

## **INCENTIVE AND INTERPERSONAL RELATION IN CONSTRUCTION FIRMS IN RIVERS STATE**

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### **ABSTRACT**

The study determines the relationship between incentive and interpersonal relation in construction firms in Rivers State. Ten research objectives, ten research questions and ten hypotheses guided the study. This study is built on two theories: Social Exchange Theory and Force-Field Theory of Change. The cross-sectional explanatory survey research design was used in this study. The population of this study consisted of one hundred and fifty-five (155) information managers from thirty-seven (37) active construction firms in Rivers State. The entire population of one hundred and fifty-five (155) information managers from thirty-seven (37) active construction firms in Rivers State were used as the study sample. Hence, the study is census research method. A structured questionnaire was used as instrument for data collection after ascertaining its reliability through the employment of Cronbach Alpha. A total of 155 copies of the questionnaire were administered to the target respondents through the help of two research assistants. Effort was made and 147 copies were successfully retrieved. mean and standard deviation were used for the univariate analysis while the bivariate analysis was done using Spearman rank order correlation in SPSS Version 22.0. Multivariate analysis was done using Partial Correlation. Findings revealed that there is a significant positive relationship between incentive and interpersonal relation in construction firms in Rivers State. The study concluded that it takes incentive to enhance the ability of interpersonal relation in construction firms in Rivers State. The study recommended amongst others that construction firms in Rivers State should establish a competitive wage structure that recognizes and rewards information managers' contributions, thereby encouraging them and other employees to step up their performances every now and then.

***Keywords: Incentives, Interpersonal Relation information Managers Performance, Effective Communication***

### **Introduction**

In construction firms, wages directly affect the morale and productivity of information managers. Adequate wages ensure that employees feel valued and fairly compensated for their work, which enhances job satisfaction and reduces turnover rates (Martocchio, 2015). Moreover, competitive wages attract highly skilled professionals who contribute to the effective management of information and records, ensuring seamless operations (Rynes & Gerhart, 2000). Thus, implementing fair wage policies is essential for maintaining high-performance levels among information managers. Salary, another motivator of performance in an organization, represents a fixed amount of money paid to a worker usually measured at monthly and annual basis, not hourly, as opposed to wages, salary is a fixed amount of money or compensation paid to an employee by an employer in return of work done (Zahra *et al.*, 2015). As used in this study, salary is a form of periodic payment from an employer to an employee, which may be specified in an employment contract. Fixed salaries provide a predictable and stable income, which is crucial for financial planning and stability. This stability can reduce job-related stress and allow information managers to focus on their tasks without financial distractions (Milkovich *et al.*, 2016). Consistent income also fosters a sense of security and loyalty towards the organization, leading to enhanced job performance and commitment (Gupta & Shaw, 2014). Consequently, offering fixed salaries is a strategic approach to improving performance and retaining talent in construction firms.

Incentives play a significant role in motivating information managers to achieve higher performance levels. Monetary incentives, such as bonuses and commissions, provide immediate financial rewards for exceeding performance targets, driving employees to enhance their productivity and efficiency (Armstrong & Taylor, 2014). Non-monetary incentives, including recognition and career development opportunities, also boost morale and job satisfaction, encouraging employees to perform at their best (Pinder, 2014). Therefore, a well-designed incentive program is vital for fostering a high-performance culture among information managers.

Furthermore, the interaction between different dimensions of compensation techniques and their collective impact on information managers' performance requires deeper investigation. While some studies have explored the individual effects of wages, salary, and incentives on information managers' performance, there is a lack of comprehensive research examining how these elements work together to enhance information managers' performance in the construction firms (Sajuyigbe *et al.*, 2019; Tahir *et al.*, 2019; Bakledi & Al Saud, 2017; Ogutu, 2014; Mohammed & Salah, 2016; Kaneez & Safia, 2016; Muthoni & Thomas, 2019). Understanding this interaction can provide a more holistic view of how to create very attractive compensation policies and strategies that foster high levels of performance. Therefore, this study is aimed at finding the relationship between compensation techniques and information managers' performance in construction firms in Rivers State, where compensation techniques is dimensionalized into wages, salary, and incentives, and information managers' performance is measured using effective information circulation, interpersonal relation, and records and management.

