Full Length Research Paper

Exploring the impact of employees’ self-actualization on organizational performance in Nigerian investment company

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A cursory look at management literatures revealed that the term ‘self-actualization’ vis-à-vis organizational performance is less considered in contemporary management studies. Most published works in the field centered largely on low-level needs while high-level needs like self esteem and self-actualization as envisaged by Maslow’s and Neo-Human Relations theorists are rarely emphasized. This posture however, prompts this study to examine the nexus between employee’s self-actualization and organizational performance in a key Nigerian Investment Company. A descriptive survey was adopted in which a well-structured questionnaire and personal observations were utilized as instruments for data collection. A total number of one hundred and two (102) respondents were selected, examined and their responses were used for data analysis. Inferential statistics was used and the result with interpretation was done under each table. The findings revealed that employees’ self-actualization enhances their commitment to work which in turn do lead to effective organizational performance. Hence, managers in work organization should ensure that workplace incentives are designed in such a way that will help employees to fulfill their aspirations for high level needs as they progress up the hierarchy of need.

Key words: Employee, self-actualization, organization, productivity and performance.

INTRODUCTION

Only few scholars, if any, will contend the assertion that highly motivated employees are more productive, more efficient and more willing to work towards achieve set organizational goals than the employees who are experiencing low level of motivation. This assumption is informed by Neo-human relation theorists who argued that the ultimate goal of every work organization (both public and private) in today’s competitive business environment is to provides adequate workplace incentives for workers in order to motivate them to perform their contractual tasks effectively with all their potentials toward accomplishing the set organizational goal (Bolman, 2005; vonDran, 2005). In line with this, needs satisfaction and motivation to work are very essential in the lives of workers because they shaped the fundamental rationale for working in life.

Employee’s motivation, according to Ikenyiri (2007), is an internal arousal, which directs and maintains achieving set goal or objectives. Motivating employees for the progress of the organization stands as a veritable tool for building a formidable workforce, well-behaved employees and competitive working environment that can translates to smart organization. A smart organization, according to Grint (2004) is an organization that is safe, principle driven and value focused. In other words, a smart organization is the organization that has the capacity and resources (material, money and men) to withstand competition in today’s ultramodern work environment. This suffices to drive home the point that motivation is a perquisite for productive workers’ behavior and not a by-product. Since, it is a fact that there is a motive behind any human behavior hence, it is essential to examine and explore what motivates individual worker in an organization.

Unfortunately, many organizations in today’s knowledge driven society are inept of the importance of
building effective human resource management. In some instance, managers give little or no attention to employee’s aspiration for high-level needs (Bolman, 2005; vonDran, 2005). This is because they focus largely on low-level needs (i.e. physiological, security and social needs) at the expense of high-level need (i.e. self esteem and self-actualization) which in turn, led to a mismatch between organization goal and employees aspiration that often result in organizational conflict, counter-productive behavior, poor performance and lack of innovation, high labour turnover rate and waste of resources in the organization (Cole and Cole, 2008). Substantively, all of these events have negative consequences on the overall organizational performance and productivity. In light of this, the study examined the nexus between employee’s self-actualization and organization’s performance in a key Nigerian investment company.

**Purpose of the study**

The purpose of this study therefore is to examine the relationship between employee’s self-actualization and employee commitment and investigate the relationship between employee’s commitment and organization productivity while also attempting to document the impact of employee’s self-actualization on organizational financial performance.

**Significance of the study**

This study is of utmost relevance to the current understanding of the dynamic nature of employees’ motivation and it significant impact on organizational performance in contemporary society. In particular, it examines self-actualization as a factor of employees motivation and organizational performance. Self-actualization has been variously defined by scholars from diverse view point, however, in this study; self-actualization is defined as workers intrinsic necessity, yearning or ambition for personal growth by employees as they spend more years on the job. Psychologists and management theorists like Abraham Maslow, Federick Herzberg, Victor Vroom, Skinner and David McClelland to mention but a few have often shown that the employee’s motivation is an indisputable obligation in any work organization. The reason is ascribed to the fact that motivation enables an organization to maintain workers commitment, satisfaction and productive behaviour. More importantly, they affirmed that employees have intense desire for high level need such as achievement, recognition, challenging work, career advancement and personal growth on the job. The existence of high level need yielded feelings of satisfaction while, the lack of it, Would however, result in dissatisfaction. More emphatically, this fact was reiterated by Cherry (2014) reiterates when she affirmed that ‘what a man can be, he must be’ which indicates that employees can be so desperate to fulfill their needs and aspirations at any point in time. Failure to fulfill their needs may lead to counter productive behaviour which may in turn affect the level of productivity and organizational performance. Therefore, it is pertinent to examine employee’s self-actualization vis-à-vis organizational performance in today’s management studies.

