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DEPARTMENT OF RETAIL MANAGEMENT
RESEARCH DISSERTATION

TOPIC: THE IMPACT OF EMPLOYEE MOTIVATION ON COMPANY PERFORMANCE.
A CASE STUDY OF TM SUPERMARKET, RUSAPE BRANCH.

By

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CDP

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DEDICATIONS

I wish to dedicate this research project firstly to the almighty God. Without his guidance, blessings and above all inspiration during my four year course at the Midlands State University, I would have never made it.

I also dedicate this research to my father. He is the strongest and most caring dad in this world and I am very much indebted to his courageous effort and tireless spirit in the prioritization of my education. Truly I could have never managed to have a decent life or even a direction in my life without his eye and wisdom. To him I say hats off to you father.
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ABSTRACT

The research which was carried out between August and October 2014 sort to assess the impact of employee motivation on company performance at TM Rusape. The research was carried out after the researcher found out that the sales figures of TM Rusape as well as market share were falling at the same time workers repeatedly complain of not receiving their bonuses as well as working long hours. The study objectives were to assess the various motivational strategies that can be used by TM Rusape, to assess the effects of compensation on employee performance and to assess the effects of motivation on employee morale and company performance. Descriptive research design was used for the study. The whole population of 55 respondents was used. In gathering data, the researcher used primary data sources in the form of interviews and questionnaires as well as secondary data in the form of company magazines and records. The researcher used qualitative and quantitative techniques to present the research findings in the form of tables, bar graphs and pie charts. It was ascertained that employee motivation has a great influence on the performance of employees which in turn will result in company performance. TM Supermarket as a company has paid less attention to employee motivation. Motivational strategies that can be used by TM Supermarket to motivate its employees include job security, bonuses, high salary, challenging work, promotion and advancement, flexible and favorable working conditions, opportunity to do creative and innovative tasks, delegation and healthy relationship with supervisors and colleagues. It was ascertained that performance related pay is not a good motivational or compensation strategy to TM Supermarket employees because it only benefits a few at the expense of many employees. On the other hand, employee salaries need to be revisited as employees are not happy with it yet they highlighted that it plays an important role in their performance. It was concluded that motivation plays an important role in boosting the company performance since it encourages positive employee morale which is vital on excellent performance of employees. The major recommendations of this research were that TM Supermarket should be fair on its bonuses provisions as well as setting target sales figure as a basis for bonuses rather than setting a target shrinkage rate because target sales revenue can boost the performance of the company but target shrinkage rate can just minimize wastages.
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CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This chapter offers the background of the study and it spells out the circumstances that led to the need of the study. This chapter highlights the statement of the problem and the main research problem. It also states the objectives of research, assumptions and justification of the study which will help outlining the focus on the objective results of the research. In addition, it also identifies the limitations and delimitation of the study.

1.1 Background of study

TM Supermarkets is part of the retail arm of Meikles Limited, a listed concern on the Zimbabwe Stock Exchange, (ZSE). It is one of the leading Food and Grocery retail brand in Zimbabwe according to independent market research. Since its inception in March 1978, TM Supermarket has grown and currently comprises of a branch network of 53 stores country wide. The store formats range from convenient small supermarkets to Hypermarkets, with Borrowdale’ and Hyper in Harare and Bulawayo respectively, being the biggest branches. The organisation does not offer credit and all of its sales are cash and credit card transactions. Amongst the 53 branches of TM Supermarkets, TM Rusape is the case study of this research. TM Rusape competes with OK, Spar and other grocery stores.

After Zimbabwe adapted the multi-currency system in 2009, the living conditions of residents improved and the disposable income also increased. Since then, TM Rusape has paid less attention to the effects of employee motivation but only looked at pushing volumes. According to Torrington, (2011), motivation is the desire to achieve beyond expectations, by being driven
by internal rather than external forces, and to be involved in a continuous striving for improvement. The definition by Torrington shows that employees’ motivation have got a great influence on company performance. The key motivational strategies that organisations use to their workers in various ways are a good salary, bonuses, job security through the signing of contracts, appreciation of job well done, clean and safe working environment, promotions and responsibility of freedom to make decisions, provision of refreshment breaks as well as having a flexible working schedule.

TM Rusape employees repeatedly pass their complaints for not receiving their yearly bonuses to the management but it seems to fall on deaf ears. With reference to TM company memo, employees are to receive a 100% salary as bonus rate if they manage the target shrinkage rate of 0.06%. After attaining that shrinkage rate since 2010, the bonuses were said to have only been allocated to permanent workers only and those who were on contract basis did not receive any yearly bonus despite the fact that about 80% of their workers are on contract basis and they are the ones who run the day to day work in the shop. TM Rusape company records presents the statistics that from the year 2010 up to 2014, the workers managed the target shrinkage rate. The shrinkage rate was 0.36% in 2010, 0.03% in 2011, 0.04% in 2012 and 0.05% in 2013(Company records). Despite that the shrinkage rate was met, bonuses were not given to employees as promised and only permanent workers received half of the rate late in 2011 and 2012 and those workers on contract basis did not receive their bonuses. With reference to the General meeting minutes (28-1-2013), workers complained in the general meeting saying that if only permanent workers receive the bonuses, it only means they are alone in working towards the eradication of shrinkage. The workers kept complaining for their unmet bonuses and in March 2013 they manage to receive their bonuses but they could not get their bonuses for the previous years and employees keep complaining.

Workers particularly till operators end up working long hours a day and the overtime is never paid but the workers receive some days off duty. This exercise was not welcome to other workers and they passed their problems in the meeting. Workers may comply with this
situations since they need jobs but their performance may be affected especially after the normal working time of the day. (General meeting minutes, 30-01-12 and 28-01-13)

Company records at TM Rusape shows that the company has lost a total of 37 workers from the period of 2010 to 2013. Some of these workers resigned voluntarily whilst some of them were forced to resign due to mistakes on their jobs and stealing company resources. These statistics show that there is no job security at TM Rusape and employees may not be motivated.

According to Boxal, (2003), employee performance is a function of ability, motivation, and opportunity. He went on to state that employees perform well when they have the motivation to do so (they will do the job because they want to and they are adequately incentivized.) Bagchi, (2011) revealed that organizational performance is a cumulative outcome of employee performance. From the statistics presented by Zimbabwe All Media Products Survey (ZAMPS) for the fourth quarter of 2010 commissioned by the Zimbabwe Advertising Research Foundation (ZARF), TM Supermarket has not been performing well in the market, OK Zimbabwe tops the market with 34% followed by Spar with 24% and TM is on third with 15% of the market share. (Bizcommunity, 2011). Makwembere (2012), in the Newsday stipulated that OK is currently sitting on a strong position and the future seems bright for the group with no doubt whilst Pick n Pay through TM has taken too long to roll-out. TM Supermarket has suffered a high level of customer dissatisfaction ever since Zimbabwe adopted the multi-currency system in 2009. Despite the improvement of living conditions of residents, TM Rusape sales revenue has not been increasing. TM Rusape company records presents that the average daily sales figures was $16000 in 2010, the daily average sales rose to around $17000 in 2011 before declining to $16000 in 2012 and further declined to $15500 in 2013.

The suggestion books at TM Rusape branch presents complains of dissatisfied customers who repeatedly complain about the quality of TM Rusape products from 2011 up to 2013. It seems as if their complaints are not addressed since complaints which were passed in 2011 can still be found in the 2013 suggestion book. Complains which are in the suggestion books available at
Rusape branch were the unavailability of products on shelf whereas they can be provided to them when they ask for them, slowness of till operators which results in long queues and the response they receive from some of the till operators after asking for their change which may be unavailable at the till points, no prices displayed on shelf, the difference of prices displayed to the ones which appears on the point of sale, poor, stale and expired products on shelves on service departments, (bakery and take away).

The retail industry has become competitive as all grocery stores are offering almost same manufacturer brands to the final consumers, this calls for the stores to offer an extra mile in its service provision so as to compete in the market. The value of employee motivation has become an important factor in retailing for they are the ones who drive sales depending on their performance. TM Rusape seems to be struggling in strengthening the value of motivation at the same time experiencing poor performance on the market. Given this background, this study is going to analyze the impact of motivation on company performance.

1.2 Problem statement

TM Supermarkets has not been performing well in the market as shown by declining customer preference, rising customer complaints and also declining customer service as compared to its competitors like OK Zimbabwe and Spar which are also in Rusape. On the other hand workers complain of their unmet yearly bonuses and some of them end up losing their jobs after being caught stealing company resources. Workers complaints passed in the general meetings as well as a high level of labor turnover shows that employees may not be motivated. It is against this background that the researcher sought to establish the motivational strategies that TM Supermarket can take to turnaround and regain its leadership in the grocery retail sector in Rusape.
1.3 Objective of the study

- To assess the various motivational strategies that can be used by TM Rusape
- To assess the effects of compensation on employee performance.
- To assess the effects of motivation on employee morale and company performance.

1.4 Research questions

The research will address the following specific questions.

- What is motivation and strategies that can be used to motivate employees?
- Can compensation be used to improve the performance of employees?
- Does motivation have an impact on employee morale and company performance?

1.5 Significance of the study

The study will be vital in so many ways to every player involved. These importance include:-

1.5.1 To the theory

- The results of this study will add to the existing body of knowledge on the issue of motivation and productivity in organisations. It will provide readers with a clear understanding of the impacts of motivation on company performance and it will also act as reference for future studies.

1.5.2 To the practice

- This research will clarify the effects of motivating workers and how to correctly implement motivation so as to influence employees to work towards the success of the company.
1.6 Limitations

The researcher is expected to face a time constraint since this will be an academic paper and needs to be completed according to the academic almanac; hence it will be a short period of time for the compilation, review and analysis of the research. But however the researcher is going to effectively manage the available time so as to meet the required deadlines. The researcher has limited financial resources, but however cost effective strategies will employed and concentration is going to be given to important areas of the study so as to minimize costs.

The researcher will cover TM Supermarket employees and customers in Rusape, therefore cannot be a true representation of the whole country.

1.7 Delimitations

The study is on exceptional motivational strategies and it shall focus on Rusape branch and concentrate on the company’s operating period ranging from 2012 to 2014. The respondents for the study will comprise of the branch manager, branch administrator, supervisors as well as general employees. In this study, the researcher is going to look at sales revenue and market share to measure the performance of the company which in-turn reflects the performance of employees.

1.8 Assumptions

The study will be carried out under the following assumptions:

- The researcher will have all the resources needed to conduct the study.
- The respondents will honestly give information without bias.
- Maximum cooperation will be received from all respondents.
- The researcher will gather reliable, accurate and unbiased information to come up with a useful study.
1.9 Definition of key terms

**Motivation:** Is the internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal.

**Performance:** is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed.

**Employee:** is an individual who works part-time or full-time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties. Also called worker.

**Strategy:** is a method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem.

**Bonus:** is gratuity given as gift, or compensation earned as reward upon achieving a goal or milestone.

**Customer service:** is all interactions between a customer and a product provider at the time of sale, and thereafter. Customer service adds value to a product and builds enduring relationship.