#### Research Hypotheses

- Ho<sub>1</sub>: There is no significant relationship between incentives and effective information circulation in construction firms in Rivers State.
- Ho<sub>2</sub>: There is no significant relationship between incentives and interpersonal relation in construction firms in Rivers State.
- Ho<sub>3</sub>: There is no significant relationship between incentives and records management in construction firms in Rivers State.

#### Incentives

An incentive is an object, item of value, or desired action or event that spurs an employee to do more of whatever was encouraged by the employer through the chosen incentive (Joel, 2020). According to the Oxford Standard Dictionary, an incentive is a thing that motivates or encourages someone to do something. Prior research across different domains has documented the effects of incentives on modifying behavior (Gneezy, 2017). Incentives can be seen as a system of payment, emphasizing the point of motivation that is, the imparting of incentives to workers for higher production and productivity. When a company wants to encourage productivity among its employees, one option available is to implement an employee incentive program as system of rewarding success and effort in the workplace by allowing employees to earn prizes or recognition. Incentives take many different forms and vary wildly from organization to organization. Smaller firms might have a more informal incentive program, which might be as simple as giving an employee a gift appreciating them for putting in extra efforts on a project. In larger firms, there may be a formalized incentive system through which employees can grab bigger items, like trips or electronics for meeting specific goals. Ultimately, what makes an incentive precious is value. Simply recognizing good work is not an incentive. Incentives must be something an employee perceives as valuable, though value does not have to be monetary (Joel, 2020).

One of the goals of employee incentives is to get employees to stay at the company for a longer period of time. If an employee is not happy, they will leave and the employer will be forced to hire a new employee. Incentives can be monetary. These incentives come in form of cash bonus, raises, etc. Within the practice of digital incentives, the management of tertiary institutions could provide certain amount of money to enable staff pay for data subscription. This becomes fashionable in the face of growing workplace virtual practices.

Incentives are rewards or benefits provided to employees to motivate and enhance their performance. These incentives can be financial, such as bonuses, salary increases, and commissions, or non-financial, like recognition, career development opportunities, and flexible working conditions. The primary goal of offering incentives is to align employees' interests with organizational objectives, fostering a productive and engaged workforce (Torrington *et al.*, 2017).

Financial incentives are crucial in attracting and retaining talent, as they provide direct monetary benefits tied to employees' performance. Bonuses and commissions, for instance, reward employees for meeting or exceeding targets, thereby encouraging higher productivity and efficiency. However, while financial incentives are effective, they must be carefully structured to avoid unhealthy competition and ensure fairness and transparency in their distribution (Kerr, 2018). Organizations must consider the diverse motivations of their workforce and balance financial incentives with other forms of recognition to maintain overall job satisfaction.

Non-financial incentives play a vital role in fostering intrinsic motivation, which is essential for long-term employee engagement. Recognition programs, opportunities for professional growth, and a supportive work environment can significantly enhance employees' job satisfaction and loyalty. These incentives help employees feel valued and appreciated, contributing to a positive organizational culture and reducing turnover rates. Effective incentive programs, therefore, integrate both financial and non-financial rewards to create a holistic approach to employee motivation (Rynes *et al.*, 2019). Adding to this discussion, monetary incentive and non-monetary incentive are the indicators of incentives in this study.

