltd.

6. Nigerian Motors Industries Ltd.

Source: MB – Anammco Diary 1997

LAND MARK

It was not until 1979 that full construction work started on high gear with heavy amount of seriousness at the Emene Industrial layout site of the company, on a sprawling piece of land, covering an area of over 300,000 square metres generously leased by the State Government.

The plant occupies a land at Emene situated approximately eight kilometres East of Enugu, on a plateau very close to Enugu Airport. The civil works were undertaken by a reputable and experienced Monier construction company (MCC) Limited that not only did an excellent job but also completed it in time for the official commissioning on July 8, 1980.

Laying of foundation stone was done on May 12, 1978 by the Military Administrator of the Anambra State, Col. John Atom Kpera

STAFF WELFARE

The company takes care of its over 860 employees by offering them some highly subsidized food at its modern canteen providing free medical services to its employees and pays medical allowance for their dependents. The company also provides free transportation service net work for her workers

PRODUCT RANGE

The multi-million naira plant was originally planned to produce trucks for the Nigerian market. Today, the plant has diversified its production range to include the full range of commercial vehicles for the rapid industrialization of the country. It not only produces trucks as originally planned, but has gone a step further in fabrication, manufacturing and the production of buses of varied sizes and models along side other utility vehicles. The plant has the facilities to produce a wide range of vehicles such as buses of various sizes like MBO1414. MBO 814 and the newly introduced transit liners buses; other vehicles include fire fighting vehicle, Ambulances mobile clinics refuse collectors and other specialized types of vehicles. It should be

noted that Anammco has achieved over 65% local content in some vehicle especially in buses.

TECHNOLOGY

As a formidable representative of Mercedes – Benz A.G. in Nigeria, MB – Anammco brings Mercedes – Benz technology and know how to Nigeria while at the same time creating over 1,000 employment opportunities for Nigerians. MB – Anammco as a giant step forward in Nigeria's bold ambition to create a new industrial base as well as improving the nations' transportation network.

TRAINING AND MANPOWER DEVELOPMENT

MB – ANAMMCO has a training centre which was established and commissioned in 1982. The school has lived up to its billings in producing high calibre middle level technical manpower for the company and the nation in general. The MB – Anammco training centre was conceived with the objective of providing training facilities not only for apprentices but also for on the job training for improvement in technological skills, work habits and leadership qualities of factory workers, artisans and

first line managers MB – Anammco organizes periodic short courses and lectures for all cadres of technical and non technical staff spanning through junior, intermediate and senior staff on selective basis.

ORGANIZATION

The need to industrialize the country motivated the federal government of Nigeria to set up the company in Enugu. The capital of the Anambra state and now Enugu State, otherwise known as the coal city state. The company is profit oriented established with the board of directors as the policy makers and MB Anammco management as the policy implementers.

The company has five divisions with each division headed by a general manager except one headed by the managing director. The five divisions are: (1) Technical division. (2) Marketing division (3) Personnel division (4) Controlling and Finance (5) and Corporate affairs division. The management of the company is made up of the divisional heads which at present is made of three expatriates and two

Nigerian that head the personnel and marketing divisions. Each division is made up of many departments as follows:-

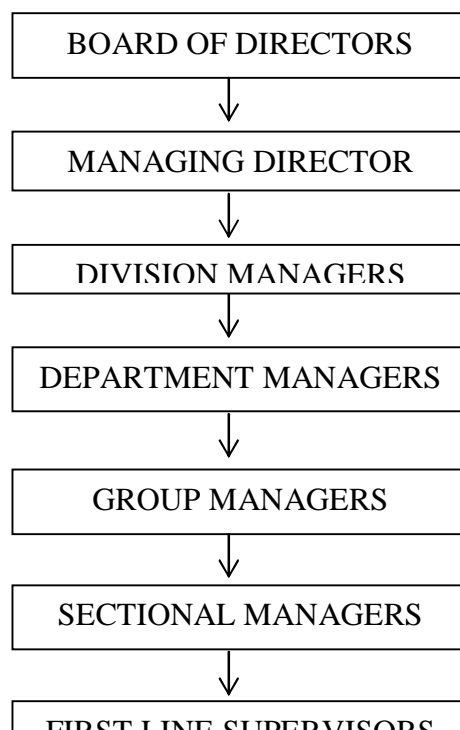
1. **TECHNICAL DIVISION:** Made up of (a) Production
(b) Production Planning (c) Quality control (d) Maintenance
(e) Local logistics. This division is headed by an expatriate (German) and is the biggest in terms of volume of work and number of employees.
2. **MARKETING DIVISION:** Made up of (a) Marketing Planning organisation (b) Service (c) Sales (d) Distribution
(e) Spare parts departments. This division is headed by a Nigerian.
3. **PERSONNEL DIVISION:** Made up of (a) Personnel
(b) Personnel Administration (c) Clinic and (d) Training Centre department. This division is headed by a Nigerian.
4. **CONTROLLING AND FINANCE:** Made up of (a) Financial accounting (b) Controlling, (c) Treasury and Imports (d) Logistics (e) Organisation and Data processing. This division is headed by an expatriate (German).

5. **CORPORATE AFFAIRS:** Made up of (a) Lagos Liaison Office (b) Internal audit (c) Corporate affairs/Public Relations department. This division is headed by the managing director who is an expatriate (German).

The corporate headquarters of MB Anammco Ltd is at its main site at Emene Industrial Layout along old Abakaliki Road, very close to Enugu Air Port. PMB 2523 Enugu Nigeria. The company runs a quarterly magazine called and known as MB Anammco NEWS Magazine. It has its Lagos Liaison office at plot 94. Yunis Bashorun street, off Ajose Adeogun street Victoria Island Annex PMB 125 44 Lagos Nigeria.

It also has an office at Abuja.

AUTHORITY RELATION IN MB – ANAMMCO



MB- Anammco Ltd has to its credit, the acquisition of the much coveted TUV ISO 9001 certification from TUV Germany. The company thus becomes the first automobile plant to secure the international quality product and system certificate. ISO 9001 is a quality system within the international standard organisation that embraces all criteria for production industry with design and development.

MB. Anammco Ltd got the certificate after a rigorous auditing of its processes and procedures by trained systems auditors from international technical inspection Authority (TUV) Germany MB – Anammco has also acquired the Nigerian standard organisation certificate.

Consequently, the recent merger between Daimler Benz AG Germany and Chrysler of America, has MB – Anammco, an affiliate of

Daimler Chrysler which is now the third biggest automobile organisation world over.

MB – Anammco has to its credit, the ability to have survived through some turbulent economic trends that have sent many automobile companies in Nigeria parking and folded. The present situation shows that MB – Anammco has survived and that the future is quite bright. Kudos to MB Anammco family.

Nature of Human Resources Management

The concept of human resources planning and human resources management has its roots in the traditional thinking in the field of personnel management and administration but represents contemporary sophisticated views and ways of managing people at work.

A firm's human resources are the totality of the people in that organisation. People constitute an organisation's most critical and most important resources. Human resources management evolved from personnel management. This newer term according to Ikeagwu (1999:58) assumes a different position and tackles organisational problems from another direction. This newer term reflects the most

recent attitudes towards employees as “resources” and not just personnel. It is concerned mainly with management needs for human resources that will be provided and deployed, that places emphasis on demand rather than the supply. It takes on such activities as planning, monitoring and control rather than mediation between employees and management of an organisation.

This means that human resources management involves every aspect of dealing with employees as resources. This view was upheld by Colby and Alkon (1991:103) and Byars and Rues (1991:6) in their attempt to come up with a meaningful definition of human resources management.

Colby and Alkon’s views were more or less in line with personnel functions or human resources functions in that they stated in their text that human resources management involves every aspect of dealing with employees as resources as such as planning, staffing, training and development, performance appraisal and compensation.

Their views however differ from those of Byars and Rues in their conclusion in that the latter see human resources management in the

aspect of wages and salaries and still support the former's views by including recruiting, hiring and training as the major functions of human resources.

Human resources management can also be seen as that which involves all management decisions and practices that directly affect or influence the people who work for the organisation. This definition of human resources management as broader and more practical oriented than personnel management definition put succinctly by Fillipo as the planning, organizing, directing, and controlling of the procurement, development, compensation integration and maintenance of people for the purpose of contributing to organizational goals (Ikeagwu 1999:1). This same view was upheld by fisher et al (1990:1) in his earlier work on the nature of human resources. His work was an improvement over scarpello et al (1988.4) earlier work where they attempted to combined personnel management and human resources management in their studies and came up with the view that the term human resources management is the management of the organizational employees so as to foster

organisation's policies that enhance the contributions of the employees and make for the effectiveness of the organization.

Their conclusion that personnel/human resources management is a way of dealing with the transition in names is worth commending because both terms mean basically the same except that the former is old while the latter is new and an improvement over the former. It is pertinent to note that the definition by any author may suffice but that a good definition on the nature of human resources must include all the people in an organization whose potentials, talents and abilities are utilised and in combination with other resources like materials and money to produce goods and services for the desired benefits.

We shall continue our discussion on this section by explaining more clearly some vital concepts regarding the topic.