1.10 Chapter Summary

The introductory chapter presents an introduction to the TM Supermarket chronicling its business, background of the study, statement of the problem, research objectives, research questions, and significance of the study, assumptions, limitations and delimitations of the study. It presented the background of the study and how the problem arose which caught the attention of the researcher to contact a research patterning the problem understudy.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews literature on the impact of employee motivation on company performance. Given the background of this study, this chapter gives the literature on the strategies that can be used to boost employee performance in relation to what is said by different authors on motivational strategies. This chapter will take into account the definition of terms, strategies of motivation, theories of motivation as well as company performance and variables used to measure company performance by looking into different literature already published and documented in textbooks, journals, magazines and articles to produce a broad range of the subject under study.

2.1 Motivation defined

According to Tileston (2004) motivation is the drive to do something. This definition goes hand in hand with Young (2001) who defined motivation as the force within an individual that account for the level, direction and persistence of efforts expanded at work. Jones et-al (2004) also mentioned motivation as the driving force when they defined motivation as the psychological force that shows a person’s level of effort applied in order to persist with obstacles and achieve his/her target and the way he/she behaves in an organisation.

Griffin (2009) defines motivation as a set of factors that cause people to engage in one behavior rather than the alternative. He further stated that the idea of motivation can be adopted by organisations as he considered motivation as a set of forces. Motivation are an intrinsic enthusiasm about and drive to accomplish activities related to work. (Chaudry 2012). Most
scholars defined motivation as a driving force, however Latham (2004) defined motivation as a process of cognitive resource allocation where a person allocates his/her effort as per importance of motives or tasks. According to Torrington (2011), motivation is the desire to achieve beyond expectations, by being driven by internal rather than external forces, and to be involved in a continuous striving for improvement.

A practice definition of motivation is elusive since the concept involves numerous characteristics and perceptions of the employee and the current situation, but it is characterized by certain level of willingness on the part of the employee to increase effort, to the extent that this exertion also satisfies some need or desire. At a basic level, it can be seen that motivation is about ‘motives’ and ‘needs’. Motives are the internal drives and energies of an employee; they direct behavior which result in outcomes. Any single outcome (higher performance levels at work) may be the result of multiple motives (the feeling of achievement, the desire to purchase a new car). (Beardwell et-al, 2004). Needs as internal drives are also important and can be physiological (I need sleep, I need warmth) social (I need to gain the respect of my peers for what I do)

For the sake of this research, the researcher will going to use the definition by Harris (1996), motivation is an educational programme which channelizes the employees’ effort towards organizational activities and thus increasing the performance of the boundary spanning roles.

2.2 Motivation Theories

According to Malik et-al (2011), there are wide range of early theories of motivation which include Maslow’s Hierarchy of needs and The Herzberg’s Two Factor theory. The theories of motivation recognize the rewards that are most important and they are concerned with needs and goals of individuals. Kiruja and Mukuru (2013), stipulates that theories of motivation explains specific factors that motivate workers and how human needs change.
2.2.1 Maslow’s hierarchy of needs

Maslow in his article, “Theory of Motivation” (1954) discovered that individuals experience five categories of needs during their lifetime. These needs are arranged in hierarchical order as depicted by the pyramid above. The pyramid classes the order of importance of the needs and needs are satisfied starting from the lower levels and moving up. Maslow insisted that these needs are satisfied in a first up to second, second to third, third to fourth and fourth to fifth, when a need is satisfied, it is no longer a motivator and the needs that are not yet satisfied become the driving force.

Physiological needs

According to Anyim (2012), physiological needs are the basic needs of a person. These needs cause physiological tension and are exposed by any body’s behavior and this can be reduced by
eating something. Maslow highlighted that when a person fulfills the physiological or basic needs, he move up the next level. These basic needs include food, shelter, clothes, sleeping and breathing. Herzberg (2003) outlined that motivating of physiological needs includes reasonable working hours, physical comfort of the job and refreshment breaks as well as rest.

**Safety needs**

According to Maslow, when all the physiological needs are met, they are no longer controlling thoughts and behavior, the need for security becomes active now. According to Chintalloo and Mahadeo (2013), Private organisations’ workers are the one that mostly feel that their work is at risk during financial crisis and these needs include safe working environment, job security, property, morality and family security. Chintalloo and Mahadeo (2013) outlined that private organisations can satisfy this need by promoting safety and health plans, emergency fund and ‘accident cover’ benefits.

**Social needs**

When security needs and physiological needs have been satisfied, the next class of needs is social needs and it comprise of love, affection and belongingness. Maslow stated that employees try to overcome feelings of loneliness and alienation. Zameer et-al (2014), stated that man’s needs at this level are love and care, this is satisfied by interacting with co-workers and colleagues at work, having good relationship with group fellow or colleagues. Chintalloo and Mahadeo (2013) outlined that managers could force people to work in groups to achieve an organisation goal and thus promoting team work as well as catering for assistance and counseling in which workers feel free to share their views, welfare committees also help in enhancing relationship between surbordinates.

**Esteem needs**

When the first three classes of needs are satisfied, the need for esteem arises. Esteem needs are also called egoistic needs. As stipulated by Zameer et-al (2014), esteem needs are difficult to
satisfy in some industries because they are comprise of reputation, prestige, status, fame, glory, recognition and dominance. According to Chandler et-al, (2004), when these needs are satisfied, the employee should feel self-confidence and value in the organisation, when these needs are not met, employees feel inferior, weak, helpless and worthless. Forsyth (2009) stipulated that some of the esteem motivating factors include promotion to a higher job status, responsibility of an important job as well as praise and recognition from the boss.

**Self-actualization**

This is the highest need and its arousal is after the esteem need is satisfied. According to Zameer et-al, (2014), a man wants self-realization and self-development and desire to be able to do something. “We all feel a need to grow up at work and feel that we have the potential of doing things. For instance we are born to be a manager, to impose rules and set discipline, incentives to work productively and boost their moral, acceptance of facts, lack of prejudice, creativity, and problem solving. It is based on doing what we can, in other words, we must be what we are able to be.” (Vroom and Deco 2002)

Maslow’s theory of motivation is useful in understanding employee motivation from a theoretical perspective. However, it is not always that we have to satisfy the first level of need for another one to arouse, a person may wish to satisfy the later rather than the former need. People are different and a person’s needs and wants priorities may vary and it may be possible that there are more than five needs. Mullins (2005) implies that a person’s motivation, job satisfaction and work performance will be determined by the comparative strength of these sets of needs and expectation and the extent to which they are fulfilled for example some people may make a deliberate choice to forgo intrinsic satisfaction and social relationships (particularly in the short term or in the earlier years of their working life) in return for high economic rewards, others are happy to accept comparatively lower economic rewards in favor of a job which has high intrinsic satisfaction. Furthermore, according to Chintalloo and Mahadeo (2013), it has been said that when employees have satisfied the five level needs, they ought to be creative, innovative and productive.


2.2.2 Herzberg’s two factor theory

Ever since Maslow introduced his five factor model of human needs, many models have been generated. Herzberg came up with his two factor theory. This theory was referred to as Herzberg’s motivation hygiene theory and it states that there are certain factors within a business that are likely to bring about job satisfaction. With reference to Kiruja and Mukuru, (2013), Herzberg’s two factor theory is based on Maslow’s hierarchy of needs but he distinguishes needs in hygiene factors and motivators or growth factors. He highlighted that when an institution hygiene factors do not exist, (for example salary, job security, working conditions, interpersonal relations, quality of supervision) employees are dissatisfied and if these factors exists, this does not mean that employees are motivated or satisfied. According to Hodson (2001), Herzberg’s hygiene factors do not usually serve as a motivational factor to employees’ but needed in order to avert employees from becoming dissatisfied. It is known that the opposite of demotivation is motivation only semantically and not when it comes to understanding the behavior of workers in their jobs. Herzberg’s theory clarifies the strong relationship between motivation and performance of employees since it presents that performance can come as a production of feelings such as achievement, advancement, growth, which are related with motivation.

According to Herzberg (1993) motivation theory postulates that there are two sets of needs (motivators and hygiene) that affect individuals. Motivators (growth needs or satisfiers) are long term needs related to job context, having a sense of achievement from performing a job. Hygiene (dissatisfiers) are job context needs that must be for an individual employee to avoid dissatisfaction, they do not necessarily provide satisfaction or motivation. These hygiene factors are the motivation strategies that are used by organisations to improve the performance of their workers. Herzberg postulates that there is no evidence that motivational strategies at work help in satisfying workers but if they are not provided to workers, workers will be dissatisfied and thus they will perform badly at work. Herzberg’s theory suggests that individuals have desires beyond and that the hygiene and motivators are important. This two factor theory is important in understanding motivation on the basis of needs.
2.2.3 Adams equity theory

According to Kiruja and Mukuru, (2013), Adam’s equity theory implies that individuals engage in social comparison by comparing their efforts and rewards with those of relevant others, the perception of individuals about the fairness their rewards relative to others influence their level of motivation. Adam’s theory highlighted that workers have a need of fairness on value placed on their efforts at work. With reference to Robbins (2005), the willingness of the employees to be part of success of a company depends on the assessment of the fairness of the rewards they receive, employees are motivated preserve a balance between that they observe as their inputs or assistance and the rewards as compared to others.

There are two types of inequity, “under-reward” and “over-reward”. Under-reward occurs when a person believes that he/she is either puts on more effort than another, yet receives the same reward, or puts in the same effort as another for a lesser reward. Taking as an example, an employee works longer hours than a co-worker yet receiving the same salary, the employee will perceive inequity in the form of under-reward. Inversely, with over-reward a person will feel that his efforts to rewards ratio is higher than another person’s, such that he is getting more for putting in the same effort or getting the same reward even with less effort. Research suggests that under-reward motivates individuals to resolve the inequity, but it is not the same with over-reward for individuals who are over-rewarded often engage in cognitive dissonance, convincing themselves that their efforts and rewards are equal to others. (Kiruja and Mukuru, 2013)

According to the equity theory, individuals are motivated to reduce perceived inequity, individuals may attempt to reduce inequity in many ways for example an employee may decide to change his/her effort and an employee who feels under-rewarded is prone to work less hard. Edward (1999) reinforced that for an employee to feel secured, there needs to be a balance between inputs and outputs, decision makers within the organization should try to prevent problems of equity by ensuring that rewards are fairly distributed on the basis of performance and that employees clearly understand the basis of their pay inclusive of benefits.
Walker (2010) argues that one common cause of high labor turnover rates is low pay and benefit packages. When a worker is employed in a low remuneration position with limited benefits, there is little incentive for them to stay even if a similar employer offers a slightly higher rate of pay. Employees tend to move to greener pastures when total compensation is unsatisfactory. In support of this, Worth (2003) says that workers who increase output but whose salaries fall short of the going market rate, feel undervalued at their current workplaces and look for a company that will pay what they are worth. Highly skilled workers are often lured from a well-paying position by a higher offer from a company that desperately needs employees’ skills. These statements shows that the management should try by all means to balance motivation and performance so that they retain their talented employees as well as avoid situations where their employees are demotivated as this affect their performance.