### **Interpersonal Relation**

Interpersonal relation is the social association, connection or affiliation between two or more people in an organization (Obakpolo, 2015). Developing interpersonal relationship is a serious business that yields dividends to those committed to it. Maxwell (2004) observed that a thing brings two persons together to make them remain in the context of relationship. Such things may be common interest like desire, aspiration or a goal. More so, workplace interpersonal relationship is the type of relationship that exists between employee to employee, superior to subordinates, employed and employee in any organization. This kind of relationship can be formal or informal. However, relationship is born, fed, nurtured and it grows. It is born at the level of acquaintance relationship; it is fed at associate relationship and is nurtured at friendship. It is very important to emphasize that relationship is the ladder to your gain or pain and therefore, it must be consciously handled. It does not come by chance, but it is a social work to be done because interpersonal relationship is a social link between two or more people (Obakpolo, 2015).

Interpersonal relation in a workplace is a very important issue that influences the level of information managers' performance productivity in any organization. Members or employees should effectively interact with their superiors, subordinates, and co-workers within the organizations. How they relate with the customers, suppliers and general public outside the operational base of the organization determines their level of performance, viability and productivity. Previous studies on interpersonal relationship revealed that the enterprise is the operation of employee behavior based. The greater the density of relationships within the organization, the greater is the impact on organizational efficiency and productivity. (Lee & Dawes, 2005; Tsui, 2000). The importance of workplace interpersonal relationship in influencing organizational productivity in Nigerian organizations especially deposits money banks cannot be overemphasized. Research has demonstrated that friendships at work can improve individual employee attitudes to work, job commitment and ultimately impact on the level of productivity (Ellingwood, 2001; Morrison, 2009; Zagenezzyk *et al.*, 2010). When employees positively interrelate in an organization, it fosters love and team work, increases level of cooperation, employee morale and motivation, job satisfaction and engagement and overall level of productivity. Remarkably, there are divergent opinions and conceptualizations as to what constitute the dimensions of workplace interpersonal relationship.

In a study conducted by Obakpolo (2015) on improving interpersonal relationship in workplaces in Delta State, the researcher opined that the following constitute the dimensions of workplace interpersonal relationship: employee personality, employee trust level, team building effort and employee compatibility. Furthermore, Isaac and Roger (2016) in their study entitled: The role of individual interpersonal relationships on work performance in the south African retail sector adopted the following as dimensions of interpersonal relationships: communication, equal treatment of employee, team work, training and employee respect for one another. In addition James and Nickson (2013) conducted a study on influence of employee relations on organizational performance of private universities in Kenya and used the following as dimensions or factors influencing interpersonal relationship: climate of openness, team building efforts and the initiation of social activities among employees. More so, Ulrich (2010) in his study on interpersonal relationships at work, organization, working and health in Sweden public health organizations used social support, organizational justice and relational justice as dimensions of interpersonal relationships.

### **Incentives and Information Managers' Performance**

Incentives, both monetary and non-monetary, play a crucial role in enhancing the performance of information managers in construction firms in Rivers State. Monetary incentives, such as bonuses, profit-sharing, and commissions, directly influence employees' motivation and productivity. These financial rewards provide immediate gratification and recognition for work well done, encouraging managers to excel in their roles. According to a study by Lawler (2017), monetary incentives significantly boost employee performance by aligning their interests with organizational goals, thereby promoting effective information circulation. This ensures that information managers are motivated to maintain efficient and accurate information systems, which is critical in construction firms where timely information dissemination is key to project success.

Non-monetary incentives, such as professional development opportunities, recognition programs, and flexible work arrangements, also significantly impact the performance of information managers. These incentives address employees' intrinsic motivations, fostering a sense of value and belonging within the organization. A study by Deci and Ryan (2018) found that non-monetary incentives enhance employee engagement and satisfaction, which are crucial for maintaining high levels of interpersonal relations. Information managers who feel valued and recognized are more likely to engage positively with colleagues and stakeholders, fostering a collaborative work environment that is essential for successful project execution in construction firms.

Effective information circulation, a critical aspect of an information manager's role, is greatly influenced by the presence of both monetary and non-monetary incentives. When information managers are adequately compensated and recognized, they are more committed to maintaining efficient information flows within the organization. This commitment ensures that information is accurately and promptly disseminated, facilitating better decision-making processes and project management. A study by Cameron and Pierce (2019) highlighted that a combination of monetary and non-monetary incentives leads to higher levels of job satisfaction and performance, thereby enhancing the effectiveness of information circulation.