The term "human resources" refers to people in an organisation. And, the purpose of human resources management (HRM) is to improve the productive contribution of people to the organisation in ways that are strategically, ethically and socially

responsible. This purpose guides the study and practice of HR department.

Managers and HR departments achieve their purpose by meeting objectives. Human resources objectives not only need to reflect the intention of senior management, they also must balance challenges from the organisation, the HR function, society, and the people who are affected. Summarily, the objectives of human resources management are:

- (a) Organizational objective
- (b) Functional objective
- (c) Societal objective
- (d) Personal objective

In order to achieve functional objective, for instance, this means that the HR manager should maintain the department's contribution at a level appropriate to the organization's needs. Resources are wasted when HR management is more or less sophisticated than the organization demands.

To achieve the purpose and objectives, HR departments help managers obtain, develop, utilize, evaluate and retain the numbers and types of workers.

Human resources activities are actions that are taken to provide and maintain an appropriate workforce for the organization. These activities include human resources planning, recruitment, selection process, orientation, training, placement, transfer, promotion, demotion and development.

To conclude this section, we must state that there are several ways of looking at HR management that were called viewpoints these view points provide help managers and HR professional keep the HR function and its activities in proper respective.

They include:

- (a) **Strategic approach:** HR management must contribute to the strategic success of the organization.
- (b) **Human resources approach:** HRM is the management of people. The importance and dignity of human beings should not be ignored for the sake of expediency.

- (c) **Management approach:** HRM is the responsibility of every manager. The HR department exists serve managers and employees through its expertise. In the final analysis, the performance and well being of each worker are the dual responsibility of that worker's immediate supervisor and the HR department.
- (d) **Systems approach:** HRM takes place within a larger system. The organisation. Therefore, HR efforts must be evaluated with respect to the contribution they make to the organization's productivity.
- (e) **Proactive approach:** HRM can increase its contribution to the employees and the organization by anticipating challenges before they arise. If its efforts are reactive only, problems may be compounded and opportunities may be missed.

In chapters 4 and 5, we shall see the conformity or otherwise of HR practice in ANAMMCO Ltd with the one discussed in this section.

2.3 **The Role of adequate motivation and compensation of workers on performance and productivity**

Studies on some of the fundamental concepts in human relations define motivation as a means by which the manager creates and maintains the desires of his people to achieve the planned goals.

The power to motivate is effective only to the extent that from the employees view points, the management controls the means by which the employees can satisfy their needs.

Davis (1962 P. 16) in his study came up with some of these means, which he outlined as packages in form of pay cheques, promotion praise and prestige.

Motivation is simple but on the other hand complicated. It is simple in its basic framework of need satisfaction yet complicated in practice. This implies that for an organization to achieve success its management must seek to maximise employees effectiveness using those things that energise or stimulate employees motivation.

Taylor's (1910: P.53) work on the principles of scientific management reveals that to get workman to work much harder than the average men around them, they must be assured of a

larger and permanent increase in their pay. This study was set out to investigate how to get workers to work well by motivating them and he discovered that:-

Many workman can be found who are willing to work at their best speed provided that they are given liberal increase in wages and must be assured that the increase in their wages are to be permanent and beyond average.

That the exact percentage increase required to make a workman work at his highest speed depends upon the kind of work the man is doing. Based on these discoveries, he arrived at a conclusion that every worker should be given a fixed daily task and that a worker's pay should be given each time the individual succeeds in doing his task in the given time.

Taylor's work was criticised on the ground that it was too mechanical. Taylor was using stopwatch over workers and timing even their rest pauses and every moment; altering the layout of the plant and changing traditional mode of working. Infact, he saw work an individual activity and was too rigid in his approach to what work should be.

Mayo (1945 P. 96-103) improved on Taylor's work in his investigation. He saw work as a group activity and his view was that the social world of the adult is primarily patterned about work activity, they need recognition, security and sense of belonging which to the worker is more important in determining worker's morale under which he works.

This means that worker's attitude and effectiveness are controlled socially in formal groups within the environment. However Mayo's work is equally deficient because he overlooked the fact that the change from an established society to an adaptive society tends continually to disrupt the social organization of a work plan and that in industries, general and group collaboration do not occur by accident. They must be planned and developed.

Motivation is hierarchical. When an individual is in need, he is in a state of tension and to reduce this he attempt to undertake a course of action, which is consistent with his feelings to restore normalcy a need that is reasonably satisfied, ceases to motivate gives way to another deficiency or need.

Maslow's (1943 P.103-104) hierarchy of needs or needs priority model supports this fact stated above Maslow's work was one of the earliest and most popular works on motivation. For him, motivation is fulfilling a set of needs classified into five fold or hierarchy. These five-fold of needs (*) are (hierarchy of needs).

- (i) Physiological needs such as food, shelter, sexual and other physical needs.
 - (ii) Safety needs such as physical safety extended to emotional security and stability.
 - (iii) Safety needs such as need for belongingness and love.
 - (iv) The need for esteem that assures a basic need for self respect and esteem for others and need of feelings of personal worth.
 - (v) Self actualisation need where the individual is aware of real self and work towards developing himself to the fullest potential
- Maslow's work is quite useful by indicating that when one has some possession, similar possession cannot easily entice him or her any longer instead another new need might be a better activator of human energy.

However, in order to motivate workers to perform efficiently to increase productivity, the managers of business organizations should know which needs require satisfaction at what time. Whatever approach the manager takes will be based on the assumption about the individual worker and their needs satisfaction.

Maslow's work was then criticised on this basic. Alderfer's (1969 P. 252-266) motivational approach was related to Maslow's approach in that his work established human needs but in an organisational setting. For instance, he grouped needs into the following:

- (i) Existence needs which are the same as Maslow's physiological and physical safety needs.
- (ii) Relatedness needs which are the same as the remaining safety needs, love and respect elements of esteem.
- (iii) Growth needs which relates to the self respect and self actualisation needs of Maslow.

Alderfer's work on hierarchy of needs was early like Maslow's but has an improvement over Maslow's work because he

discovered that frustration of a need will increase strength of desire for outcomes related to lower needs while satisfaction of growth needs will increase the desire for growth related outcomes.

Ubeku (1975 P.30) conducted on research similar to Maslow's using the Nigerian background as his setting. He held the view that one of the factors that affects performance and productivity of workers, is the workers commitment and motivation. This problem led him to set out his studies on how to motivate employees. Using the secondary school leavers as his population, he found out that the ultimate goal or aim of a typical Nigerian secondary school leaver in seeking job was for wages as salaries.

Just like Maslow he discovered that in Nigerian, wages and salaries are the important motivating factors and that they serve as basic needs or are fundamental to the productivity efforts of the workers unlike what is obtained in Europe and united states of America.

He further explained the Nigerian workers safety need is job security while the higher order needs can be obtained in several ways such as promotion, job enrichment, objective setting and appraisal, increased responsibility, authority and accountability and understanding of subordinate's goals. His use of the Nigerian situation in his studies was highly commended especially in an example which he cited about some Nigerian workers who by the very nature of their jobs cannot be promoted or have their jobs improved in any way. These are the old men who served during the 2nd world war and who are generally employed as night watchmen in some organizations. This group of men has their pay packets, as the most important motivating factor since there is no promotion prospects, no substantially improved working condition for them. The question then becomes: how do you motivate this set of workers? In answering this, Ubeku (1 bid) stated that if their pay can be improved from time to time and provided the working relationship are good, then those in this category of

workers are likely to perform their duties very well. His summary of findings presented thus:

- (i) People work best when they consider that their work is important.
- (ii) People get most satisfied from their job itself and so efforts should be made to enrich the job if maximum satisfaction is to be achieved.
- (iii) Self-direction and self-development are essential for personnel commitment, which leads to effective results.
- (iv) Recognition and rewards need to be provided and related to results for sustained effectiveness.
- (v) Manager must be optimistic about success as a means of reviving spirits of getting people perform at the upper limits of their capability a region which is often untouched by ordinary effort.

Ubeku's work contributed greatly to management literature on motivation in that it appears to be a practical and effective way of motivating workers at work especially in the Nigerian business organizations. It was also in agreement with

Chukwuemeka's (1995 P. 82-84) in Nwachukwu (1998 P 33-34) discovery on her research titled motivation as an instrument of higher productivity in Nigeria". Her research was carried out using three poultry feeds producing companies. She used simple percentage to analyse her data. Her research was critiqued in that the use of percentage does not produce a more reliable and consistent result. However, she arrived at a conclusion that:-

- Labour productivity is dependent on motivation in Nigeria.
 - Pay and equity play a very important role in motivating workers, workers believing that they could improve on their job performance if higher and more equitable pay is given to them.
- With this she was able to solve the problem that led her into the research, which was how to resolve the issue of low productivity which low or poor motivation is a major contributing factor.

Macgregor's (1960 P 6) studies on motivation gave rise to what is known as theory x and theory y and distinguished the two sets of assumptions made by managers about their workers.

He linked the assumptions of theory x with the concept of self-fulfilling prophecy, which states that workers fulfil the prophecies made about them by their managers. For instance, workers who are treated by their managers as being lazy, indolent and trouble makers behave as such. His theory opposes theory x by proposing that external control and threats are not the only means of getting men work towards organizational objectives but that men who are committed to the company's objective will be self directed, their efforts in will be as natural as play and rest, people can also learn to accept responsibility and many people are under utilised intellectually and could contribute more.