2.3 Motivational Strategies Defined

According to Diener (2002) motivational strategies are methods used to prompt an individual or group to act in a specified way and Stoner (2005) also views these strategies as tools used to drive human psychological characteristics that contributes to a person’s degree of commitment. Diener (2002) refers to motivational strategies as methods required to refine or prompt workers to act satisfactorily. The significance is that management has to apply these tools to prompt individuals’ day to day activities. Diener (2002) and Stoner (2005) both agree that motivational techniques are tools. Stoner (2005) further states and explains the examples of these tools for employee motivation. To provide an understanding of these tools, Stoner (2005) divided them in to financial and non-financial incentives. The financial incentives were referred to as the monetary rewards which satisfy the basic needs, where the non-financial incentives satisfy the social and ego needs, in this instance money is not involved and these include worker participation, recognition and complementation of outstanding performance.

All these theories outlined are helpful in understanding employee motivation, that is, what motivates employees and how employees should be motivated to improve quality service
delivery in organizations. Motivational factors have been outlined in all the theories above which includes: interesting work, high wages, full appreciation of job done, job security, safe working conditions, promotions and growth in the organization, feeling on being on things, personal loyalty to employees, tactful discipline and sympathetic to personal problems.

2.3.1 Motivational strategies and employee performance

It has become important for employers to know what motivates their employees rather than emphasizing them to increase productivity. The environment, in which the employees work as a team, should be created and sustained so that they are themselves driven towards achieving the common goals. Hence, motivation is given more attention in the organization to know employees and their behavior. In any organization, every staff is unique and performs the task based on their mental abilities and the extent to which they are applied at work (Mullins, 2007).

Some people tend to work really harder than others. If a staff is appreciated for his/her hard work, he/she is more likely to be motivated to high performance. Herzberg et al (1999) explained that employees show different attitudes depending on the nature of jobs assigned to them at workplace. Furthermore, they argued these attitudes towards their jobs have a significant influence on the survival of the organization. In earlier days, motivation was considered as only a force that drives individuals to become committed in the job of their choice. The early approaches of motivation emphasizes on the needs of the individuals explaining their tendency to be motivated and the efforts exerted in order to satisfy those needs. There were some other approaches which highlighted on the employees' goal setting. Modern approaches of motivation draws attention towards the values and long term goals set by the employees. Simons and Enz (2006) said that now the employees perform the task not only to fulfill the basic needs but also to increase their values, become successful and satisfied from their performance. Motivation has been one of those areas which gained lots of interests from organizational psychologists and many scholars since 1930s. Yet, the in-depth understanding of motivation has been considered as a tough task (Locke and Latham, 2004).
2.3.1.1 Employee bonus

Shields (2007) highlights that employees will be motivated if they are given bonuses which Armstrong (2007) defines as rewards offered for successful performance which are paid as cash or lump sums related to the results obtained by individuals or teams. Armstrong (2007) outlines the demerits of bonuses, these include that bonuses maybe perceived to be arbitrary and many people may prefer the opportunity to increase their base pay rather than rely on potentially unpredictable bonus payments. This means that Armstrong (2007) is against the use of bonuses in rewarding employees considering the disadvantages Armstrong (2007) outlined.

Association administration can easily increase the work performance of the workforces with the help of additional benefit. We can say that additional benefit is the above salary gives the employee’s according to their performance. Bonus is an important tool for increasing the productivity (Agwu, 2013). According to Sara et-al (2004), money is the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value. It has the supremacy to magnetize, maintain and motivate individuals towards higher performance. Frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Adeyinka et al, 2007).

With reference to Reena et-al (2010), rewards are management tools that contribute to firm’s effectiveness by influencing individual or group behavior. All businesses use pay, promotion, bonuses or other types of rewards to motivate and encourage high level performances of employees. Research has suggested that reward now cause satisfaction of the employee which directly influences performance of the employee (Kalimullah et al, 2010).

It is generally accepted that having targets to work towards, as long as they are realistic, is one of the most effective ways of improving performance. Hitting targets improves morale and self-confidence, however, those who consistently underachieve will end up feeling demotivated. Motivating a team is always easier if you fully understand that they may not necessarily be
motivated by the same things as you. The most effective teams are those that feel valued and supported but also feel that they are progressing and developing through the completion of challenging tasks. If a team understands company’s objectives, they are much more likely to want to work harder towards their achievement. Also, most people tend to respond well to being given the opportunity to make decisions and take on additional responsibilities. Whatever motivational techniques work the best, it is always important to ensure that your team feels it is making a valuable and positive contribution (Kelly, 2010).

From what is presented above from different scholars, employee bonuses have got a great influence on company performance. It is not always the bonuses that motivate employees, some employees are motivated by achieving a target and thus they can also be motivated by target bonuses and this will benefit the company. For bonuses can demotivate those who constantly under achieve, it is wise for companies to take an organisation as a whole and everyone works as a team so as to make sure that employees are not demotivated by failing to reach the target.

2.3.1.2 Good working conditions

Sutherland and Canwell (2004) says it is the primary responsibility of managers to maintain motivation by creating such a work environment where employees will show positive attitude and become committed and loyal and where they believe that they are valued and the organisation gives crucial interest in them.

There is a famous saying which is based on Herzberg's thought that if an organization wants its employees to do a good job, give them a good job to do (Giancola, 2010). To illustrate this, during the hard times of the organization, the morality among the workforce determines its success or failure provided that they are made feel as the essential resources of the organization and are given appropriate chances to prove themselves. Thus, motivated employees are more likely to contribute for the success and survival of the organization.
2.3.1.3 Worker Participation

According to Taras and Kaufman, (2006), worker participation is employees’ communication, interaction and co-decision making with management which occurs through committees, councils, and unions. Tara and Kaufman (2006) further divide worker participation into two, which is direct and indirect participation. Direct participation involves all tasks directly done by a subordinate where indirect participation is when a representative functions for other employees in dealings with management. Frick and Moller (2003) define worker participation as one of the so called, “high performance management practices,” that contribute to organizational effectiveness. Taras and Kaufman (2006)'s definition is more broader and outlines the major activities involved when an employee is said to be participating, this covers the shortcomings of Frick and Moller (2003) in their view, as they only consider worker participation as high performance management practices. Frick and Moller (2002) however provide the impact of worker participation that it contributes to organizational effectiveness whilst Taras and Kaufman (2006) only outline the activities included in worker participation which are communication, core decision making and interactions with management but their impact is not given.

2.3.1.4 Job security

According to Canwell (2004), job security has a positive impact on employee performance, Job security is the possibility that an individual will maintain his or her job; a job with an elevated level of job security is such that a person with the job would have a small possibility of becoming unemployed. Factors disturbing job security Job security is dependent on economy, prevailing business situation, and the individual's personal skills. It has been establish that people have more job security in times of economic expansion and less in times of a recession.

Zameer et-al (2004), Organization increases the employee’s performance or productivity by providing job security. Companies that provide their employees with job security signal a longstanding commitment to their workforce. (Benet 1995). In their study on employees in the
US banking sector, Delery and Doty (1996) also found some support for a positive relationship between employment security and organisation performance. The authors attribute the relationship to a higher level of employee commitment and motivation in companies with secure jobs. Additionally, employment security may help align the interests of employees and owners. Agency problems are reduced because, when job security exists, the employees, like shareholders, are concerned about the long-term success of the company.

2.3.1.5 Promotion and advancement

According to Kelly (2012), promotion is the improvement of an employee's rank or position in an organisation. Promotion may be an employee's reward for good quality performance for example positive appraisal. Before a company promotes an employee to a meticulous position it ensures that the person is able to grip the added responsibilities by viewing the employee with interviews and tests and giving them training or on-the-job knowledge. According to Snell (2002), promotion has a positive relationship with employee performance.

Zameer et-al (2004) stated that organization increases the employee productivity by promoting them. Promotion effects in the different style taking as ladders as motivator but sometime as prize and sometime as taking as incentive and recruitment. More talented workers are usually high productivity its assigns according to their skills quickly move toward talented workers. There are some other purpose of the promotion its can help as rewards as past employee effort, promote investment in the some specific manner in human capital and low turnover. There are pre post and post promotion jobs for the firm taking as profit from promotion. In the organisations, workers are promoted because they think their status are increase as well as wage rate specially increase later on.

It is the structure of wages within the firm rather than individual current wages and productivities that can be important to the overall productivity of the firm. Some proper reward are being promoted and sorting employees into senior jobs that better matching their own relative abilities
and skills for accumulating human capital. Incentives and promotion increase the productivity of
the employee its enhanced commitment in the work performance good impact on the
psychological satisfaction and subordinate toward he works and get maximum capabilities of the
exploited less. Target achievement can be rewarded not only with financial incentives but
perhaps with the offer of increased responsibility or even promotion.

2.4 Compensation

According to Kelly (2012), employee compensations refer to all forms of pay or reward going to
employees and arising from their employment. Holt (1993) also defined compensation as the
output and the benefit that employee receive in the form of pay, wages and also same rewards
like monetary exchange for the employee’s to increases the performance. From the definitions by
Holt (1993), it is wide clear that compensation is not just for rewarding employees for contacting
the job, but it also works a great deal in influencing their performance and thus companies have
to value compensation. Ponnu and Chuah (2010) also defined compensation system as an
encouragement design whereby the contribution of employees is returned. They went on to
clarify that an effective compensation system can stimulate employees to work harder, thus
increasing productivity and enhancing job performance.

2.4.1 Compensation and employee performance

With reference to Zaman et al (2011), there is a significant and positive impact between extrinsic
rewards and employee motivation and hence performance, if employees feel that their effort is
appreciated and the company has a good compensation structure based on job evaluation, the
employees motivation and commitment will improve and hence performance. Zaman clearly
indicated that the greater the rewards offered to the employee the greater the levels of their
performance. On the other hand, Armstrong (2002) said that employers and owners need to
create organizations where excellent performance leads to competitive compensation for people
throughout the organization because without rewards, a company is planting seeds for high
turnover, low productivity and long-term failure, to reward employees that are not performing
saddles an organization with higher payroll costs and encourages poor performers to stay while discouraging the employees that go above and beyond expectations. From Armstrong’s view, compensation stimulates performance but the performance of employees must also attract competitive compensation, this means that for employees to receive a competitive compensation, they have to first perform well. According to Abdul et-al (2014) employees believe their abilities that if they perform well, pay can be increasing. In other words you can say that compensation and rewards effects the employee decision making to help their organizations stay on top. This clearly shows that companies’ compensation structure has a great influence on how employees perform.

According to Dessler, (2002), developing an effective and appropriate compensation system is an important part of the human resource process, an effective and appropriate compensation system can help, attract and retain competent and talented individuals who can help the organization accomplish its mission and goals. This shows that compensation is recognized as a major motivator of employees to perform well in the organization. Calista (2009) stated that as the issue of motivation is concerned, employee compensation systems have been found to be the most commonly adopted technique among the organizations. Acording to Robins (2003). Organization compensation can include many different types of rewards and benefits such as salaries, incentive payments and other benefit and services. If an employee believes he/she is underpaid, that employee will likely reduce expended effort by working more slowly and being absent.