Interpersonal relations within construction firms are also significantly impacted by the incentive structures in place. Monetary incentives provide tangible rewards that can enhance team morale and cooperation, while non-monetary incentives, such as recognition and professional growth opportunities, foster a supportive and collaborative work culture. According to Herzberg's motivation-hygiene theory (Herzberg, 2017), both types of incentives are essential for creating a motivating work environment. Information managers who experience a balanced mix of incentives are more likely to engage positively with their colleagues, leading to stronger interpersonal relations and improved teamwork, which are vital for the successful completion of construction projects.

Wrapping this up, records management, a key responsibility of information managers, is also positively influenced by a well-structured incentive system. Monetary rewards for accuracy and efficiency in managing records encourage information managers to maintain high standards of

documentation and compliance. Non-monetary incentives, such as opportunities for professional development in records management, further enhance their skills and competencies. A study by Kohn (2020) found that incentives directly contribute to better records management practices by motivating employees to adhere to best practices and continuous improvement. This leads to more reliable and accessible records, which are crucial for the operational success and regulatory compliance of construction firms.

### **Force-Field Theory of Change**

The Force-field theory of change was developed by Kurt Lewin in the mid-20th century, specifically around 1947 (Burnes, 2020). This theory focuses on identifying and analyzing the driving and restraining forces that impact change within an organization, and it has been foundational in understanding organizational development and change management processes. George (2013) described the Force-Field Theory as a broad variety of forces arising from the way an organization operates, from its structure, control systems and culture that makes it oppose change. At the same time, a wide variety of forces arise from changing task and general environments that push organizations towards change. These two sets of forces are always in opposition in organization. For organizations to re-engineer, top management must find ways to increase the forces for change, decrease the resistance of change, or do both at the same time. Lewin's force field analysis is used to distinguish which factors in a firm drive an individual towards or away from a desired state, and which resist the driving forces. These can be analyzed in order to inform decisions that will make change more acceptable (Walker & Ruekert, 2014). Forces are more than attitudes to change. To recognize what makes individual resist or accept change, it is important to know the morals and skills of that particular individual. Thus, creating self-responsiveness and intelligence in emotions can aid in understanding these powers that work within people. It is the behaviour of individuals that will alert you to the presence of driving and restraining forces at work (Chalos, 2015). The assumptions of the theory are:

- i. human behavior is determined by a combination of forces that either push towards a particular goal (driving forces) or inhibit movement towards that goal (restraining forces).
- ii. any individual or system tends to achieve a state of equilibrium where the sum of driving forces equals the sum of restraining forces.
- iii. any individual or system tends to achieve a state of equilibrium where the sum of driving forces equals the sum of restraining forces.
- iv. understanding the forces at play allows for predictions about behavior change.

The Force Field Theory, propounded by Kurt Lewin, provides a framework for understanding the dynamics of implementing compensation techniques (wages, salary, and incentives) and their impact on information managers' performance (effective information circulation, interpersonal relation, and records management) in construction firms in Rivers State. According to Lewin, change within organizations involves balancing driving forces (in this case, the motivating impact of fair compensation) and restraining forces (resistance to change due to perceived inequities or dissatisfaction). By identifying and addressing these forces, firms can enhance information managers' performance and overall organizational effectiveness (Lewin, 1947).

The justification of Force Field Theory for the topic "Compensation techniques (wages, salary, and incentives) and information managers' performance (effective information circulation, interpersonal relation, and records management) in construction firms in Rivers State" lies in its ability to explain how these compensation strategies can drive or inhibit performance improvements. By analyzing driving forces (e.g., motivational impacts of fair compensation) and restraining forces (e.g., dissatisfaction with current compensation), organizations can strategically enhance information managers' performance. Lewin's theory helps identify and mitigate resistance, thereby facilitating successful implementation of compensation reforms.