Hofstede (1968 P 42-63) used super goals in place of motivations. His work on motivation stated that:

1. The needs or goals of individuals can be classified into five major groups/super goals which are – Do a good job, ambition, co-operation, individuality, family and comfort, security.
2. These super goals are made up of some component goals among which are a good job, ambition, Co-operation, family

and comfort on the basis of these super goals, motivation profiles can be constructed for different groups of people who serve as a useful tool in cross-cultural research. Adam's (1963 P 9-16) theory is associated with the initial development and testing of the equity theory. The theory states that if individuals perceive a discrepancy between the amount of rewards they receive and their efforts, they are motivated to reduce the discrepancy.

Secondly, the greater the discrepancy, the more the individuals are motivated to reduce it. This is somehow related to Herzberg and Dickson (1964 P.582-83) work on creative management which proposes that in order to motivate manager and rank-and file employees, the work situation must have opportunities that challenge their intelligence and creative capabilities because both are describing motivation in terms of challenges.

However, Herzberg and Dickson (Ibid) were of the opinion that production employees need an environment where there is freedom and opportunity to participate in order to

function creatively and effectively and that just as managers, other employees need the freedom and participation in policy making at their level in order to function effectively and creatively like managers. Leavitt's (1962 P. 90-98) approach to motivation in work place differs from approaches emphasising human relations in workplace.

He stated that the human relation's theory is neither incorrect nor immoral but that it is just insufficient. He proposed that larger organisations should be viewed as differentiated sets of sub-systems rather than unfired modes. Such a view leads towards a management – by – task kind of outlook with the recognition that many sub-parts of the organization may perform different kinds of managerial practices.

Vroom (1964 P.159-178) and Lawler and Rhodes state that motivation behaves in a certain way as a function of:-

- Peoples expectancies or beliefs about what outcome or rewards and likely to result from their behaviour.

- The valence or attractiveness which individuals attach to the outcomes or rewards as they expect the outcomes ability to satisfy their needs.

This was illustrated further by Lawler (Ibid) using symbols;

$$M = E \times V$$

Where M = Motivation

E = expectancy

V = Valence of outcome

These expectancy theorists were of the view that an expected reward plays a very important role in motivating workers to work and therefore tied with performance. The question now is how do you assess the workers' performance in order to exert or execute the reward which is the motivating factor.

Beckhard (1969 P. 71-82) and Beer are some performance which are to be carried out by the management of any organisation in order to motivate workers more and lead to the achievement of the organization objectives. These management systems are thus:

- Management by objectives (MBO).
- Performance appraisal

- Performance review and development

Ahiauзу (1985 P. 200-210) in his study titled "Towards a Diagnostic Approach To Motivating the Nigeria workers" sought the managers and supervisors opinion on what their choice of motivation look like in order to ascertain whether it is in line with their sub-ordinates/workers' opinion. His major finding was that the workers and managers have different views on what motivates the workers. This viewpoint supports what have been in the literature for well over two decades. The subjects of his work were one hundred in number from two university firms namely University of Port Harcourt and Rivers state.

University of Science and Technology in Port Harcourt. His main objective of the study was to identify the most popular motivational activities adopted by managers in the two organizations and the ones expected to be most favoured by the workers in the organization.

To achieve these, he listed nineteen (19) motivational strategies/activities in the questionnaire for both workers and managers from which they were asked to rank the motivational

activities according to their choice of preference or the one that motivating them better. The list include the following:-

- Gifts and material benefit outside the regular salary.
- Provision of job security
- Affectionate relationship between managers and workers
- Respect
- Status
- Promotion
- Salary
- Good supervision
- Challenging work
- Good working environment
- Independent decision – making
- Job rotation
- Job enlargement
-
- Job enrichment
- Recognised remarkable achievement
- Competition

- Privileges
- Praises
- Good rules and regulations

The results were tested using rank correlation Co-efficient (Θ) and the critics value of the spearman's Test-statistic (P) at the degree of freedom = 17. Below is his summary of findings/his discoveries;

- (1) Gifts and material benefit outside the regular salary which ranks the highest in the minds of workers is not included on the list of first five of the managerial and supervisory staff showing that they do not consider that as being of as much importance as the other workers do.
- (2) Good working environment which the managerial and supervisory staff paid utmost attention to was not considered important by the workers as a motivator.
- (3) There was a relative high rank given to respect by the workers but managerial and supervisory staff did not indicate that treating workers in a respectful manner has a motivational value:

- (4) Affectionate relationship between managers, which the managerial and supervisory staff attach high level of importance to was not considered important by the workers.

His initial problem, which he sought to resolve, lies in the principle that low productivity of an average Nigerian worker is not as a result of wages or salaries employed but may be caused by wrong choice of motivational techniques and activities. After his research, he was able to resolve the problem by stating that the effectiveness activity of any work place will require a "consensus and idem", that is meeting the mind of both managers applying the technique and the affected workers a group of workers. He therefore recommended that what is needed by the Nigerian business organizations at large is a method which will improve the choice of motivational techniques and activities by managers at the workplace hence he advocated for a motivational potential model whose usefulness serve to inform the managers of the range of variables which are likely to influence a workers perception of a

particular motivational techniques and thereby determine its level of motivational potential in respect of that worker.

2.4 **EFFECTIVE MANAGEMENT OF HUMAN RESOURCES OF BUSINESS ORGANISATION IN A DEPRESSED ECONOMY**

The importance of effective management of human resources cannot be over emphasised. This is because effective managers achieve high level of performance with available resources. Managers supervise people; and this is one of their primary tasks. They also command other resources to a varying degree, including money physical assets. Describing people as a “vesairce” is relatively new in Nigeria and has encountered some resistance which is understandable since people possess far greater intrinsic worth than either money or materials, but not to recognise people as resource has led in the past to less attention being to the task of managing people as distinct from other resources in spite of a certain amount of lip service.

Describing people as a resources underlines the fact that people are just as if not more important than other resources and that their management requires similar levels of care,

attention and expertise. The concept however is not new. Over thirty(30) years ago, Drucker (1980 P.13) Charged management with three functions. Economic performance, managing materials and managing workers at work. He stated that man, alone of all the resources available to man can grow and develop. This implies the consideration of human beings as a resource.

That is managers and workers together represent the human resources of an organisation. In order to meet the above evolving challenges, American business have had to pay very close attention to human resources management. In this changed concept, the philosophy is - if business organizations can plan for their future needs of materials equipment and finance, it will neglect plans for its human resources. With this in view, Cunningham et al (1993 P. 217) added that human resources planning entails—Analysing an organisation's human resources needs and developing a program to satisfy them. If this is the case, the question one should ask these:-

How do we satisfy human resources in the case of a depressed economy? What are the indications of a depressed economy? Is Nigerian economy in a depressed state?

Okafor (1993 P.3-4) in a paper titled "Financing and managing of business in a Depressed Economy" delivered at a seminar for the 4th Enugu International trade fair organised by the Enugu Chamber of commerce, Industry, mines and Agriculture at the international Trade Fair complex indicated that there is a serious depression in Nigeria because the economy has hest both the battle and the main war against inflation, the level of unemployment is very high, money is difficult to make through genuine and honest endeavours but is very easy to spend; social services have deteriorated and the hardship index has escalated; life has become less liveable for the ordinary Nigerian.

He further stated that the economic depression is manifested in many ways from the viewpoint of industrialist as follows:-

- High production cost arising from high cost of raw materials, high cost of funds and rising wage bills.

- Stock pile of finished products due to depressed effective demand and
- Under capacity utilization which results in a very high average unit cost of production. He finally concluded that the depressed state of the economy has obvious implications in the management of human resources in an organisation.

His views were in conjunction with comment in "Nigeria. A nation in Tears" revealed that Nigeria is a distressed nation a nation now licking her wounds after her leaders have squandered the money from oil boom of the early 70s. He further commented that the bones of the Nigerian youths are numbered and have been made to become weary. Oyekamni (1997 P. 13), a staff reporter with the Guardian Newspaper in his review of the UNDP 1996 Human Development Report (HDR) on Nigeria, declared that it is a sad story indeed, that a once proud middle-income country no longer seems to hold any promise for its impoverished citizens.

He cited Ogwumi (1987,1991) of university of Ibadan who carried out an empirical study on 'Poverty in Nigeria' in

1987 and 1991 and a similar study by the international labour organization (ILO) in 1981 in his study on the utility of a poverty measure that takes into account the basic needs of life based on the Nigerian scene. In this study, he used data from a sample survey of 1980 households he conducted in Borno, Imo and Oyo states and derived food poverty line based on the weekly requirement of an average house hold of six members and got ₦38 per lead per mouth or approximately N456 per head per year. Based on this study and using income per head, he estimated that 46 million Nigerians were living in poverty as at 1987 projected against an estimate of about 100 million population of people in 1986.

Drucker (1980.P.13) and Eze (1995 P.33) carried out similar research on managing the human resources in a depressed economy and stressed that for a company to withstand depression times, the company should review the different demands affecting fundamentals. Drucker (Ibid) stressed that before the fundamentals can be managed, the company's sales its financial position, its assets both human

and materials as well as liabilities and earnings must be adjusted for inflation.