With reference to David (2002), compensation leads to better performance and it keeps employees focused on their jobs, lack of attractive compensation is unarguably one of the reasons behind employee turnover. Neo et-al (2006) supported the effects of compensation on workers performance when they stated that an organization’s failure to implement appropriate compensation systems will have negative effects on productivity and job satisfaction of employees and thus the performance of the overall organisation is affected. With reference to Stelwart (2001), employee compensation include all forms of pay and reward received by employees for their performance.
2.4.2 Contribution of Increased Monetary Rewards on Outstanding Performance

Most reward systems are designed with the belief that money motivates employees and higher compensation can improve individual performance, (Gerhart and Rynes, 2003). However some authors for instance Topper (2009) stated that monetary rewards do not produce long term performance and productivity results. He goes on to say other cash incentives can actually demotivate staff. Gerhart and Rynes (2003) and Topper (2009) are not in agreement that employees can only be motivated to perform satisfactorily if they are compensated. Employees need to satisfy their basic needs and these basic needs can be satisfied by financial incentives.

2.4.2.1 Increase in Efficiency
Mathew (2005) states that reward systems affect performance and efficiency, when employees perceive that important rewards are tied to performance they are motivated to work towards the set targets. Bonner (2002) agrees with Mathew (2005) that high rewards enhance performance by increasing effort and attention towards a task and facilitating preparation. Bonner (2002) further explains that there is need for preparation in increasing efficiency where Braver (2010) supports his idea by highlighting that reward incentives modulate preparatory neural activity during task switching.

2.4.2.2 Facilitation of Employee’s Innovative Behavior
Wayne (2005) slates that by raising salary ranges a firm can maintain the innovative behavior of employees and at the same time maintain the merits of increased performance surrounding salary increase. Wayne (2000) suggested that by getting a rise in salary every six months employees lend to feel that they are keeping up with inflation. In this business environment, innovation is necessary and when subordinates are innovative, the organisation survives. Thus they need to be motivated to become innovative. Patterson (2009) in support of Wright (2000) states that providing individual and team incentives or reward programmes encourage innovation. Thus innovative working should be recognized and be rewarded. Patterson (2009) further explains that these incentives create employee engagement which encourages their innovative behavior. Employee engagement tends to be present when they have a sense of safety and control in the organization. Thus Patterson (2009) has a broader view on how financial incentives encourage
innovative behavior of employees than Wayne (2005) whose view is of raising salaries every six months and does not cover the need to reward innovative work particularly.

### 2.4.3 Salary

Armstrong (2002) states that a salary is an ordinary basic pay and any other consideration, whether in cash which the worker receives in respect or his or her employment contract from their employer. Pay levels are not planned or maintained systematically, they may be adjusted in response to individual or collective pressure for increase or upgrading. Cotrel (2011) content with Armstrong (2002) emphasizing that a salary is what provides the means by which all employees tend to base many aspects of their lives.

According to Nguyen (2006), salary is a type of remuneration paid periodically by an employer to an employee, the sum and occurrence of which may be precise in an employment contract. It is contrasted with piece wages, where each job, hour, or other unit is paid unconnectedly, rather than on a permanent periodic basis. Calista (2009) stated that a salary has a positive relationship with employee performance. With reference to Armstrong (2002), pay is a key factor affecting relationships at work. The level and distribution of pay and benefits can have a considerable effect on the efficiency of any organisation, and on the morale and productivity of the workforce. It is therefore vital that organisations develop pay systems that are appropriate for them, that provide value for money, and that reward workers fairly for the work they perform. Pay systems are methods of rewarding people for their contribution to the organisation. Ideally, systems should be clear and simple to follow so that workers can easily know how they are affected. (Armstrong 2002).

### 2.4.4 Performance related pay

With reference to Adenyinka et-al (2007), organisations can use salaries to motivate their employees, for this to be affective; managers should consider salary structures which should
include importance organization attach to each job, payment according to performance, personal or special allowances, fringe benefits and pensions. Johansen et-al (2009), Performance related pay is defined as a system where part of the pay for an individual or a group depends on measured output according to a predetermined scheme. Armstrong (2002) also stated that performance related salary is the level of pay that provides the platform for determining additional payments related to performance, competence or skill.

Globler et al (2006) emphasised that many organizations today are considering changing from a time based pay system to a performance based pay system. The key drive of any performance based system is to relate employees’ salaries directly to their performance. Globler et al (2006) stressed that employees are likely to be highly encouraged and increase their efficiency if they notice that there is a straight relationship between the rewards received and level of performance. Utmost performance based pay systems provide employees with a basic income and the opportunity to earn additional reward if their productivity surpasses a certain standard. The use of performance based systems has seen resurgence and it encourages employees to work hard and perform highly since they will be rewarded for high performance.

It was however put forward by Ajagbe et al (2011) that there is no correlation between company performance and performance related pay schemes as used by both high and low performing Organizations. They further highlighted that Performance related pay benefits about 20 percent of employees at the expense of 80 percent, concluding that it rather de-motivates far more than it encourages. Oluyinka et al (2012) highlighted that performance related pay increases the likelihood of flexibility and management power. Criticism of performance related pay system There is a widespread opinion among senior managers that performance related pay must be a good thing, but the evidence for its effectiveness is not overwhelming. (Oluyinka et al, 2012)
2.4.5 Compensation in reduction of labor turnover

Labor turnover is the rate at which employees enter and leave the organization due to voluntary and non-voluntary reasons. In order to reduce labor turnover, firms must increase employee positive perceptions through reasonable basic salaries or pay. (Foote, 2004). In this modern day where employees seek higher living standards, they tend to find greener pastures where there is better remuneration. Minimization of turnover constitutes an important objective of sustaining competitive advantage through competitive remuneration (Mushrush .2002). McDonough (2010) adds on that labor turnover can increase not only because of poor reward systems, this statement show that reward system plays a greater role in influencing labor turnover. Mushrush (2002) and Foote (2004) views converge with McDonough (2010) in his view that employers that implement non-monetary initiatives to increase employee satisfaction definitely reap the benefits of low employee turnover rates.

According to Griffith (2012) there is a relationship between employee satisfaction and labor turnover and this relationship gives an understanding of why employees quit in employment institutions. He looked into voluntary reasons for quitting which include leaving an organization due to poor remuneration. Mitchel (2012) outlined that “no employee will stay with an organization that does not care about their needs. The motivational state precedes turnover and are derived from desired employment status and perceived volitional control.

Walker (2010) argues that one common cause of high labor turnover rates is low pay and benefit packages. When a worker is employed in a low remuneration position with limited benefits, there is little incentive for them to stay even if a similar employer offers a slightly higher rate of pay. Employees tend to move to greener pastures where total compensation is unsatisfactory. In support of this, Worth (2003) says that workers who increase output but whose salaries fall short of the going market rate, feel undervalued at their current workplaces and look for a company that will pay what they are worth. Highly skilled workers are often lured from a well-paying position by a higher offer from a company that desperately needs employees’ skills.
2.5 Company performance

Chen and Silverthorne (2008), identify three types of performance. One is the measure of output rates, amount of sales over a given period of time, the production of a group of employees reporting to manager, and so on. The second type of measure of performance involves ratings of individuals by someone other than the person whose performance is being considered. The third type of performance measures is self-appraisal and self-ratings. As a result, the adoption of self-appraisal and self-rating techniques are useful in encouraging employees to take an active role in setting his or her own goals. Thus, job performance measures the level of achievement of business and social objectives and responsibilities from the perspective of the judging party (Hersey and Blanchard, 1993).

With reference to Bagch (2011), employee performance requires critical aspects of Human Resource Management practices be designed and managed in such a manner that the desired performance is attained at the level of every single employee. That leads to achievement of organisation performance, which in the end is nothing but the cumulative outcome of employees’ performance.

Employee performance in organisations does not occur just because the organisation has the latest performance monitoring mechanisms and employee assessment systems. Neither does it happen in isolation; rather it is influenced by a host of Human Resource Management practices, which together contribute to create the necessary and sufficient conditions for successful employee performance.

2.5.1 Employee Morale

According to Rizwan (2010), employee morale is the emotions, attitude, satisfaction, and overall outlook of employees during their time in a workplace environment. Employees that are happy and positive at work are said to have positive or high employee morale. Companies that maintain employees who are dissatisfied and negative about their work environment are said to have
negative or low employee morale. Morale is a state of mind which involves emotions and feelings created within each employee; it is frequently considered an elusive quality. It comprises the attitude and opinions towards the job, work environment, team members, managers and the company as a whole. Positive employee morale is frequently reflected by confidence, discipline and willingness to perform. (Grensing 2010) Most organizations take steps to avoid low morale because it can be destructive in a business environment and can lead to dissatisfaction, poor productivity, absenteeism and even turnover. This is supported by Landy and Conte, (2010) who stated that disgruntled employees can cause problems that range from customer complaints to product sabotage, no company wants that. Rizwan et al, (2010) also supported the positive impact that morale has on employee performance when he said that the success of a company depends upon the collective morale of its employees, when employee morale is high, the company may experience improved customer service, increased productivity, and enhanced financial returns. These business divisions will suffer when employee morale is low.

According to Landy and Conte, (2010) high employee morale leads to increased productivity and performance. A worker that enjoys his or her work environment will help maintain that situation without even realizing it; the quality of their influences to the company improves. They also tend to get along well with co-workers and volunteer their assistance whenever needed. On the other hand Grensing 2010), also has the same view when he states that low employee morale has a negative and destructive effect on an organization as a whole. Employees lack confidence in their positions and their company and this results into a half-hearted effort in their work performance. Low morale also causes tension among co-workers and tasks are not completed in a timely manner and errors persist throughout their work processes. Ultimately, the company will see its expenses rise and will not realize its full potential in net income.

Happy workers are productive, efficient, and helpful. This makes high employee morale any organization’s greatest asset and keeping it a top priority for management. Company's across the globe recognized this element and created chances in efforts to boost the best from their
employees. This can be the easiest task for management to achieve in comparison to other characteristics of a company. If they can keep morale high, then the organization will reap the benefits. Compared to employees who are motivated, disengaged workers are less efficient, miss more workdays and cost their employers thousands of dollars in lost productivity. Keeping employee morale high is one of the best things an organization can do to instill loyalty and maintain a productive workplace.

2.5.2 Motivation on employee morale

Rizwan et al, (2010) showed that motivation improves worker morale when he said that the root cause of low employee morale can include job security issues, uncertain business conditions, limited upward mobility, a perceived lack of fair compensation and excessive outsourcing practices. This statement shows that for an employee to have positive morale at work, he or she have to be motivated. According to Grensing (2010) high morale in the work place is essential to success and is mostly influenced from the top down rather than from the bottom up and managers that create low morale in employees do so from a top-down command and control mode. This statement shows that by prohibiting open dialogue on workplace issues, managers are denied a firsthand view of problems that exist and thus managers are encouraged to allow employee evolvement which is a motivational strategy. Low morale causes employees to lose interest in going the extra mile, especially when they do not feel valued by managers or care about the projects assigned.