**Research Design**

The cross-sectional explanatory survey research design was used in this study.

**Research Population**

The population of this study consisted of one hundred and fifty-five (155) information managers from thirty-seven (37) active construction firms in Rivers State.

**Sample Size/Sampling Techniques**

The entire population of one hundred and fifty-five (155) information managers from thirty-seven (37) active construction firms in Rivers State were used as the study sample.

**Instrumentation and Measurement**

The study made use of structured questionnaire as the instrument for data collection. The structured questionnaire was developed by the researcher.

**Method of Data Analysis**

For data analysis, mean and standard deviation were used for the univariate analysis while the bivariate analysis was done using Spearman rank order correlation in SPSS Version 22.0. Multivariate analysis was done using Partial Correlation. Thus, Spearman Rank Order Correlation Coefficient was computed with the formula below:

$$R = \frac{6\sum d^2}{n(n^2 - 1)}$$

**Results**

**Incentives and Information Managers' Performance**

- Ho<sub>1</sub>: There is no significant relationship between incentives and effective information circulation in construction firms in Rivers State.
- Ho<sub>2</sub>: There is no significant relationship between incentives and interpersonal relation in construction firms in Rivers State.
- Ho<sub>3</sub>: There is no significant relationship between incentives and records management in construction firms in Rivers State.

**Table 1: Correlations between Incentives and Information Managers' Performance**

		Incentives	Effective Information Circulation	Interpersonal Relation	Records Management	
Spearman's rho	Incentives	Correlation Coefficient	1.000	0.735**	0.572**	0.620**
		Sig. (2-tailed)	.	.000	.000	.000
		N	147	147	147	147
	Effective Information Circulation	Correlation Coefficient	0.735**	1.000	0.615**	0.846**
		Sig. (2-tailed)	.000	.	.000	.000
		N	147	147	147	147
	Interpersonal Relation	Correlation Coefficient	0.572**	. 0.615**	1.000	0.507**
		Sig. (2-tailed)	.000	.000	.	.000
		N	147	147	147	147
	Records Management	Correlation Coefficient	0.620**	0.846**	0.507**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	147	147	147	147

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

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**Source: SPSS Output, 2024**

Column two of table 1 above shows r value of 0.735 at a significance level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis relating incentives and effective information circulation. Since the significance value is less than the alpha level of 0.05, the null hypothesis ( $H_{01}$ ) which states that there is no significant relationship between incentives and effective information circulation in construction firms in Rivers State, was rejected. This implies that there is a strong positive relationship between incentives and effective information circulation in construction firms in Rivers State.

Column three of table 1 above shows r value of 0.572 at a significance level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis incentives and interpersonal relation. Since the significance value is less than the alpha level of 0.05, the null hypothesis ( $H_{02}$ ) which states that there is no significant relationship between incentives and interpersonal relation in construction firms in Rivers State, was rejected. This implies that there is a moderate positive relationship between incentives and interpersonal relation in construction firms in Rivers State.

Column four of table 1 above shows r value of 0.620 at a significance level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis incentives and records management. Since the significance value is less than the alpha level of 0.05, the null hypothesis ( $H_{03}$ ) which states that there is no significant relationship between incentives and records management in construction firms in Rivers State, was rejected. This suggests that there is a strong positive relationship between incentives and records management in construction firms in Rivers State.

### **Conclusion**

Through the empirical analyses engaged in the chapter four of this study, it has been revealed that compensation incentives have a strong relationship with the performance of information managers, especially in construction firms. This implies that it takes incentives to enhance the ability of information managers to circulate information effectively, relate interpersonally, and as well as manage records effectively.

### **Recommendations**

Based on the conclusion of this study, the following recommendations were made:

1. Construction firms in Rivers State should design and implement tailored incentive programs that recognize and reward information managers' exceptional performance in effective information circulation, interpersonal relations, and records management, thereby boosting their performance.
2. Construction firms should prioritize regular recognition and reward of information managers' achievements, thereby boosting information managers' motivation and engagement.

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