Eze's (Ibid) research was carried out using oral interview and questionnaires in three business organisations/enterprises namely AVOP (PLC), Ferdinand oil Plc and Anammco motor manufacturing company limited (Anammco). She sought to find out the many problems encountered by business organisation such as low capacity utilization high cost of factor inputs and low level demand of output as well as the effective strategies for motivating subordinates and achieving a competitive edge vis-à-vis other competitors. On the later, she discovered that all companies apply relatively the basic concept of motivation but that the motivational strategies of a firm depend on organisational strength, style and capability.

It was also discovered that relatively monetary incentives, recognition and merit pay and some employees' assistance program motivate sub-ordinates to better performance and hence increases the productivity of such business organisation.

Okeke (1995 P. 68-72) carried out a similar research on managing employee welfare in a depressed economy using the staff of Premier Breweries Plc in Onitsha but unlike Eze, she sought to determine among other things the following:

- The range and quality of welfare program in the company.
- To determine how far efficient and effective work performance.
- To determine whether there are lapses on the part of management in the Administration of the fringe benefits.

The summary of her findings as a result of personal interview she conducted are listed thus:

- The economic recession in the country had to some extent affected the company in their provision and administration of welfare benefits thereby making it extremely difficult to administer to the workers.
- There is always delay in payment of welfare benefits to the workers.
- Most of the fringe benefits that most companies provide for their employees are not provided in premier Breweries for instance, out of the 26 fringe benefits listed in the

questionnaire, the company provided only 12. Her data analysis was done using simple percentages which does not show an authentic and reliable result.

Some literatures on the recommendation on how to improve employee welfare in distressed economy have been reviewed. One of them by Swami (1978 P. 23) recommended that Co-operatives should be formed to help workers provided the potentials to counter the reduced welfare gap in the economy. He specifically mention the Housing societies. He observed that about 800 million people are living in absolute poverty and there are still more people living at the very margin of existence with inadequate food, shelter, education and health care.

For many of them, there has been little improvement in their standard of living and for some, there has been deterioration. He used the federal government ministries, state government and educational institutions for his population sample. He further investigated and got the following figures which fall under three groups:

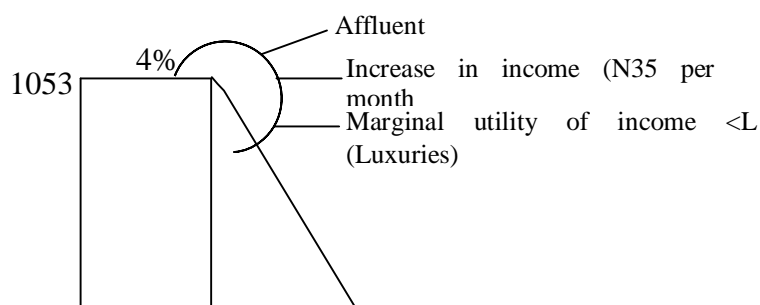
1st group: 76%-earn between ~~₦71-₦110~~
under grades 01 – 04.

2nd group: 20%-earn between ~~₦136-₦430~~
under grade 05 – 10.

3rd group: 4% - earn between ~~₦562 – ₦1033~~
under grade 10 and above.

Translating the above groups in economic term, he stated that in the 1st group, the marginal utility is greater than 1 unit and therefore their spending is confined to necessities, according to professor Swami, these groups of people remain in a state of stagnation for nearly 35 years of their working life and earn an increase in monthly income of up to maximum of ~~₦1.00~~ only.

The 2nd group of workers, according to him has their spending pattern confined to comforts with working life of 25 years while the 3rd group has marginal utility less than 1 unit and can afford luxuries while their working life is 25 years. His further illustration of the size of welfare gap in the Nigerian economy was with the group shown below.



Okoroafor (1996 p. 77-81) studies on human resources development in organisations, a comparative study of two banks and two parastatals aimed to resolve the problem of low productivity and performance of the Nigerian worker was conducted using oral interviews and questionnaires and the data/hypotheses were tested with the Chi-square test instrument.

His discoveries revealed:

- That systematic human resources development will enhance effective performance, promote better working climate and also

reduce conflicts and unprecedented labour turnover leading to increased profitability and productivity.

- That motivation and encouragement of workers enhance productivity, Nevertheless, no literature has been published on such a practically oriented means of managing the human resources in a depressed economy as that of Olawaiye (1997 p. 26). This was a paper he presented on the challenges of human resources and development in a depressed economy dated August 26, 1997 in a seminar organised by Trithel International company limited.

In his paper and based on his experience as the human resources director of Cadbury Nigeria Plc., he came up with the recommendations which are effective for proper management of staff compensation, motivation and welfare system in a depressed economy. The problems that gave rise to his recommendations were as follows:

- ▶ How can one talk of compensation, welfare system and motivation in an economy that is depressed?
- ▶ What is there to manage?

- ▶ What welfare system can one put in an organisation that is distressed?
- ▶ When the workers and the management of an organisation know that their organisation is going through hard times how can one compensate them for the hard times and motivate them?
- ▶ Where does the organisation get the motivators when it is still battling to get the raw materials to produce?

For Olawaiye (Ibid), these are the challenges of managing the human resources of the organisation and which served as the title of his paper. His views were as follows:-

- ▶ That the importance of rewards to individual affects their motivation, productivity and satisfaction as a result he called for the greater variety of rewards to sustain the moral and motivation of the average Nigerian worker in the present economic circumstance.

He therefore recommended that in managing the compensation, motivation and welfare systems effectively, the competitiveness and changing needs of today's workforce be it in a public service or in a

private company have resulted in the use of non-traditional reward system.

He quoted McAdams and agreed with him that the Nigerian worker of today has matured and is more enlightened than in 1940s, 1950s and 1960s and therefore in managing his compensation, motivation and welfare systems effectively, the worker would want to know the how, why and when.

He also recommended rewarding people individually based on their merit using Billollo's words, a plant manager at Dow Brands U.S.A.

He recommended the institution of an award system, which is non-monetary to those who have contributed to the success of the organisation. He was of the opinion that this will go a long way in effective management of workers motivation.

He cited on example of a company in U.S.A.

Apple that uses the "hero system" and one in Nigeria. Cadbury that also uses the award system, which he noted, started since 1985 and is still on. In his further illustration on this, he was of the opinion that employees should be given the opportunity to select those who will be give the award on a data set aside for awards and in the presence

of all the workers/workforce, they should be called to the rostrum and citation on them read to the generality of the workforce. Those to be awarded the price to be issued with a merit certificate and a non-monetary gift which might be in form of a Nigerian art-work-carving etc which they must keep for life. The National merit award is a similar system to this.

- He also recommended the institution of home ownership scheme for the employees in a depressed economy and was of the view that this will go along way to raise the morale and motivation of workers on the job as well give a sense of achievement, security for life and for the family and also assures workers that their welfare is their concern.
- Free canteen service/subsidised by the organisation.

He concluded by calling on all the Human Resources Managers in business organisations to start to practise all these items listed above if they have not been doing so as it will lead to increased productivity and efficient performance of the workers in their organisations.

2.5 THE ROLE OF TRAINING AND DEVELOPMENT IN PERFORMANCE AND PRODUCTIVITY OF WORKERS.

Thayer and McGehel (1961 p. 12) defined training as the formal procedure, which an organisation uses to facilitate employees learning so that their result behaviour contributes to the achievement of the organisations pre-determined goals and objectives. Byars and Rue (1979 p. 168) has a similar definition when they defined training as involving developing skills and learning concept rules or attitudes in order to increase effectiveness in doing particular jobs. Hinrichs (1969 p. 481) gave his own definition as any organisationally initiated procedure which are intended to foster learning among organisational members in a direction contributing to organisations effectiveness.

The key concepts in this definition are:

- Organisational procedures which put the process into an organisational context.
- Foster learning which implies that the responsibility is shared between the organisation offering it and the members receiving it and
- The criterion for success is "organisational effectiveness".

It can be seen that the later definition is more comprehensive than the former two for it allows the inclusion of many organisational development activities as well as technical training in its organisational context.

A synthesis of the above definitions runs thus:

1. That training should be systematic process with some planning and control rather random learning from experience.
2. It should be concerned with changing concepts, skills, and attitudes of people treated both as individual and as groups and
3. It is intended to improve performance in both the present and the future job and through this, should enhance the effectiveness of the part of the organisation in which the individual or group work.

Agu (1995 p. 79-80) in her research titled "AN Evaluation of man power training and development in public sector" came up with the benefits of a planned and systematic man power training and development as:-

- Increased productivity

- Higher moral/increased moral
- Reduced cost of operation
- Increased organisational stability and flexibility through having a reservoir of trained replacements.
- Enhanced career.

She carried out this research through personal interview using the National Directorate of Employment (NDE) staff with a total population of 230 in her case study.