Landy and Conte, (2010) showed that to boost a positive employee morale, employees have to be motivated when he said that managers need to create a culture of trust as they can shape and influence, through role modeling, the way resources are allocated, how employees are rewarded, and the criteria used for recruitment, promotions, and terminations. This statement is supported by Grensing (2010) who said that creating positive morale is accomplished through a diversified approach to relationship building, recognition and compensation. Management that implements the innovations and ideas of employees reinforces their sense of value. Mini-meetings or
morning huddles will highlight the tasks to be accomplished while recognizing previous week’s successes. This can also be accomplished by increasing the frequency of interaction among team members, providing opportunities to discuss group goals, and by developing a healthy sense of competition against other teams.

According to Rizwan et al, (2010) in any organization, people are the most important resource. They are the engine that drives productivity and results and therefore their sense of morale and motivation will impact the company’s success. To ensure commitment and increased morale in economic uncertainty, managers need to energize their employees by acting enthusiastically and optimistically about the future. This heightens levels of motivation and helps employees recognize the importance of their work while encouraging a goal oriented, ambitious, and determined working style. Grensing (2010) also stated that rewarding employees almost always boosts a company's employee morale. Pay raises have historically been the reward of choice for outstanding performance by employees. While it does boost morale, its affect can be very fleeting. Management needs to think beyond mere financial means of motivation to keep morale high. Training and educational opportunities, flex time, and shorter work weeks are just a few examples of other ways to positively affect employee morale.

Grensing (2010) mentioned challenging work as a morale boosting strategy when he said that challenge your workforce with new opportunities to use and develop their skills if you want to boost their confidence. Landy and Conte, (2010) also went on to say that acknowledge and appreciate staff. Recognize small successes with kind and encouraging words for a job well done. Provide adequate tools and staffing levels to get the job done. Don't be so frugal as to create an environment where workers are overburdened or otherwise restricted from giving their best effort.
Rizwan et al. (2010) stated that the costly indicator of low morale is high turnover; when employees leave because they are not happy with their jobs and have few external reasons to stay. The negative impact of employee turnover is disconcerting because of its tremendous impact both financially and on productivity levels. More importantly, when employees leave, they take with them the knowledge, skills and ability that helped contribute to the goals, profit and performance of the organization. Grensing (2010) also said that one of the costs of low morale is increased absenteeism. A workforce that is present and healthy accomplishes more. According to an article in The Leading Edge, dissatisfied workers crave an escape from their offices, even if those escapes are only temporary. Sick days cost the organization money and production, as well as increased health and insurance costs. When employees feel dissatisfied, are not as invested in the work they produce or discontented with managers, the level of absenteeism increases, leading to less productivity.

Those companies that remain vigilant to the signs of low morale and focus on improving it can avert the inevitable impact. When an environment of value and acceptance is generated, it creates a win-win situation for the company and its employee. This environment can be created by offering motivation strategies to employees to boost their morale and influence their performance.

2.5.3 Motivation and employee performance

According to Boxal, (2003), performance is a function of ability, motivation and opportunity, people perform well when they have the motivation to do so (they will do the job because they want to and they are adequately incentivized. This shows that employee performance is determined by motivation techniques rather than by just compensation. According to Armstrong (2008) none financial reward process which form part of a total reward policy can contribute to improving performance by providing intrinsic and extrinsic motivation and by making an impact on engagement. He went on to state that performance reward strategies only affect performance.
if they work for example if they are implemented correctly. This statement shows that motivating employees may increase their performance whilst the reverse is true. This is also supported by Grobler et-al (2006) who states that employees expect that their performance will co-relate with rewards received from the organisation. These rewards are in the form of motivation.

Armstrong, (2006) noted that in a service industry, the most important ingredient in the product is people; the quality of people an organisation has determines its success in the market place. He went on to clarify his statement when he wrote that some other aspects like technology cannot give a suitable competitive advantage to an organisation because the competitor can also quickly acquire that same program, thus human resources management should aim to enhance motivation and commitment by introducing policies and processes which ensure that people are valued and rewarded for what they achieve and for the skill and competence they reach.

Zameer et-al (2004) argued that motivation plays an important role in all public and private organizations. He further stated that without motivating their employees companies cannot run and cannot achieve their goals. Iqbal et al. (2012) also reinforced the importance of motivation in trying to boost the performance of employees when he iterated that employee’s motivation and their ability together contribute into employee’s performance and can get maximum performance to the task given to them by their managers. Ali et-al (2012) also has the same view on the effect of motivation on employees’ performance when they stated that motivating employees in a better way increase the cooperation between employees and their managers and thus it encourages responsibility, participation and maximum interaction towards work. However, Gordon and Rabey (2001) argued that motivation is just but the internalized drive towards the dominant thought of the moment, they went on to deny the effect of motivation on employee performance when they argued that you cannot motivate anyone but you can only create a situation to which individuals will respond because they choose to. These contributions raise questions whether motivation can really influence the performance of employees or not.
Employee motivation is one of the policies of managers to increase effectual job management amongst employees in organizations (Shadare et al, 2009). A motivated employee is responsive of the definite goals and objectives he/she must achieve, therefore he/she directs its efforts in that direction. Motivation formulates an organization more successful because provoked employees are constantly looking for improved practices to do a work, so it is essential for organizations to persuade motivation of their employees (Kalimullah et al, 2010)

Landy and Conte, (2010) emphasizes the importance of motivation - if motivation is equal to zero, even the most talented employee will not deliver. Similarly, an energized and highly motivated employee can reach good performance despite having some knowledge gaps. Leadership is about getting things done the right way, to do that you need people to follow you, you need to have them trust you. And if you want them to trust you and do things for you and the organization, they need to be motivated (Baldoni 2005). No matter how automated an organization may be, high productivity depends on the level of motivation and the effectiveness of the workforce. (Adeyinka et al, 2007)

Most scholars have the same view that motivation is the most valuable factors influential organizational performance and efficiency. All organizational resources will be wasted if motivation is lacking because employees are not inclined to utilize those resources efficiently. For the right type of behavior to prevail in the organization, every manager or supervisor must motivate its subordinates. The presentation of human beings in the organization is dependent on the capability in the motivation for it is a helpful instrument in the hands of management in exciting the workforce. Motivation increases the willingness of the workers to work, thus increasing effectiveness of the organization in best utilization of resources, reduction in labor problems, sizeable increase in production and productivity, basis of cooperation, better image which all leads to better performance of the organisation.
2.5.4 Employee performance on overall company performance

According to Green (1995), it is important to monitor individual performance because individual performance will result into organizational performance. The importance of individual performance and its appraisal within the organization wide performance cannot be overstated; in spite of the fact that the way in which companies are assessed rest on how clear their goals are. If in case clearly well-defined goals their evaluation is easy to do by comparing them with the accomplished results in case of unclear goals organizational performance is measured by means of other measurements such as profitability, attracting and sustaining resources or satisfying key stakeholders, (Sowa 2004). Green and Sowa made it clear that the performance of a company is determined by the performance of its employees. Although there are variables that are used to measure company performance that includes analyzing the sales level, the market share, it is the appraisal of the employees that clearly represents an organization’s ambitions.

According to Armstrong, (2006), not only do sales managers and supervisors need adequate information to facilitate them to monitor performance, the individual members and teams are also needed. Time and time again, it has been verified that when teams are able to evaluate for themselves, how they are performing against agreed targets and standards, they respond positively. This clearly shows that company performance is determined by many things and the performance of employees is the most important because all the other variables depend on it. According to Ali et-al (2012) company performance is evaluated by, mission statement, a strategic plan, the human resource system but the human resource system is of paramount importance because they are the ones who work towards the accomplishment of the other variables. Also, according to Rizwan et al, (2010) in any organization, people are the most important resource. They are the engine that drives productivity and results and therefore their sense of morale and motivation will impact the company’s success. These statements show that employee performance results in organisation performance and if they are not satisfied and tend to perform badly; the organisation at large will be affected.
Grobler et-al (2006) considered that employee motivation impacts their professional performance, and thus impacts the organizational performance. This statement shows that employee performance and company performance are one thing in the organisation since the latter is determined by the former. According to Kalimullah (2010), a motivated employee has his/her goals associated with those of the company and directs his/her efforts in that direction. In addition, he went on to state that these organizations are more successful, as their employees endlessly look for ways to improve their work for only motivated employees are willing to reach full potential. Reena (2009) has also the same view when he wrote that motivation is an internal strength that drives individual to pull off personal organizational goals. This clearly shows that a motivated worker will perform highly in the organisation and this will only benefit the organisation in the end.

2.6 Chapter Summary

This chapter analyzed the related literature from various scholars to get ideas of broader field of the impact of employee motivation on quality company performance. The chapter analyzed definitions, motivational strategies, compensation ways as well as company performance and its variables. The chapter also looked at employee morale and its importance to the day to day operations of the business which will in-turn result in high performance of the company. The next chapter looked at the methodology used.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the research methodology. Firstly, it will highlight and explain the research design used. The chapter also focuses on identifying the population of the study. Thirdly, the chapter presents data collection instruments used to gather necessary data for the research. Fourthly, the chapter explains the data analysis. Lastly, the chapter ends with a summary.

3.1 Research design

As stipulated by Green et al, (2006), research design is the specification of methods and procedures for acquiring information needed. According to Kumar (2006), research design as a procedural plan that is adopted by the researcher to answer questions validly, objectively, accurately and economically. Brown (2006) also defined research design as a plan or overall scheme of the Investigation designed to provide the answers to the research problems. It involves the whole process from the formulation of hypothesis to their implications on the final analysis of data. There are several types of research designs which include descriptive, explanatory, correlational and comparative research designs. The researcher used the descriptive research design because it assisted in systematically describing the facts and characteristics of the population.

3.1.1 Descriptive research design.

Clark (2005) explains descriptive research design as a research that attempts to describe systematically a situation, problem, phenomenon, service or programme and provides and describes information about attitudes towards an issue. The researcher used descriptive be so as
to capture the impact of employee motivation on the performance of TM Supermarket in Rusape. This was done through interviewing the respondents and structured questionnaires so as to acquire in-depth knowledge on the impact of motivation on employee performance. Descriptive research design was used because it allows the researcher to get the most up to date and detailed information in order to get a clear picture on the research.

3.2 Population and sampling

3.2.1 Target Population

Brown; (2006) reported that population refers to the entire group of people, events or things of interest that the researcher wishes to investigate. The researcher’s population was made up of all levels of employees within the organisation. Company motivational techniques are formulated by the management, implemented to all levels of employees and directed towards high performance of employees. As a result, the researcher decided to use this group as the population of the study. TM Rusape has got about 55 employees including the management team and thus they are the researchers’ population.

3.2.2 Sampling.

Quite often we select only a few items from the population for our study purposes. The items so selected constitute what is technically called a sample, (Clark 2005). According to Bell (2005), sampling is a process which entails selection of a number of individuals or units to represent a target population. The idea of sampling is that, by selecting some of the elements in a population, we are able to draw conclusions about the entire population (Brown; 2006). The researcher used census since the workers are few and they can all be included in the research. The researcher preferred a census because it yields abundant geographic detail. Censuses give data in great detail for small domains and especially for local areas, which samples fail to provide, and this is probably their principal continuing utility. Censuses seem often (though not always, nor necessarily) to obtain better coverage than sample surveys. Thus they tend to be more inclusive in population extent than sample surveys. This is partly because it is less difficult to check
complete than sample coverage, but mostly because of the credibility aroused by the public relations campaigns for censuses. (Kish 2011).