**LITERATURE REVIEW**

**Concept of self-actualization**

Goldstein (1934) was the first to introduce the term ‘self-actualization’ as the motive to achieve one’s potentials and aspirations. For him, self-actualization is “the tendency to actualize, as little as possible, individual capacity” in the world. The tendency for self-actualization is “the only drive by which the life of an individual is determined.” In the same vein, Rogers (1951, 1959) contended that an individual strives toward maintaining, enhancing and actualizing itself. As a result, s/he evaluates positively all experiences, feelings and behavior that are helpful to achieve personal growth. As it is drawn away from it, s/he avoids and values negatively all the experiences that constrict, reduce or block his/her personal development.

Furthermore, self-actualization was made more popular by Abraham Maslow in his theory of motivation and subsequent research on the characteristics of self-actualized individuals or persons. He defined self-actualization as ‘the desire for self-fulfillment, simply the tendency for him [the individual] to become actualized in what he is potentially dedicated to. Maslow explained self-actualization as ‘intrinsic growth of what is already in the organism or more accurately of what is the organism itself. Self-actualization is growth-motivated rather than deficiency motivated.’ Maslow observed the need for self-actualization at the top of the hierarchy by indicating that one has to grow from lower needs to higher ones of self-fulfillment, that is, for a person to aspire for high level needs such as self-actualization; he/she must have satisfied the desire for low level needs (Maslow, 1943). According to Maslow, the pyramid of needs is as follows:

**Physiological needs:** These are basic life needs like food and drink to quench hunger and thirst, oxygen to breath in, shelter to sleep in, clothing for warmth and sex that must be satisfied before all others (Cherry, 2014). If these needs are not yet met, an individual will continue to direct all resources at his/her disposal towards satisfying them. Indeed, all efforts to satisfy these needs will dominate an individual’s actions and higher motives will have little significance.
**Safety needs:** These are needs that come after the physiological needs are satisfied. They are also important needs because they deal with safety against emergencies and adverse social, health and economic impacts (Cherry, 2014). An individual would like to feel secure, safe and out of danger. Just as an individual develops the need for structure, order, employment, property, physical comforts and shelter, so also is the need for safety especially in times of emergency or during periods of disorganization in the social structure. Thus, both physical and psychological safety is necessary to meet these needs.

**Belonging and love needs:** These are emotionally based relationship or needs that include the need to be accepted by and to be included in a large group such as clubs, offices, religious groups, professional organizations, sports teams; or small social relations like the need for affection from family members, intimate partners, peers, close colleagues etc. It is a simultaneous process, an exchange of love, affection and sense of belonging, sexual intimacy, and perhaps family bonding. Individuals seek to rise above feelings of loneliness, social anxiety and alienation and the need for belonging can actually overcome the first two layers of needs, depending on the strength of the belonging and love (Cherry, 2014).

**Esteem needs:** After satisfying the first three layers of needs, need for self-esteem becomes dominant. There are two sub-types of these needs: lower and higher. The lower one is the need for the respect of others, the need for status, fame, glory, recognition, attention, reputation, appreciation, dignity, even dominance. The need for self-respect, confidence, competence, achievement, mastery, independence and freedom reflect higher needs. These needs relate to desire to have positive self-concept. They are needs not only to be competent, to achieve, to be effective and to be free, autonomous and independent, but also to get recognition for achievements and competencies from others. If these needs are not well-satisfied by an individual, s/he may feel upset, weak or helpless and that will lead to inferiority complex and eventually psychological disorders (Cherry, 2014).

**Self-actualization need:** This is a need to develop all of one’s potentials and capacities and to be all that one can be. In order to reach this level of need, one must have achieved the previous needs, physiological, safety, love, and esteem, even mastered them. When lower needs are unmet, an individual can’t even devote or concentrate his/her potentials toward fulfilling organizational task effectively. Self-actualization includes the need to appreciate the intrinsic worth of one’s surroundings and to experience the world deeply. Northup (2007) observed that many management level employees have few worries about physical and safety needs. Although they are still present, these needs are no longer current motivators. Self-esteem and self-actualization needs become primary.

**Organizational performance**

Authors have defined the term organizational performance from different perspectives however; organizational performance can simply be defined as the process of identifying, measuring and comparing results of an organization as against the set or pre-defined targets in order to ascertain its ability or capacity to fulfill its mission. Due to the complex nature of organizational performance, Richard et al. (2009) reported that performance include this three specific areas of firm outcomes namely; financial performance (profits, returns on assets, returns on investments etc.; product market performance (sales, market share, etc.) and shareholder returns (total shareholder returns, economic value added etc).

Furthermore, organizational performance can also be measured using balanced scorecard methodology where performance is traced and measured in multiple dimensions which include customer service, social responsibility, employee stewardship, financial performance etc. Finally, evaluating organizational performance promotes sound management, strong governance and persistent rededication to achieve results.