Aghuno (1994 p. 53-57) in his own study was set to determine whether training and development enhances productivity. The result of his data analysis, which has been subjected to a statistical test of Chi-square, is shown thus:

Responses	Trained	Not trained	Total	
			Freq	Percentage
Yes	(O) 64 (E) 61	(O) 4 (E) 7	68	81
No	(O) 11 (E) 14	(O) 5 (E) 2	16	19
	75	9	84	100

Where $x^2 = 6.5763$

At: .05 level of significance

$$d/f: (r-c) (c-L) = 1 = 3.841$$

showing that there is statistically significant relationship existing between training and enhanced productivity. Further analysis by Agbuno revealed that

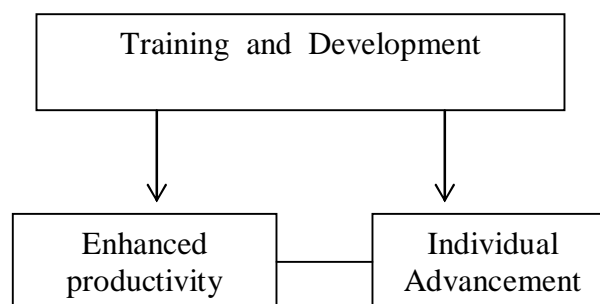
C = contingency Co-efficient

$$C = \frac{X^2}{N+X^2}$$

$$C = \frac{6.5763}{84+6.5763} = 0.27$$

His discovery was that there exist a significant relationship between training and enhanced productivity, i.e. It is higher than that between training and individual advancement in the industry and the training has a positive relationship with enhanced productivity and no significant relationship with individual advancement.

Thus:



Nwachukwu (1987 p. 53) in his paper titled "Management of human resources to avert massive unemployment" also advocated for Training Research and Investment in human resources so that one can produce with marketable skills and flexible employment potentials. He stated that human resources should lead to self dependence which are the two major attributes that are missing from our work culture.

A similar study was carried out by Tenne (1983 p. 14-16) in her work titled "Managing Human Resources-Implications for training policies" where she discussed among other issues, the management of human resources from the view point of the united kingdom man power services commission and the report of a sub-committee set up in collaboration with the industrial training boards. Here, she pointed out that there is evidence that training is critically important for minority groups and that training for such groups is more profitable if aimed at specific job training which seeks to change attitudes or develop social skills.

Hashim (1981 p. 41-57) in his study titled "Development of Human Resources in developing countries: The role of management education" advocated for all the three levels of Government (i.e local, state and federal) to make the best use of the constitutional provisions by establishing institutions that will develop the Nigerian Human Resources in accordance with the society's needs. To do this successfully, he recommended again that the various educational institutions in the country has to carry this out through their various training schemes, exchange of staff access to data and information etc since technology cannot be transferred by importation only.

2.6 THE ROLE OF SUPERVISION/LEADERSHIP STYLE ON WORKERS' PRODUCTIVITY AND PERFORMANCE

In Nigeria context today, government and private organisations have a large labour force from which to draw. There is abundance of labour and competent high level man power. Nevertheless, the place of proper supervision of workers is not to be neglected in our management of human resources. This is because supervision influences the workers and determines their level of performance.

Likert (1961 p. 7) in his study, found out that employee – centred supervisors who use general supervision techniques tend to have higher productivity/producing sectors than job-centred supervisors who use close supervision. The word tend is emphasised because it seems to be increasing the case in our society; yet we must also realise that there are expectations to this tendency which are even evident in Likert's data. What Likert observed were that subordinates generally respond well to their supervisor's high expectations and genuine confidence in them and tries to justify their boss's expectations on them.

Their resulting high performance with reinforce their supervisor's high trust on them it is easier to trust and respect people who meet or exceed your expectations.

Living stone (1969 p. 81-82) in discussing this phenomena arrived at this musical text:

"You see, really and truly apart from the things anyone can pick up (the dressing and the proper way of speaking etc) the difference between a lady and flower girl is not how she behaves but how she's treated. I shall always be a flower girl to

Higgins, because he always treats me as a flower girl, and always will; but I know I can be a lady to you, because you always treat me as a lady and always will”.

Living stone has found from his experience and research that some managers always treat their subordinates in away that leads to supervision performance but most managers. Like Higgines, unintentionally treat their subordinates in a way that leads to lower performance than they are capable of achieving. The way managers treat their subordinates is subtly influenced by what they expect of them. If a managers expectation is low, productivity is likely to be poor. It is a truth that there were laws that caused a subordinate’s performance to rise or fall to meet his managers expectation cases and other evidence available from scientific research now reveals that what a manager expects of his subordinates and the way he treats them largely determine their performance and career progress.

A unique characteristic of superior managers is their ability to create high performance expectation that subordinates fulfil. Less effective managers fail to develop

similar expectations and as a consequence, the productivity of their subordinates suffers.

2.7 **SUMMARY OF LITERATURE REVIEW**

Having seen the views of various authors and researchers on the sub-problems of this research, data will be limited when taken from business organisation in relation with managing of human resources of business organisations in a depressed economy. To know how well this could be done with an effort of achieving both production and efficiency as well as organisational objectives, the researcher set out to collect data and so compare his findings with the views of others.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY FOR DATA COLLECTION

3.0 RESEARCH DESIGN

According to Ikeagwu (1998, p. 166), design as it is used in a pure research context refers to the total constructional plan or structure of the research framework. Research design therefore means the structure and planning of the entire approach to a problem for a research.

This study is a descriptive research design. By definition, descriptive research design generally assumed that inadequate functional or causal model of the system under consideration exist or at least has been suggested (Ikeagwu, p. 48). The study seeks to obtain information concerning the current status of the phenomenon being studied; i.e. the nature of the situation as they exist at the time the study. It focuses on the accurate description of the variable in the problem model. Specifically, it focuses on finding the remote and immediate causes of low productivity of workers in MB-ANAMMCO Ltd.

According to Ikeagwu (1998, p. 168), a suitable research design for a study minimizes bias and maximizes the reliability of collected evidence. Since bias results from subjectivity of facts, reliability can be attained through objectivity and by asserting confidently that repeating the collection of facts or evidences would produce similar findings. Descriptive studies satisfy these conditions and reflect appropriate to the fact that descriptive research design is the appropriate research design for this study, hence it is used.

3.1 PROCEDURE FOR DATA COLLECTION

In descriptive research design, any source of information can be used; although most studies of this nature rely heavily on secondary data sources, and survey (Ikeagwu, p. 48).

Specifically in this study, data were collected from both primary and secondary sources.

3.11 PRIMARY SOURCES OF DATA

The primary sources of data include responses from oral interviews, which were conducted with randomly selected managers and some workers of the MB-ANAMMCO Ltd; and the use of questionnaires.

Specifically, the use of questionnaires for data collection study because they helped in obtaining the objective views of the respondents in concise form. In addition, in a research of this nature where the data collected will be sufficiently analysed, the researcher deemed it necessary to use questionnaires in order to avoid gathering a mass of data that will have little or no relevance to the subject under study. Also,

considering the category of respondents being addressed, the use of questionnaires was found most suitable because they do not require elaborate answers.

A pilot study was used to test the validity of the questions.

3.12 SECONDARY SOURCES OF DATA

For the collection of secondary data and other background information relevant to the study, the following sources were available to the researcher viz:

1. MB-ANAMMCO'S diaries and hand books
2. MB-ANAMMCO'S end of the year financial report.
3. The report of annual general meeting of the MB-ANAMMCO Ltd.
4. Published texts on measures of productivity.
5. Other texts and lecture materials.

3.2 THE POPULATION FOR THE STUDY

The population for the study include all the six hundred and twenty nine (629) employees of MB-ANAMMCO Ltd. It is important to note that out of this 629 employees, 337 are junior staff while the senior staff is 292. Furthermore, out of this 292 senior staff, 143 are supervisors while 149 are managers.

3.3 THE SAMPLE FOR THE STUDY

The sample for this study was obtained using the sample size determination given by

$$n = \frac{Z^2 \sigma^2}{e^2}, \text{ where}$$

Z = Confidence level desired;

σ = The population standard deviation;

e = The sampling error permitted.

The population standard deviation was unknown and there was no past record where this can be extrapolated, hence a pilot study

was undertaken and the result gave an estimate of the population standard deviation as 12.8.

Computing the sample size for this study, we have

Desired confidence level $Z = 1.96$

Permitted error $e = 2$

The population standard deviation $\sigma = 12.8$

Sample size $n = \frac{Z^2 \sigma^2}{e^2}$

$$\begin{aligned} \longrightarrow n &= \frac{(1.96)^2 (12.8)^2}{2^2} \\ &= \frac{(3.8416) (163.84)}{4} \\ &= \frac{629.4}{4} = 157.35 \\ &= \text{approximately } 158 \text{ people.} \end{aligned}$$

ie the sample size is 158 people

3.4 SAMPLING TECHNIQUE

According to Maser (1968, p. 78), stratification is a means of using knowledge of the population to increase the representativeness and precision of the sample. It does not

imply any departure from the principle of randomness. All it means is that before any selection takes place, the population is divided into a number of strata; then a random sample is selected within each stratum; and thus makes sure that the different strata in the population (sex, age-groups, regions) are correctly represented in the sample is obtained.

Bairley (1982, p. 95), a stratified sample is obtained by separating the population elements into non-overlapping groups called strata, and then selecting a simple random sample from within each stratum.