3.4 Sources of data

3.4.1 Secondary sources

The researcher used secondary sources when extracting data. Since there is limited time and financial resources, secondary sources saved time and financial resources. Secondary data is data collected for other uses such as sales figures. Corti (2005) defines secondary data as data collected by someone other than the user and can be referred to as off the shelf information which saves time. Secondary data was more useful for the background of study section because it provided an understanding of the problem and a base at which the research questions was formulated. To install a backbone for primary data, secondary data was used. The researcher had to find out what other authorities say in relation to motivational tools on worker's productivity and overall performance of the company. Multiple sources of the secondary data that were used include newspapers, company records and textbooks. The company system was also an aid to collect relevant company sales records since these had a full compilation of the company sales records since the year 2009 and thus a trend can be deduced. These sales records were vital for the research since they helped the researcher to analyse and access the movement of sales for each cumulative year when the economy of Zimbabwe started to recover and also when the business activities in supermarkets started to stabilise.

3.4.2 Primary sources

The researcher also used primary sources during data collection, this allowed the researcher to obtain first-hand information. This also gives the researcher a true picture of the current situation at TM Rusape unlike secondary information. Primary data is raw information obtained from the field through observations and personal interviews, Panncer and Loam (2005). The researcher depended more on primary data sources than secondary data sources. The subordinates and
management were there to provide raw information in finding the impact of employee motivation on company performance. The data was obtained through distribution of questionnaires to subordinates and a semi structured interview to the management. Questionnaires were meant to make respondents expose information on how they feel towards the level of motivation present at TM Rusape and how they view its effect on their overall performance at work.

3.5 Research instruments

According to Clark (2005), research instruments are tools which are used to gather information. The researcher used questionnaire and interviews as the only research instruments. Interviews were used to collect data from management and questionnaires were used to gather data from employees. This decision was arrived at because of logistical and financial problems associated with other data gathering instruments such as experiments, observations.

3.5.1 Questionnaires

This research aimed to discover deeply held personal attitudes and beliefs, some of which may be sensitive in nature, thus the researcher decided to use questionnaires because the anonymous nature of the questionnaire allows respondents to express their inner beliefs, attitudes, and perceptions freely. Wilson (2006) defined a questionnaire as the research instrument designed to generate the data necessary for accomplishing a project’s research objectives. The researcher used closed ended questionnaires. Hepworth (2010) defined closed ended questionnaires as research instruments used to elicit information which define a topic and restricts the respondents' responses to a few words or a simple yes or no while open ended questions is where a question is asked by giving a polite command and the respondents give a personal view. Closed ended questionnaires were used because there was need for time management since they are faster to complete and for easy compilation of data by the researcher. Closed ended questions were also used to cater for employees’ commitments at work and thus luring them to be interested in answering them. in the study because they enables the respondents to make a selection from
predefined list of responses and customers answered the questions providing necessary data used by the researcher in determining how company performance is enhanced by customer retention strategies. Questionnaires were useful to this research as they reduce bias because of uniform question presentation and no middlemen bias.

3.5.2 Interviews

The researcher is going to use semi-structured interviews to the management because they allow him to collect data concerning participants’ reactions, insights, and interpretations of relevant situations and information that questionnaires cannot reveal. With reference to Bell (2005), Interviews are a method of collecting data in which selected participants are asked questions in order to find out what they do, think or feel. The Interviews helped the researcher to collect a lot of information and as well establish some of the facts that were not written on the questionnaires since they were regarded private and confidential. Open ended questions were used to allow management to express the depth of their views in their own words. Management was not limited in giving answers and they answered in their own words. The major purpose of this instrument is to get a full understanding of the respondent’s actions and discover more fundamental reasons underlying the respondent’s attitude, face to face interviews were used in this research as it helps to gather valid and reliable data relevant to the question. The respondents denied the researcher to record the interviews and thus the researcher resorted to jotting down main points so as to make the respondents comfortable to expose valid information. Interviews were vital as they helped to obtain certain information that can be reflected through body language such as frown, wink or change in sitting position.

3.6 Data collection procedures and administration

According to Kotler (2011), data collection procedure entails how the primary and secondary data will be collected. These are steps taken by the researcher in administering data collection instruments. Questionnaires were hand delivered to respondents who filled at their own time and were collected the following day by the researcher. However, some of the employees used spot
filing of the questionnaires because the researcher arrived during the lunch hour where most employees were relaxing in the canteen and this enhanced convenience. The researcher also used interviews as a tool for data collection and made appointment bookings with the management using the telephone and interviews were conducted to managers. The interviews were done at TM Supermarket in Rusape; each Interview was timed to around ten (10) minutes.

3.7 Validity and reliability

With reference to Saunders et al (2004), the term validity means that an instrument measures what is intended to measure and that it measures it correctly. In the preparation stage, the researcher gathered all questionnaires and checked if they were completed correctly. To guarantee the validity of the findings the researcher asked short, simple and precise questions that were not ambiguous to the management and employees. The researcher also relied on the advice from the academic supervisor in checking the research instruments before they were distributed to the targeted population. Pilot testing was also used to get a picture of how the respondents will respond before actually going into the field. A review of literature before designing the research instruments also enhanced validity of data. The researcher examined the wording of the questions, the order in which they are to be asked and the sampling design as misinterpretation can result from poor wording of questions. All instruments were very useful to the researcher as some aspects which cannot be covered by one instrument were covered by the other. The use of interview and questionnaires helped to increase level of accuracy since researcher was there to make necessary clarification where the respondents need it. This helped in reducing doubt on the respondents' side therefore making their responses as accurate as possible. The researcher used triangulation so as to compensate for the disadvantage of each of the research instruments with one another. Research questionnaire might not have been adequate to reveal all required information so the researcher used personal interviews to compliment weakness of the questionnaire. The researcher gave a guarantee to respondents that the information was to be treated confidentially and was to be used for academic purpose only: this helps respondents to give reliable information.
3.8 Data presentation and analysis tools

Rubin and Luck (1999) defined data analysis as refinement and manipulation of data to prepare them for application of logistical inferences. The researcher in analysing the data used the sort piling method which involves manually counting questionnaires by piling up those of the same category on one pile. Questionnaires on the same pile were then calculated to come up with a percentage rate. The use of excel spreadsheets, tables, pie charts and graphs was done as means of presentation. Since time is a limited resource tables were not time consuming and they were easy to construct. Responses from people were compared and contrasted according to length of employment, mode of employment and gender of such individuals on a table. Pie charts were used because they are able to show the categories of data or information in proportion to the whole data set. They are also easy to analyze. Bar graphs were used during data presentation because they allow comparison of data where there is a single category of data.

3.9 Chapter Summary

This chapter identified the research methodology. It focused on the research design where the researcher used descriptive research design, research instruments in the form of interviews and questionnaires and the sampling method in which the researcher conducted a census. The chapter also defined how the data collected was coded and presented and how validity and reliability of data was achieved.
CHAPTER FOUR

DATA PRESENTATIONS, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter focuses on the presentation, analysis and discussion of the data gathered through interviews and questionnaires. The data was presented in the form of tables, graphs and pie charts and thus making it easy to translate the data into useful information such that it can be used to understand the problems within TM Rusape.

4.1 Response rate

The targeted population for the research was the employees of TM Rusape and in view of that, a total of fifty two questionnaires were distributed to the respondents. 52 questionnaires were distributed to all levels of employees at TM Rusape except the management team in which 3 interviews were successfully carried out. The distribution of the questionnaires was done during the lunch hour when most employees were relaxed in the canteen and this allowed the researcher to wait for them and distribute the remainder to those who were busy during that time and they were collected the day after. The table gives a summary of which illustrates the response rate for the field researches conducted using questionnaires administered at TM Rusape.

Table 4.1, Questionnaire response rate

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dispatched</td>
<td>52</td>
<td>100%</td>
</tr>
<tr>
<td>Returned</td>
<td>50</td>
<td>96%</td>
</tr>
<tr>
<td>Non Response</td>
<td>2</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source, Field Questionnaires, September 2014.
The response rate achieved (96%) was high and reliable for the research as it represented a true picture of the views of the majority of workers at TM Rusape. This is supported by Tuckman (1999) who said that to ensure validity and reliability of data, the response rate should be at least 80%, he further stated that if the researcher’s response rate is less than 80%, the researcher should try by all means to reach the non-responses and find out why they failed to respond.

4.2 Demographic characteristics of respondents

4.2.1 Gender

From the questionnaires and interviews, the researcher found out that out of 50 respondents, 12 were females and the rest were males. This information is represented in percentages in form of a pie chart below:

Fig 4.2, Gender presentation

Source, Field questionnaires and interviews, September 2014

This high figure of males is contributed by the physical requirements of the work in supermarkets because out of those 12 females, 10 were till operators who do not conduct physical work.
4.2.2 Mode of employment

TM Supermarket employees are either permanent or are on contract basis. The contractors sign three months contract and the contracts are renewed if they expire depending with the performance of the employee on which managers may decide not to renew contracts if they are not satisfied with the performance. This mode of employment was included in the research to determine if the views of contractors are the same with that of permanent on the impact of motivation on employee performance. This information is presented on table 4.2 below:

Table 4.2, Mode of employment

<table>
<thead>
<tr>
<th></th>
<th>Males</th>
<th>Females</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>13</td>
<td>2</td>
<td>15</td>
<td>28%</td>
</tr>
<tr>
<td>Contractors</td>
<td>28</td>
<td>10</td>
<td>38</td>
<td>72%</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>12</td>
<td>53</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source, Field questionnaires and interviews, September 2014

Table 4.2 above shows that 72%, (38) of employees at TM Rusape are on contract basis, this information shows that the majority of work in TM Rusape is done by contractors and thus they influence the performance of the company provided they are incentivized enough.

4.2.3 Duration of employment.

Duration of TM Rusape employees was researched so as to determine the capabilities of TM Rusape on returning its talent. The duration was classified in 3 categories as presented on Table 4.3 on the next page:
Table 4.2.3, Duration of employment

<table>
<thead>
<tr>
<th></th>
<th>Contractors</th>
<th>Permanent</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>35</td>
<td>3</td>
<td>38</td>
<td>76%</td>
</tr>
<tr>
<td>5 – 10 years</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>18%</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>12</td>
<td>50</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source, Field questionnaires and interviews, September 2014

From the findings on questionnaires and interviews, the researcher concluded that TM Rusape does not retain its workforce since 76% of its employees have got less than 5 years’ experience as presented on Table 4.3 above. Only the top management team has more than 10 years of experience with the company and among the 38 of the employees with less than 5 years’ experience, 35 are contractors and it shows how often TM Rusape hires and fires its workforce. From these statistics the researcher concluded that there is a high level of employee turnover and thus there may be no job security or the employees are not satisfied with the current motivational strategies practiced by TM Rusape.