**The Nexus between self-actualization and organizational Performance**

A significant number of studies have shown that there exist correlation between employees’ self-actualization and performance. However, an important question to ask is when do employees become self-actualized especially, in an ever-changing business worldCherry (2014) reported that the desire for self-actualization or to become everything that one is capable of becoming in his/her profession or career comes after the physiological, safety and self-esteem needs has been accomplished. Based on this reality, every employee aimed to fulfill his/her personal needs such as food, clothing, shelter, sex, promotion, security from their job since they spend most of their waking hours on the job. However, when they have met these needs as well as the organizational goals, they become highly motivated and continue to make more outstanding results possible in the organization (Bolman, 2005; vonDran, 2005; Stueart, 2007). To buttress this fact, Bolman (2008) noted that when the Management disregards the significant role of satisfying the needs of an employee, it is synonymous to an attempt of depriving the employee of the opportunity to utilize his/her potential and s/he will find other ways to reach his needs, the majority of which do not increase productivity or be of benefit to the organization.

The connection between the satisfaction of employee’s needs and performance in work organization has been of interest to psychologists for decades, as evidenced in the works of Deci and Ryan (2000), Herzberg (1966), Maslow
select Odua Investment Company Limited as the study organization. Thereafter, all the employees in the organization were grouped into two categories (junior and senior staff) through stratified technique while simple random technique was employed to select the samples for the study (Table 1).

Furthermore, a well-structured questionnaire and personal observation were used as instrument for data collection. The consideration for combining both questionnaire and personal observation is to fully capture the phenomena under study. The questionnaire was made up of two parts (A and B). Part A sought information on demographic/socio-economic characteristics of the respondents. Part B consisted of questions on the impact of employee’s self-actualization on organizational performance in Nigeria. It also consisted of questions with options from which respondents are expected to choose response that is applicable (close-ended).

A total number of one hundred and forty (140) respondents that include staffs within the two categories make up the sample of the study. Out of this number, only one hundred and two (102) questionnaires were retrieved and properly filled. The data collected were subjected to inferential statistics for analysis. Furthermore, authorization was sought from the management of the organization before conducting the field work. Likewise, consent of the respondents were sought and obtained before the questionnaires were distributed. All the respondents were made to know that they are free to back out of the study at any point in time and that information obtained from them as well as their identities will be kept anonymous and strictly confidential.

Table 1. Sample frame.

<table>
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<tr>
<th>Department</th>
<th>Cadre</th>
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<td>49</td>
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<tr>
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METHODOLOGY

This study was conducted among staff of Odua Investment Company Limited, Ibadan, Nigeria. The population of this study consisted of 219 staff in the study organization. The study adopted a descriptive survey design study to investigate whether employees’ self-actualization needs, when satisfied, motivate them to be effective in their jobs which do lead to increase organizational performance.

Multi-stage sampling technique (comprising of purposive, stratified and simple random) was used in selecting the samples. Purposive technique was used to

(1971), McClelland (1984), and McGregor (1960) who revealed that there is a significant relationship between motivation and job satisfaction. In the same vein, management theorists, such as de Geus (1997a), Garfield (1986), and Senge, Kleiner, Roberts, Ross, and Smith (1994) established that motivating employees for the purpose of promoting job satisfaction is a vital tool for attaining positive organizational performance. They stated further that frustrated employees have low level of motivation which may be detrimental to overall organizational performance. They also argued that unless managers or administrators in work organization pay reasonable attention to employee motivation as well as creating opportunities for employee’s self-actualization, the potential for organizational growth may be limited or stifled. For instance, an employee operating at a fraction of his/her potentials may not discover other hidden potentials and qualities embedded in him/her; and may not be self-actualized which may result in poor organizational performance or counter-productive behavior (Garfield, 1992; Ladenberger, 1970; Wilson & Wilson, 1998). According to Maslow (1971), people who are self-actualized are those who engage in work activities as something they love, so much that, they seem to have erased the traditional dichotomy between drudgery of work and job satisfaction. Shostrom (1987) also elaborated on Maslow's view of the self-actualized person as one who is more fully functioning, actively developing and utilizing all of his or her unique capabilities or potentials in accomplishing the set organizational goals and targets.

RESULTS

This section deals essentially with the statistical testing of the research hypotheses formulated for this study and also interpreting the result making use of inferential statistics.

Objective 1

To investigate the relationship between employee’s self-actualization and employee commitment.
Table 2. Please state the title.

R = .152
R Square = .609
Adjusted R square = .037
Standard Error = .305

<table>
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</table>

Significant (p<0.05).

Table 3. Please state the title.

R = .330
R Square = .496
Adjusted R square = .240
Standard Error = .236

<table>
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<tr>
<th>ANOVA</th>
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<th>Degree of freedom</th>
<th>Mean Square</th>
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<tr>
<td>Total</td>
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<td>102</td>
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Significant (p<0.05).