For this study, however, proportionate stratified random sampling was used in selecting the sample for the study. This was because the population consisted of people with differing characteristics in terms of sex, age, academic qualifications and years of experience in the job. The procedure involved dividing the total number of employees in MB-ANAMMCO Ltd into various categories of workers (as earlier stated); and then include sample from each of the category.

The table below shows the number of employees in each category of workers and their corresponding sample for the study.

TABLE 3.01

Category of workers	No. of Staff	No. in the Sample
Managers	149	40
Supervisors	143	38
Junior Staff	337	80
Total	629	158

3.5 **VALIDATION AND RELIABILITY OF INSTRUMENT**

The reliability and validity of any instrument are important aspects of any research.

The validity was defined by Poister (1978, p. 62), "as concerned with the worth of the instrument in providing measures that are appropriate indicators of the criteria of interest".

On the other hand, reliability is defined by Krausz and Miller as referring to the "degree of consistency present on a measuring instrument".

There are two major variables affecting the validity of questionnaires namely, the response rate and the response consistency.

In order to ensure the face validity of instrument, the questionnaire items were given to my project supervisor for scrutiny.

The entire questions were scrutinized.

CHAPTER FOUR

PRESENTATION AND ANALYSES OF DATA

4.1 PRESENTATION OF DATA

This study made use of questionnaires. In this chapter, the data collected from the respondents regarding the basic issue involved in the research work are presented and analysed.

A total of one hundred and fifty eight (158) questionnaires were distributed out of which one hundred and fifty five (155) were returned, thus giving a response rate of 89.1%. For a study of this nature, such a percentage is very high thereby indicating the willingness of the respondents to Co-operate.

The summary of the response rate is presented on the table 4.01 below:

TABLE 4.01

QUESTIONNAIRE RESPONSE RATE

Features of Questionnaire	Number	Percentage
Questionnaires administered	158	100
Questionnaires collected	155	98.1
Questionnaires rejected	5	3.2
Questionnaires used for analyses	150	94.9

This details of the questionnaire distributions are shown on table 4.02 below

TABLE 4.02

DISTRIBUTION OF QUESTIONNAIRES

Category of workers	Number Administered	Number Collected	Number Rejected	Number used
Managers	40	40	-	40
Supervisors	38	37	-	37
Junior Staff	80	78	5	73
TOTAL	158	155	5	150
PERCENTAGE	100	98.1	3.2	94.9

4.2 ANALYSES OF DATA

The analyses and subsequent conclusion were based on the outcome of the one hundred and fifty (150) questionnaires that were administered, returned and accepted, which for the purpose of this study constitute my one hundred percent (100%). The analyses of data collected were carried out mathematically and statistically by applying Chi-square (x^2) at 5% level of significance.

Although, all the questions posed in the questionnaires are relevant to the research work, yet some are specifically subjected to answer the research questions related to some of the hypotheses. The data analysis is merely an attempt to

obtain results to the answers of the research questions; and to accept or reject the hypothesis already stated in chapter one.

HYPOTHESIS ONE (H₁)

There is evidence to show that inadequate motivation and compensation of workers affect their productivity.

The respondents were asked to indicate the impact of motivation and compensation on productivity of workers. Note that question number one was used to explore this problem.

TABLE 4.03 (Question 1)

Is it true that inadequate motivation and compensation of workers affect their productivity?

Responses	Respondents	Percentage
Yes, because the workers are not happy about the situation.	55	36.7
Yes, because the workers no longer work hard	30	20.0
All of the above	50	33.3
None of the above	15	10.0
TOTAL	150	100.0

From table 4.03 above, 55 out of 150 (ie 36.7%) of the respondents indicated that the workers were not happy about this situation; while 30 (ie 20%) indicated that inadequate motivation and compensation of workers discourage them from working hard. However, 50 out of 150 (ie 33.3%) indicated that workers were not happy about the situation and as a result they no longer work hard. But 15 out of 150 (ie 10%) were not in support of the above views.

To further clarify this problem, the respondents were asked to answer objectively if inadequate motivation and compensation of workers contribute to low productivity of workers. Question was designed for this clarification.

TABLE 4.04

Do inadequate motivation and compensation of workers contribute to low productivity?

Responses	Respondents	Percentage
Yes	135	90
No	15	10
TOTAL	150	100

From the table above, 135 out of 150 respondents said yes that inadequate motivation and compensation of workers contribute to low productivity of workers. But, 15 out of 150 respondents were not in support of this view.

From table 4.04 above, we deduce table 4.05 as shown below:

TABLE 4.05

OBSERVED FREQUENCY USED IN TESTING HYPOTHESIS 1

Do inadequate motivation and compensation of workers contribute to low productivity?

Yes	135
No	15
TOTAL	150

From the result of table 4.05 above, we can state the expected or theoretical frequency on table 4.06 as shown below

TABLE 4.06

EXPECTED OR THEORITICAL FREQUENCY OF HYPOTHESIS 1

Yes	75
No	75
TOTAL	150

From here, we can combine the results of table 4.05 and table 4.06 to obtain table 4.07 as shown below:

TABLE 4.07

	Observed frequency (fo)	Theoretical frequency (ft)	Total
Yes	135	75	210
No	15	75	90
TOTAL	150	150	300

We have to note that Chi-square is an important extension of hypothesis testing. It is used when it is required to compare an actual / observed frequency with a theoretical (or expected) frequency.

Chi-square test had been applied in this study.

The formula for the calculation of Chi-square (χ^2) is given by

$$\chi^2 = \frac{(f_o - f_t)^2}{f_t}$$

where f_o = observed frequency, and

f_t = theoretical frequency.

The Chi-square value obtained from the formula is compared with the value from table of chi-square (χ^2) for a given level of significance and the number of degrees of freedom.

TESTING

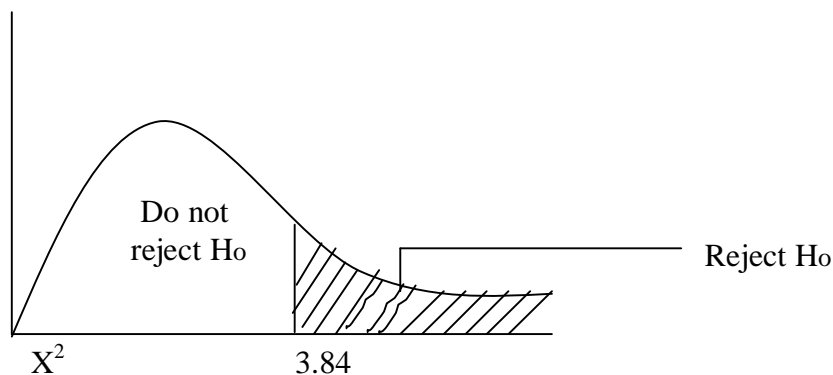
We wish to test hypotheses 1 at 5% level of significance and the degree hence we proceed as shown below:

H_0 : There is no evidence to show that inadequate motivation and compensation of workers affect their productivity.

H_a : There is evidence to show that inadequate motivation and compensation of workers affect their productivity.

From the table, the critical value of χ^2 at 5% level of significance and 1 degree of freedom, this is denoted as

$$\chi^2 (1,0.05) = 2.84$$



Computing the chi-square, we have

$$\begin{aligned} X^2 &= \frac{(f_o - f_t)^2}{f_t} \\ &= \frac{(135 - 75)^2}{75} + \frac{(15 - 75)^2}{75} = \frac{3600}{75} + \frac{3600}{75} \\ &= 48 + 48 = 96 \end{aligned}$$

DECISION

The decision rule is to reject H_0 when the computed value of test statistic is greater than the critical value of degrees of freedom. Based on the above decision rule, the computed value 96 is greater than the table value, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1) which stated that there is evidence to show that inadequate motivation and compensation of workers affect their productivity.

HYPOTHESES 2 (H2)

There is evidence to prove that non provision of suitable welfare packages to the workers contribute to low productivity of the workers.

Refer question 3:

Because of the non provision of suitable welfare packages to the workers, which of the followings is true:

TABLE 4.08

Responses	Respondents	Percentage
The organizational citizenship is reduced and this invariably affect productivity.	30	20
Organisational conflict may occur and this may discourage workers from putting in their best.	40	26.7
All of the above	70	46.6
Non of the above	10	6.7
TOTAL	150	100

From the table 4.08 above, 30 out of 150 respondents (ie 20%) said that the organisational citizenship is reduced and this invariably affect productivity.

Also, 40 out of 150 respondents said that organisational conflict may occur and this may discourage workers from putting in their best.

However, 70 out of 150 respondents (ie 46.6%) said that the first and second reasons above affect the productivity of workers.

But 10 respondents (ie 6.7%) were not in support of the above views.

Besides, the researcher made further verification using question 4 and the analyses shown on table 4.09 below.

TABLE 4.09 – (Question 4)

Does non provision of suitable welfare packages to the workers affect their productivity?

Responses	Respondents	Percentage
Yes	140	93.3
No	10	6.7
TOTAL	150	100

We present below the observed and the theoretical (ie expected) frequency to the question 4 in order to test hypotheses 2 (H₂) using chi-square (χ^2).