4.3 Analysis of motivational strategies

The researcher presented a wide range of motivational strategies used by different organisation to influence their employees to go an extra mile on their jobs. A total of 10 strategies were presented on the questionnaire in which employees were asked to rate if they are of any importance in their day to day jobs. The results are presented on a bar graph on the next page:
From the responses on the questionnaires, it is concluded that all motivational strategies but performance related pay are very important on work. 96% of employees confirmed that job security is important job aspect whilst a mere 4% responded that it is neither important nor not important. An overwhelming 100% of the respondents said that bonus is important and so is high salary, promotions and advancement as well as good and favorable working conditions. On challenging work and relationships with superiors, the majority of the respondents indicated that they are important (82%), while 10% said that they are not important and 8% of the respondents could neither say they are important nor are they not important. All but 16% of the respondents showed that delegation is an important job aspect and within the 16%, 8% presented that it is not important whilst another 8% cannot say it is important or it is not. Performance Related Pay had mixed views as presented by response. It showed that performance related pay is not ideal to TM Rusape workers since 52% decided against its importance with only 28% viewed it as important whilst 20% were indifferent.
According to Mullins, (2007) it has become important for employers to know what motivates their employees rather than emphasizing them to increase productivity. The environment, in which the employees work as a team, should be created and sustained so that they are themselves driven towards achieving the common goals. Hence, motivational strategies are given more attention in the organization to know employees and their behavior. In any organization, every staff is unique and performs the task based on their mental abilities and the extent to which they are applied at work. From the responses, the researcher calculated the average percentage of the strategies and found out that they are very important job aspects since 77% of the respondents indicated that they are very important. Only 8% said that they are not important whilst 15% were indifferent. Performance related pay is the dominant strategy that employees at TM Rusape do not rate because, of the 8% respondents who rated motivational strategies as not important; performance related pay alone contributes 5.2% and thus it is not comfortable with TM Rusape workers. The researcher concluded that there are a wide range of motivational strategies that TM Rusape can use which include, bonuses, high salary, delegation of work, challenging work, promotion and advancement, flexible and favorable working conditions among others. It is also concluded that TM Rusape should not use performance related pay as a motivational strategy it may not reap the rewards unless it is implemented in a strategic way.

### 4.3.1 Current motivational strategies

Having analyzed the motivational strategies that TM Rusape can use to motivate its employees, the researcher also analyzed the current situation at TM Rusape. The management insisted that TM Rusape provides motivational strategies to motivate its employees. The management indicated that some of the motivational strategies used at TM Rusape include employee bonus, good working hours, good working conditions, freedom to express views and ideas as well as promotion and advancement. Despite these claims by the management, the researcher asked the respondents if they agree that they are motivated with the current motivation tools at TM Rusape and the results are presented on a bar graph on the next page:
Fig 4.3.1, Current motivational strategies presentation

![Bar graph showing employees' opinion on current motivational strategies.](image)

Source, Field Questionnaires, September 2014

It was noted that the majority of employees at TM Rusape are not motivated as presented on a bar graph above. 82% of the respondents indicated that they are not satisfied with the current motivational strategies employed by TM Rusape. Although there are employees that agreed that they are satisfied with current TM Rusape motivational strategies as presented by the 12% on the bar graph, the majority are not satisfied. On the other hand, the management insisted that the company is trying its best in offering motivational strategies to its employees so as to encourage them to work towards certain targets.

It was also ascertained that of the 12% employees that agreed that they are satisfied with the current motivational strategies at TM Rusape, they are all permanent workers which shows that TM Supermarkets provide different motivational strategies to its employees on the basis of mode of employment. This information also showed why there is a high labor turnover at TM Rusape. This information is clearly showed on table 4.4 on the next page:
Table 4.3, Current motivational strategies

<table>
<thead>
<tr>
<th></th>
<th>Permanent</th>
<th>Contractors</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>6</td>
<td>0</td>
<td>6</td>
<td>12%</td>
</tr>
<tr>
<td>Indifferent</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>6%</td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>35</td>
<td>41</td>
<td>82%</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>38</td>
<td>50</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source, Field Questionnaires, September 2014

According to Adam’s equity theory, individuals are motivated to reduce perceived inequity, individuals may attempt to reduce inequity in many ways for example an employee may decide to change his/her effort and an employee who feels under-rewarded is prone to work less hard. (Robbins 2005). Adam’s equity theory implies that individuals engage in social comparison by comparing their efforts and rewards with those of relevant others, the perception of individuals about the fairness their rewards relative to others influence their level of motivation. Adam’s theory highlighted that workers have a need of fairness on value placed on their efforts at work. TM Supermarket needs to be fair on its motivational provisions if it is to be successful among its fierce competitors. The management indicated that most employees do not understand that TM Supermarket is a chain store and all decisions are made at the head office and so are the human resource decisions. Sometime bonuses for permanent workers are received first but that does not mean the bonuses for contractors are not coming.

4.4 Compensation and performance

In this section the researcher aimed at establishing if employee compensation packages have an effect on their performance. With a lot of literature supporting that lucrative compensation packages has a positive effect on the performance of employees, employees were asked if they agree that they can perform better if they are provided with a meaningful compensation package and the results were overwhelming. The findings can clearly be presented on a pie chart on the next page:
According to Zaman (2011), the greater the compensation package offered to the employee the greater the levels of their performance. This matched the researcher’s findings as presented on the pie chart above, 84% of employees agreed that they can perform better if they are given a meaningful compensation package. Although a mere 4% and 12% were neutral on the effect of a lucrative compensation package, it was concluded that a lucrative compensation package has a positive impact on the performance of employees at work because of the high number of respondents who agreed on its effect.

4.4.1 Salary

Frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Adeyinka et al, 2007). Sara et-al (2004), also said that money is the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value. It
has the supremacy to magnetize, maintain and motivate individuals towards higher performance. The researcher found out that no low level employee is satisfied with his or her current salary. 100% of respondents indicated that they are not satisfied with their salaries. If employees are dissatisfied they perform poor at work. However, the interview with the management team showed that the salaries that TM Rusape workers are receiving are in line with the salaries provided by their rivals. The management team even highlighted that TM Supermarkets employees are receiving higher salaries than some of the supermarkets in the industry. Although the management claimed that the salaries are good, they are not the ones receiving those levels of salaries and they are also not the ones contacting the day to day running of the work and thus their view is of not that important.

4.4.2 Performance related Pay

Organisations can use part of the pay for an individual or a group to depend on measured output. The researcher asked the respondents if such type of compensation can boost their performance and the results are presented on table 4.5 below:

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>14</td>
<td>28%</td>
</tr>
<tr>
<td>Neither agree nor Disagree</td>
<td>10</td>
<td>20%</td>
</tr>
<tr>
<td>Disagree</td>
<td>26</td>
<td>52%</td>
</tr>
</tbody>
</table>

Source, Field questionnaires, September 2014

From the table above, most respondents disagreed that they should be rewarded based on performance. This question had an open ended close and some respondents argued that they work on shifts, the flow of customers is high in the afternoon and low towards the closing hours of the shop and thus the performance of those who work from morning to afternoon is high to those who work towards the closure of the shop for the day and thus it will be biased. Some
argued that the rate of performance is different to the effort put by workers and thus performance is not the indicator of effort. According to Ajagbe et al (2011) there is no correlation between employee performance and performance related pay schemes as used by both high and low performing Organizations. They further highlighted that Performance related pay benefits about 20 percent of employees at the expense of 80 percent, concluding that it rather de-motivates far more than it encourages. The researcher concluded that performance related pay cannot work in TM Rusape since most workers responded against it.

4.5 Motivation on employee morale

With employee morale contributing a lot to employee performance, the respondents were asked if their morale at work can be attributed by motivation and their responses were overwhelming as depicted by the pie chart below:

Fig 4.5, Effects of motivation on employee morale

As presented on a pie chart above, 90% of the respondents agreed that motivation affects their morale at work which presents the importance of employee motivation to organizations. Only
10% disagreed arguing that they can source their morale from somewhere else than motivation. Grensing (2010) stated that rewarding employees almost always boosts a company's employee morale. This clearly means that employees have to be motivated to boost their performance and it is supported by Landy and Conte, (2010) who stated that to boost a positive employee morale, employees have to be motivated, they went on to say that managers need to create a culture of trust as they can shape and influence, through role modeling, the way resources are allocated, how employees are rewarded, and the criteria used for recruitment, promotions, and terminations.

4.5.1 Motivation on performance

On employees overall performance, respondents were asked to indicate the effect of employee motivation on overall job performance. The results are better illustrated on a pie chart below:

Fig 4.5.1, Effects of motivation on employee performance

Source, Field questionnaires, September 2014
Of the 50 respondents, 41 indicated that employee motivation has an impact on their performance. Although 8% of the respondents indicated that employee motivation has neither a negative nor a positive impact, the researcher concluded that it has a positive impact because of the high number of respondents, 82% who indicated that it has a positive impact and none indicated that it has a negative impact. According to Landy and Conte, (2010) if motivation is equal to zero, even the most talented employee will not deliver. Similarly, an energized and highly motivated employee can reach good performance despite having some knowledge gaps. This shows that employee motivation has a strong positive effect on employee performance.

4.5.2 Employee performance on overall company performance

Motivation has got a positive impact on performance of employees, but for an organisation to be successful, it is the organisation performance that matters rather than the performance of workers. Bearing in mind that the company performance is measured by the sales revenue and market share, the researcher analyzed the effect of employee performance on company performance and the results are presented on the bar graph below:

Fig 4.5.2, Impact of employee performance on overall company performance

Source, Field Questionnaires, September 2014
As indicated by 96% of the respondents, employee performance determines the overall performance of the organisation with 84% strongly agreed. Only 4% disagreed that employee performance determines overall company performance. The researcher concluded that organisation performance is determined by the performance of its employees. According to Bagch (2011), employee performance requires critical aspects of Human Resource Management practices be designed and managed in such a manner that the desired performance is attained at the level of every single employee. That leads to achievement of organisation performance, which in the end is nothing but the cumulative outcome of employees’ performance. The interviews with the management also revealed that employee performance determines organisation performance arguing that the discipline of the employees determines the company discipline and this applies with their performance.

5 Chapter Summary

This chapter focused on the presentation, analysis and discussion of the data gathered through interviews and questionnaires. The data was presented in the form of tables, graphs and pie charts and thus making it easy to translate the data into useful information such that it can be used to understand the problems within TM Rusape. It was presented that compensation and motivation have a great impact on company performance through high employee performance.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Summary

The purpose of this research was to analyze the impact of employee motivation on company performance. The research sets out to identify how TM Supermarket, Rusape can manage motivation of employees, to identify the main strategies that motivates employees, to determine how employee motivation can affect the performance of employees which will affect the overall performance of the company. Descriptive research design was used for the study. The whole population was used and the researcher used primary sources of data in the form of interviews and questionnaires as well as secondary data sources in the form of company systems and memos and suggestion books. The researcher used qualitative and quantitative techniques to present the research findings in the form of tables, bar graphs and pie charts to give a clear picture of the findings.