Interpretation

Table 2 depicts that there is a significant relationship between employee’s self-actualization and commitment with the p-value (0.010) less than 0.05. The result showed that $R^2 = 0.609$ which implies that the predictor (self-actualization) accounted for 60.9% in the total variance in dependent variable (commitment). Thus, we can deduce that employee’s self-actualization influence the degree or level of commitment to work in the organization. The finding corroborates Maslow (1971) and Shostrom (1987) who submitted that self-actualized people are more dedicated and they contribute more in terms of their productivity and performance because they engage in work as something they love so much; functioning fully, actively developing and utilizing all of their unique capabilities or potentialities in accomplishing the set organizational goals and targets. Thus, managers should encourage participatory work system and collective management style so as to unleash and discover more potentials embedded in their workers which may lead to higher productivity and organizational performance.

Objective 2

To examine the relationship between employee’s commitment and productivity.

Interpretation

Table 3 reveals that there exist relationship between employee’s commitment and organizational productivity with p-value (0.001) less than 0.05. The result revealed that employee’s commitment accounts for 49.6% of the total variance in organizational productivity ($R^2 = 0.496$). This implies that employee’s commitment to work is a determinant of organizational productivity. The finding corroborates de Geus (1997, 1997a), Garfield (1986), and Senge, Kleiner, Roberts, Ross, and Smith (1994) who observed that employee’s motivation and satisfaction is a vital tool for organizational performance in the sense that frustrated employees have diminished levels of motivation and counter-productive behaviour, which may bring about decreased productivity and reduce overall organizational performance. Also, the finding upholds the report of the behavioral research carried out by a team at Harvard University and Massachusetts General Hospital, which identifies the factors most likely to impact 21st century employee wellbeing, commitment and productivity. In similar way, Courtney Anderson, a business strategist who said “outstanding leadership today means much more than just doing your job. Success is creating an environment that fosters happy committed productive team members”

Objective 3

To ascertain whether there is no relationship between
employee’s productivity and organizational financial performance.

**Interpretation**

Table 4 shows that there is significant relationship between employee’s productivity and financial performance of an organization. The result showed that employees productivity account for 59.1% of the total variance in financial performance of an organization (R^2 = 0.591). This percentage is significant. The finding tallies with Stueart (2007) and Robinson et al (2009) who reported that employee’s productivity in any organization determines the level of outputs as well as profit-making capacity of the organization and its survival in the long run. In the same vein, Bolman (2005), vonDran (2005), Cole and Cole (2008) observed that organizational productivity and efficiency is achieved through employee satisfaction and attention to employees’ physical as well as socio-emotional needs.

**Conclusion and Recommendations**

This study has within its scope painstakingly surveyed the effect of employee’s self-actualization on organizational performance in Nigeria. The study adopted descriptive survey design to establish the effect of self-actualization on organizational performance. A total of one hundred and two (102) respondents were selected for the study through multistage sampling techniques. A well-structured questionnaire was used to generate needed information for the study which was attempted using regressing analysis and tables. The findings revealed that employee’s self-actualization enhances employee’s commitment which in turn leads to increased productivity and organizational performance.

In view of the above discussion and findings it is established that employee’s self-actualization influences organizational performance. Thus, this study revealed that effort should be made toward ensuring that there is room for personal growth and self-development by providing motivational incentives that satisfies all level of employees’ needs and aspirations. As such, it worth emphasizing the fact that modern employee is more career conscious than ever therefore; they are expecting or demanding more benefits from the organization in terms of personal growth and development. Any organization that failed to allow employees to meet their needs will lose valued employees for a wise organization that thinks outside the box.

More so, managers should see their subordinates or workers as the greatest asset in the organization, as it is only through their (workers) efforts that the predetermined goals and objectives can be met. Therefore, managers should always ensure that employees are happy and willing to give off their best potentials to enhance productivity and organizational performance. In another way, organizations should involved employees in decision making process and other issues that are related to productivity and performance in order to give them some sense of belonging and to secure their maximum cooperation towards the progress of the organization. Finally, managers and employees should understand that there are two sides to a coin, that is, they need each other to progress in the struggle of life and for the continuity of the organization. As a result, both the managers and the employees should ensure that there is positive interpersonal relationship between both them at all times. Even when there are moments of crisis or dispute in the work place, efforts should be made to quickly resolve them and prevent them from escalating.

**REFERENCES**

http://psychology.about.com/od/theoriesofpersonality/a/hierarchyneeds_2.htm  

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**Table 4. please state the title.**

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Significant (p<0.05)
Press.
Maslow AH (1943). Motivation and Personality. (originally published in Psychological Review)
Westport, CT: Libraries Unlimited.