TABLE 4.10

Responses	Observed frequency (fo)	Theoretical Frequency (ft)	Total
Yes	140	75	215
No	10	75	85
Total	150	150	300

Note that the research expects 50% of the respondents to affirm that non provision of suitable welfare packages to the workers affect their productivity; and 50% to disagree with this new. However, the observed frequency was different from this expectation.

TESTING

We now state the null and alternative hypotheses and test accordingly.

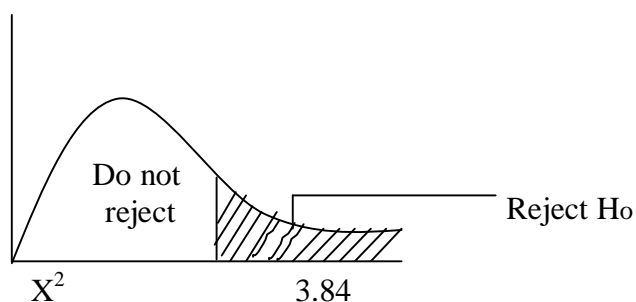
H_0 : There is no evidence to prove that packages to the workers contribute to low productivity of the workers.

H_1 There is evidence to prove that non provision of suitable welfare packages to the workers contribute to low productivity of the workers.

Note that the level of significance is 5% and the degree of freedom is 1.

Hence, reading from the table, we have _____

$\chi^2 (1,0.05) = 3.84$ ie the critical value of χ^2 from the table.



By computation, we have that chi-square,

$$X^2 = \frac{(f_o, ft)^2}{ft}$$

where f_o , ft have their usual meanings.

Hence,

$$\begin{aligned} X^2 &= \frac{(140 - 75)^2}{75} + \frac{(10 - 75)^2}{75} \\ &= 56.3 + 56.3 = 112.6 \end{aligned}$$

Theoretical (or expected) $x^2 = 3.84$

But, the observed $x^2 = 112.6$

DECISION

The decision rule is to reject H_0 if the computed value of the test statistic is greater than the critical value of the chi-square read from the table.

CONCLUSION

We reject the null hypotheses (H_0) and accept the alternative hypotheses (H_2) which said that there is evidence to prove that non

provision of suitable welfare packages to the workers contribute to low productivity of the workers.

HYPOTHESES 3 (H₃)

There is evidence to show that inadequate training and development of workers contribute to low productivity of the workers.

Question 5 was used to test this problem. And the question is written on the table below.

TABLE 4.11

Is it true that inadequate training and development of workers affect their productivity?

Responses	Respondents	Percentage
Yes, because the workers were not exposed to the latest techniques of manufacturing automobiles.	15	10
Yes, because some of the workers were not given the training necessary for manufacturing automobiles.	30	20
All of the above	100	66.7
Non of the above	5	3.3
TOTAL	150	100

From the table above, 15 of the respondents said that because workers were not exposed to the latest techniques of manufacturing automobiles and this affect their productivity.

But, 30 of the respondents said yes to the question because some of the workers were not given the training necessary for manufacturing automobiles.

However, 100 of the respondents said that the above two views affect the productivity of the workers.

But, only 5 out of 150 respondents disagreed with the above views.

Nevertheless, question 6 was used for further clarification of these problems and this is analysed on table 4.12 below.

TABLE 4.12 – (Question 6)

Do inadequate training and development of workers contribute to low productivity of the workers?

Responses	Respondents	Percentage
Yes	145	96.7
No	5	3.3
TOTAL	150	100

We present below the observed and the theoretical (ie expected) frequency to the question 6 so as to test hypotheses 3 (H₃) using chi-square (χ^2).

TABLE 4.13

Responses	Observed frequency (fo)	Theoretical Frequency (ft)	Total
Yes	145	75	220
No	5	75	80
TOTAL	150	150	300

TESTING

We now state the null hypothesis and the alternative hypothesis and test accordingly.

H₀: There is no evidence to show that inadequate training and development of workers contribute to low productivity of the workers.

H₁: There is evidence to show that inadequate training and development of the workers contribute to low productivity of the workers.

Reading from table, the critical value of the chi-square (χ^2) at the specified level of significance and degree of freedom, we have

$$X^2_{(1,0.05)} = 3.84$$



By computation, we have that

$$\begin{aligned} X^2 &= \frac{(f_o - f_t)^2}{f_t} = \frac{(145 - 75)^2}{75} + \frac{(5 - 75)^2}{75} \\ &= 65.3 + 65.3 = 130.6 \end{aligned}$$

DECISION

The decision rule is to reject H_0 if the computed value of the test statistic is greater than the critical value of the chi-square read from the table.

CONCLUSION

We reject the null hypothesis (H_0) and accept the alternative hypothesis (H_3) which said that there is evidence to show that inadequate training and development of workers contribute to low productivity of the workers.

HYPOTHESES 4 (H4)

There is evidence to prove that poor financial status of the organisation affects the productivity of the workers.

To investigate this problem, the researcher asked question?.

The question and the analysis are stated on table 4.14 below

TABLE 4.14 (Question 7).

Poor financial status of the organization causes which of the following?

Responses	Respondents	Percentage
The organisation cannot provide adequate welfare packages, motivation and compensation to the workers.	30	20
The organisation cannot afford to give training and development to the workers.	39	26
All of the above	78	52
Non of the above	3	2
TOTAL	150	100

From table 4.14 above, 30 out of 150 (ie 20%) of the respondents said that the organisation cannot provide adequate welfare packages, motivation and compensation to the workers. But,

39 out of 150 respondents indicated that the organisation cannot afford to give training and development to the workers when the finance is poor. However, 78 of the respondents (ie 52%) said that the two conditions above resulted from poor financial status of the organisation, while only 3 of the respondents did not agree with any of the above views.

For further clarification and verification, the researcher asked question 8 which is stated and analysed on table 4.15 below:

Does poor financial status of the organisation contributes to low productivity of worker?

Responses	Respondents	Percentage
Yes	147	98
No	3	2
TOTAL	150	100

We present below the observed and the theoretical frequency to the question 8 so as to test hypotheses 4 (H₄) using chi-square.

TABLE 4.16

Responses	Observed Frequency(f_o)	Theoretical Frequency (f_t)	Total
Yes	147	75	222
No	3	75	78

TOTAL	150	150	300
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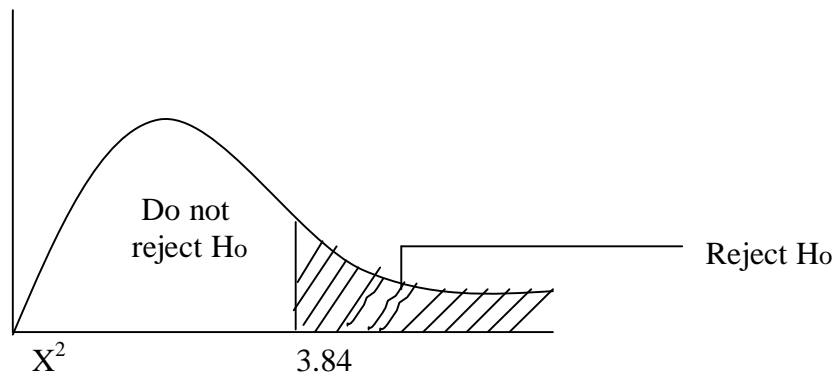
TESTING

H₀: There is no evidence to prove that poor financial status of the organisation affects the productivity of the workers.

H₄: There is evidence to prove that poor financial status of the organisation affects the productivity of the workers.

From the chi-square table, we have

$$\chi^2 (1,0.05) = 3.84$$



By computation, the chi-square is given

$$\begin{aligned}
 \text{by } \chi^2 &= \frac{(f_o - f_t)^2}{f_t} \\
 &= \frac{(147 - 75)^2}{75} + \frac{(3 - 75)^2}{75} = 69.12 + 69.12 \\
 &= 138.24
 \end{aligned}$$

DECISION

The decision rule is to reject H_0 if the computed value of the test statistic is greater than the critical value of the chi-square at a given level of significance and degree of freedom.

CONCLUSION

Since the calculated value 138.24 is greater than the value of the chi-square from the table, we reject the null hypothesis (H_0) and accept the alternative hypotheses (H_4). Thus, we conclude that there is evidence to prove that poor financial status of the organisation affects the productivity of the workers.

HYPOTHESES 5 (H_5).

There is evidence to prove that poor supervision of workers contributes to low productivity of the workers.

To investigate this problem, the researcher asked question 9. The question and the analysis are stated on table 4.17 below.

Question 9

Which of the following reasons is responsible for lack of supervision of workers in organisation?

Responses	Respondents	Percentage
The number of workers to be supervised are many.	65	43.3
The number of competent personnel's that can do the supervision are very few.	58	38.7
All of the above	15	10
None of the above	12	8
TOTAL	150	100

From table 4.17, 65 out of 150 respondents (ie 43.3%) said that the number of workers to be supervised are many. But, 58 out of 150 respondents (ie 38.7%) said that the number of competent personnel's that can do the supervision are very few; while 15 out of 150 respondents agreed to both views above.

For further clarification and verification, the researcher asked question 10. The question and the analysis are stated on table 4.18 below.

Question 10

TABLE 4.18

Does poor supervision of workers contributes to low productivity of the workers?