It was realized that employees’ motivation has a great influence on company performance as the day to day performance of employees is boosted by the level of motivation they are receiving. Although the management insisted that they are providing employee motivation to their subordinates, it was concluded that TM Supermarket as a company has not done its justice on employee motivation as responded by the workers. The main strategies of motivation that can be used to motivate workers at TM Rusape includes bonuses, interesting work, good salary, job security, appreciation of job done, clean working environment, promotions and development within the organization, healthy relations with supervisor and colleges, delegation, on the other hand. It was then concluded that some of the motivational strategies are more prioritized by other employees than others and this is caused by difference in environments where the individuals work for and the majority of TM Rusape employees indicated that they do not feel motivated by performance related pay. It is also concluded that employee motivation is the most important ingredient to attain excellent employee performance which in the end will result in excellent
performance of the company. It is recommended that TM Supermarket should focus on both intrinsic and extrinsic motivators to motivate its boundary spanners to improve the performance of their employees which will in turn results in high company performance.

5.1 Conclusions

The major conclusions that are drawn from this research are explained below:

5.1.1 Motivation strategies that can be used by TM Rusape

The researcher found out that employees at TM Rusape are not motivated. Although the management insisted that they are providing motivational strategies to their subordinates, it was ascertained that the strategies were biased on terms of mode of employment. It was established that permanent workers received better treatment in terms of motivational strategies to their contract counterparts. After analyzing ten motivational strategies, it was concluded that out of those ten motivational strategies, only nine can be used for TM Rusape employees as 77% of respondents agreed that they are of importance to their day to day operations. The nine strategies that can be used as motivational strategies at TM Rusape include bonuses, interesting work, good salary, job security, appreciation of job done, clean working environment, promotions and development within the organization, healthy relations with supervisor and colleges and delegation whilst 52% of the respondents highlighted that performance related pay is not of great importance to them since it can act as a demotivator to those who may have performed poorly despite putting maximum effort. The respondents also argued that the level of performance may not always indicate the level of effort put by employees and thus they indicated that performance related pay is not important on their day to day jobs. TM Rusape can also use other motivation strategies apart from those mentioned above as the researcher only looked at the ten most popular motivation strategies used by companies across industries.
5.1.2 Effects of compensation on employee performance

Although it is known that money is the most fundamental factor in motivating the industrial workers to attain greater productivity, it was found out in the research that employees at TM Rusape are not satisfied with the current salary they are earning. The management crew insisted that the salaries that TM Rusape workers are currently earning are competitive in the industry and they said that their subordinates are receiving better salaries as compared to OK and Spar employees. All the respondents however indicated that they are receiving very low salaries and it was concluded that workers always want high salaries regardless of the value they are putting to the company. Workers responded overwhelmingly on the effect of compensation on their performance with 84% indicating that it has a great deal on how they perform because it is the one that makes them happy. Workers indicated that the higher the level of compensation, the higher the effort they will put towards the success of the organisation. It was however concluded that compensating employees on the basis of their performance is not welcome to TM Rusape employees as most of them indicated that they are not comfortable being compensated on their performance. They argued that it is hard to measure their performance and also their performance does not reflect their level of effort on work.

5.1.3 Effects of motivation on employee morale and company performance.

The majority of TM Rusape employees agreed that motivation boosts their morale at work and this will convince them to perform at the highest level. They indicated that for an employee to perform at the maximum highest level he/she needs high morale and this can be attained by nothing else but motivation. 84% of the employees together with the management also agreed that the performance of employees determines the overall performance of the company because a company is made up of people and the way those people works defines the company. Company performance being measured by the sales revenue and market share requires its employees to work towards its high performance because it is the employees who convince customers to do business with the company through their level of customer service. For TM Rusape as a company to perform at the highest level competing with Spar Rusape, OK Rusape and other
small retailers in Rusape, it has to pay attention to motivation because a motivated worker will work towards the success of the organization.

5.2 Recommendations

5.2.1 Managing motivational strategies

The researcher recommended that TM Supermarket should provide motivational strategies to its employees fairly regardless of mode of employment and gender as highlighted by Robbins (2005) who said that the Adam’s equity theory states that individuals are motivated to reduce perceived inequity, individuals may attempt to reduce inequity in many ways for example an employee may decide to change his/her effort and an employee who feels under-rewarded is prone to work less hard. The majority of respondents indicated that motivational strategies such as bonuses, good working conditions, high salaries, good relationships with the management as well as delegation among others are very important to boost their performance at work. At the same time the respondents especially the contractors indicated that these are not provided at TM Rusape and thus the researcher recommended the use of motivational strategies to boost performance of workers. Herzberg’s two factor theory highlighted that when an institution hygiene factors do not exist, (for example salary, job security, working conditions, interpersonal relations, quality of supervision) employees are dissatisfied and if these factors exists, this does not mean that employees are motivated or satisfied. TM Supermarket should use these hygiene factors to avoid employee dissatisfaction and otherwise claim that they motivate their staff.

5.2.2 Improving performance of employees through compensation.

The researcher recommends that TM Supermarket should try and increase its employees’ salaries. The most reason why employees are attached to an organisation is because of the proceeds they get after working in the company. According to Sara et-al (2004), money is the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value. With this in mind, the researcher recommends TM Supermarket to up its employee salaries to convince them to perform high. All the respondents
indicated that they are not satisfied with the current salary and at the same time seventy percent of the employees have just five years or less experience with the company. These statistics shows that there is high labor turnover at TM Rusape. High labor turnover costs the company in such a way that precious time and funds are lost during training new employees time and again. It is then recommended that TM Supermarket should increase its basic salary or find some ways of influencing the workers that their salaries are competitive in the industry.

5.2.3 Improving performance of company through employee motivation.

Employees are human beings and they have feelings, their performance determines the performance of the company so the researcher recommends that the company consider its bonuses to be awarded based on both the shrinkage rate as well as sales revenue set target. According to Agwu, (2013), bonus is an important tool for increasing productivity. Setting the bonuses to be paid on the conditions of shrinkage rate only reduces the wastage rate but does not improve the performance of the company since the target shrinkage rate can even be attained with the lowest sales revenue. TM Supermarket should set a target sales revenue figure and then pay bonuses according to the rate of attainment, if the employees fail to attain that rate, the company can calculate the rate that the employees fail to attain that sales revenue target and then subtract that portion from the bonus figure rather than cutting the whole bonus because the employees fail to attain the target. The company performance can be measured through sales revenue and market share, it is not possible to award bonuses based on market share because it is hard and subjective to determine and thus TM Supermarket should award its bonuses based on target sales revenue.

5.1 Suggestions for further research

The researcher recommends that the TM Supermarket as a company should in the near future carryout another research which seeks to find out if employee motivation reduces labour turnover, improves employee commitment, as well as quality customer service as a competitive advantage to its rivals.
REFERENCE LIST


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Man Forum (2009), “What motivates you?” *The best motivational tips from the forum.BT mentor program*, Florida, USA


Relationship between Strategic Planning and the Effectiveness of Marketing


LIST OF APPENDICES

Appendix 1, Employee Questionnaire

QUESTIONAIRES

Employees
I am an undergraduate student pursuing a Bachelor of Commerce Honors Degree in Retail and Logistics Management, conducting a research as part of my course on the topic: “The impact of employee motivation on company performance”. A case study of TM Rusape

May you therefore kindly spend your valuable time in answering the following questions? Your response will be treated with the confidentiality it deserves.

1. Gender
Female □ Male □

2. Mode of employment
Permanent □ Contractor □

3. How many years have you been employed in the organisation?
Less than 5 years □ 5-10 years □ More than 10 years □
4. In your opinion, of the following motivational strategies, which ones do you think are important at the workplace and which ones do you think are not, please show by ticking on the relevant box on each motivational strategy.

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<thead>
<tr>
<th>Motivational strategy</th>
<th>Important</th>
<th>Neutral</th>
<th>Not Important</th>
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<tr>
<td>Job security</td>
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<td>Bonus</td>
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<td>High salary</td>
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<td>Challenging work</td>
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<td>Promotion and Advancement</td>
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<td>Flexible and favorable working conditions</td>
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<td>Opportunity to do creative and innovative tasks</td>
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<td>Delegation</td>
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<td>Healthy relationship with supervisor and colleagues</td>
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<td>Performance related pay</td>
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5. Do you agree that you are satisfied with the current motivational strategies instituted by the Management?
   Strongly agree  □  Agree  □  Uncertain  □  Disagree  □  Strongly disagree  □

6. To what extend do you agree that employees should be rewarded through commissions based on performance?
   Strongly agree □  disagree □  Agree □  Strongly disagree □
   Give reasons........................................................................................................................................................................
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7. To what extent do you agree that you can perform better if you are given a meaningful compensation package?
Strongly agree ☐  Agree ☐  Neither agree nor disagree ☐  Disagree ☐  Strongly disagree ☐

8. Are you satisfied with your current salary?
Satisfied ☐  Indifferent ☐  Not satisfied ☐

9. Employee morale is reflected by confidence, discipline and willingness to perform.
Do you agree that your morale at work can be attributed by motivation?
Agree ☐  Indifferent ☐  Disagree ☐

10. What effect does employee motivation have on your overall job performance?
Positive ☐  None ☐  Negative ☐

11. Given the motivation level at your organization, do you agree that performance of employees directly affects the overall performance of the company?
Agree ☐  Neither Agree Nor Disagree ☐  Disagree ☐

THANK YOU FOR YOUR COOPERATION!!!!!!!!!!!!!!!!!!!
Appendix 2, Management interview guide

Interview guide for the Management

I am an undergraduate student pursuing a Bachelor of Commerce Honors Degree in Retail and Logistics Management. I am conducting a research as part of my course on the topic: “The impact of employee motivation on employee performance”. A case study of TM Rusape. May you kindly spend some of your valuable time to answering the following questions? Your responses will be treated with the confidentiality it deserves.

General

1. How many years have you been employed in the organisation?
2. Did your organisation carry out a research to find out if motivational tools impact on productivity and what were the results of the research carried out if any?
3. To what extent do you agree that employees should be rewarded basing on performance using commissions?
4. Which rewards or motivation strategies are mainly offered to your subordinates as motivators?
5. What is the effect of these rewards and motivation strategies offered to workers on productivity and performance?

Motivation and employee performance

1. What is your basic understanding of employee motivation?
2. How well is employee motivation implemented within your organisation?
3. Are there any difficulties in the implementation of employee motivation within your organisation?
4. What factors other than remuneration do you consider most important in evaluating the success of your organisation?
5. How do you rate your overall employees’ performance for the past 5 years?
6. Do you think motivational strategies can boost employees’ moral to perform positively towards the success of the organization?
7. Do you think employee performance has got an impact on overall company performance?
Appendix 3, Research approval form

MIDLANDS STATE UNIVERSITY
FACULTY OF COMMERCE

DEPARTMENT OF RETAIL & LOGISTICS MANAGEMENT

12th September 2014

TO WHOM IT MAY CONCERN

Dear Sir/Madam

RE: REQUEST TO CARRY OUT RESEARCH

Kwireman Mwangachia

Reg No. 1115580

is a student in the Department of Retail and Logistics Management. He/she is carrying out research on

THE IMPACT OF INNOVATION

ON COMPANY PERFORMANCE: A CASE STUDY OF

T.M. SUPERMARKETS

Any information you give him/her will be used solely for academic purposes. Please assist him/her in any way possible.

Thank you,

Mlambo S (Mr)
CHAIRPERSON

12 SEP 2014

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