Responses	Respondents	Percentage
------------------	--------------------	-------------------

Yes	138	92
No	12	8
TOTAL	150	100

From the table 4.18 above, 138 out of 150 respondents indicated that poor supervision of workers contributes to low productivity of the workers. However, 12 out of 150 respondents said that lack of supervision do not contribute to low productivity of the workers.

We present below the observed and the theoretical frequency to the question 10 so as to test hypothesis 5 (H₅) using chi-square (χ^2).

TABLE 4.19

Responses	Observed Frequency (f_o)	Theoretical Frequency (f_t)	Total
Yes	138	75	213
No	12	75	87
TOTAL	150	150	300

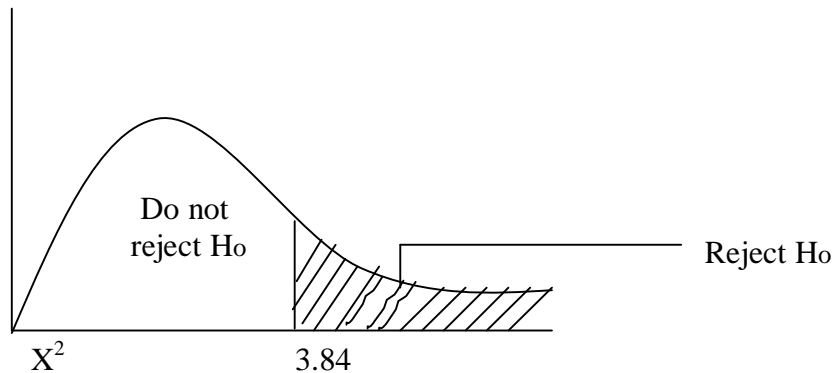
TESTING HYPOTHESIS 5 (H₅)

H₀: There is no evidence to prove that poor supervision of workers contributes to low productivity of the workers.

H5: There is evidence to prove that poor supervision of workers contributes to low productivity of the workers.

From the chi-square table, we have

$$\chi^2(1,0.05) = 3.84$$



By computation, the chi-square is given by

$$\begin{aligned} \chi^2 &= \frac{(f_o - f_t)^2}{f_t} = \frac{(138 - 75)^2}{75} + \frac{(12 - 75)^2}{75} \\ &= 52.92 + 52.92 = 105.84 \end{aligned}$$

DECISION

The decision rule is to reject H_0 if the computed value of test statistic is greater than the critical value of the chi-square at 5% level of significance and 1 degree of freedom.

CONCLUSION

Since the calculated value 105.84 is less than the value of the chi-square from the table, we reject the null hypotheses and accept the alternative hypotheses. Therefore, we conclude that there is evidence to prove that poor supervision of workers contributes to low productivity of the workers at MB-ANAMMCO Ltd.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

This chapter gives details of the research findings, conclusion and recommendations of what have been discussed right from the beginning of this research work.

5.1 DISCUSSION OF FINDINGS

The information given under this sub-heading reflects the researcher's findings and subsequent conclusion regarding low

productivity of workers as a basis for investigating the methodology adopted in managing human resources in MB-ANAMMCO Ltd. These findings were gotten from the tested hypotheses, interviews as well as from past records. The findings are discussed below.

There is evidence to show that inadequate motivation and compensation of workers affect their productivity. This is because majority of the respondents indicated that workers are not happy about the situation and as a result no longer work hard. The above outcome is in harmony with what was seen in our literature review.

Specifically, we define compensation as what employees receive in exchange for their contribution to the organisation. When managed properly, it helps the organisation achieve its objectives; and obtain, maintain, and retain a productive workforce. Without adequate compensation, current employees are likely to leave and replacement will be difficult to recruit. In other words, the objectives of compensation management are to help the organization achieve strategic success while ensuring internal and external equity.

Regrettably however, compensation management in MB-ANAMMCO Ltd is not properly done with a view to helping the organisation to

achieving strategic success while ensuring internal and external equity. And, the direct implication of this incident is low productivity of the workers as evidenced by the outcome of hypotheses 1 (H₁).

Furthermore, the above discoveries are in agreement with Chukwuemeka and Taylor's contribution earlier noted in the review. For instance, Chukwuemeka's discoveries revealed that workers can improve on their job performance if higher and more equitable pay is made available to them. In the same vein, Taylor's contribution stressed that many workmen are willing to work at their best speed provided that they are given liberal increase in wages and are assured that the increase in wage is to be permanent and beyond average. This agreement is still in line with the fact that adequate motivation brings about better performance of duties from workers.

The findings also revealed that the non provision of suitable welfare packages to the workers contribute to low productivity of the workers. And, this is in agreement with most of the literature reviewed.

In particular, in an organisation where suitable welfare packages are not provided, there is a reduction in organization

citizenship and an existence of organizational conflict. Specifically the outcome of the hypotheses two is in line with Okolo's work earlier noted in chapter two. This is so because, her own work stressed that the withdrawal of fringe benefits from the workers reduces the workers commitment to the organizational objectives. The above assertion therefore is saying that reduction or withdrawal of fringe benefits contribute to low productivity of the workers.

The findings also revealed that inadequate training and development of workers contribute to low productivity of the workers. The above assertion is in line with Agu, Okoroafor and Aghuno's work. For they stated in their work, that a well-planned and systematic manpower training and development enhance performance and by extension productivity.

The findings also revealed that poor financial status of the organisation affects the productivity of the workers. The outcome of this hypotheses four is in line with Okeke's research findings. In fact, Okeke's research findings were similar to these discoveries in the sense that the organisation which she used in her study (Premier Brewery PLC) could not provide and administer an adequate welfare

benefits to its workers as before because the company's financial status has been adversely affected by the economic recession in the country. However, some writers on their work on "Effective management of Human Resources in a depressed Economy" had suggested the use of National Award System, Recognition and Commendation to pat the back of those workers with outstanding performance when there is no cash to do so in the organisation.

Finally, the findings also revealed that poor supervision of workers contributes to low productivity of the workers. And, this assertion is similar to some of the literatures reviewed. Specifically Likert's work agreed with the findings in this study when he declared that employee centred supervisors who use general supervision acquire higher productivity than job-centred supervisors who use close supervision. Hence, the study with the support of Likert's work has proved that job-centred supervisors are likely to achieve less in terms of productivity and performance of workers quite unlike employee-centred supervisors.

5.2 RECOMMENDATIONS

Based on the findings, the following recommendations are made. The recommendations if properly adhered to are designed to enhance the management of human resources of MB-ANAMMCO Ltd with a view to improving their productivities. These recommendations are:

1. Annual performance appraisal and evaluation of workers should be properly and equitably conducted.
2. Promotion of the workers should be more regular and should be based on merit.
3. The organisation should design training and development programmes and administer same to workers regularly.
4. The organisation should provide material and non-material rewards to deserving employees and on regular bases.
5. Supervision of employees should be more thorough than what it is presently.
6. I recommend that further research be carried out especially in the area of employee-centred versus job-centred approaches to supervision so as to determine which one is better in achieving higher performance and productivity.

APPENDIX I

Department of Management,
University of Nigeria,
Enugu Campus.
5th February; 2006.

Sir/Madam,

**QUESTIONNAIRE ON MANAGING THE HUMAN RESOURCES
OF BUSINESS ORGANIZATIONS IN A DEPRESSED ECONOMY
A STUDY OF MB-ANAMMCO LTD**

These questions are designed to supply answers to research problems. The exercise is purely academic and answers given below would be treated as confidential.

Kindly indicate your answer by ticking a good in the box [√].

Thank you.

1. Is it true that inadequate motivation and compensation of workers affect their productivity?
 - A. Yes, because the workers are not happy about this situation.
 - B. Yes, because workers no longer work hard.
 - C. All or the above
 - D. None of the above

2. Does inadequate motivation and compensation of workers contribute to low productivity?
- A. Yes B. No
3. Because of the non provision of suitable welfare packages to the workers, which of the following is true?
- A. The organisational citizenship is reduced and this invariably affect productivity
- B. Organisational conflict may occur and this may discourage workers from putting in their best
- C. All of the above
- D. None of the above
4. Does non provision of suitable welfare packages to the workers affect their productivity?
- A. Yes B. No
5. Is it true that inadequate training and development of workers affect their productivity?
- A. Yes, because the workers were not exposed to the latest techniques of manufacturing automobiles.

- B. Yes, because some of the workers were not given the training necessary for manufacturing automobiles
- C. All of the above
- D. None of the above
6. Do inadequate training and development of workers contribute to low productivity of the workers?
- A. Yes B. No
7. Poor financial status of the organisation causes which of the followings?
- A. The organisation cannot provide adequate welfare packages, motivation and compensation to the workers
- B. The organisation cannot afford to give training and development to the workers.
- C. All of the above
- D. None of the above
8. Does poor financial status of the organisation contributes to low productivity of workers ?
- A. Yes B. No

9. Which of the following reasons is responsible for lack of supervision of workers in the organisation ?
- A. The number of workers to be supervised are many
 - B. The number of competent personnel's that can do the supervision are very few.
 - C. All of the above
 - D. None of the above
10. Does poor supervision of workers contributes to low productivity of the workers?
- A. Yes.
 - B. No

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