



VAASAN AMMATTIKORKEAKOULU  
VASA YRKESHÖGSKOLA  
UNIVERSITY OF APPLIED SCIENCES

FAITH KAMAU

# ENHANCING JOB MOTIVATION TO IMPROVE EMPLOYEE PERFORMANCE

Case Study Company X.

Business Economics and Tourism

2015

## ABSTRACT

Author	Faith Kamau
Title	Enhancing Job Motivation to improve Employee Performance
Year	2015
Language	English
Pages	91 + 4 Appendices
Name of Supervisor	Rosmeriany Nahan-Suomela

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This Research study was made to find out what motivation tactics have been implemented in company X and if they have influenced the overall performance of employees. The company is located in Nairobi, Kenya and is the second largest retailing brand in the country. Motivation of employees is an important element to organizations that needs to be keenly addressed especially in this day and age of tough competition and economic decline. Many firms are reducing workforce in order to cut costs and employees are required to put extra effort and work more strategically so as to ensure that levels of productivity and profitability are maintained. For this reason, employers should be proactive now more than ever and implement the suitable motivation policies to keep their staff motivation high.

A theoretical review detailing the motivation theories and the connection between it and performance was made. Additionally the influence of rewards on motivation, role of Human resource in regards to motivating employees as well as communication methods utilized in the company was also reviewed. The empirical research was conducted using the qualitative method through the help of a multiple choice questionnaire for employees, whose responses later aided in creating a questionnaire that was used during a personal interview session with the manager.

The results of the empirical research indicated that motivation is very important to sustain performance levels. Employers need to identify what is really important to their workforce to ensure that they successfully cater to their needs. Aspects of money, recognition, career progression and development, supervision, inter-personal relations, healthy communication channels emerged as key factors that led to motivation behaviour and influenced good performance behaviour. Additionally good working relationship between the workforce and management is significant and both staff and the employer should strive to maintain healthy working relations. Both parties should work together to ensure that they implement the right motivation tactics that will benefit the company and employees.

Keywords: Motivation, Performance, Rewards, Communication methods.

## SAMMANDRAG

Författare	Faith Kamau
Titel	Förbättra Arbetsmotivation För Att Öka De Anställdas Arbetskapacitet
År	2015
Språk	Engelska
Antal sidor	91 + 4 Bilagor
Handledare	Rosmeriany Nahan-Suomela

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Denna studie gjordes för att ta reda på vilken motivationsstrategi som implementerats i Företag X stormarknad och om den har påverkat de anställdas arbetskapacitet. Företaget finns i Nairobi, Kenya och är den näst största detaljhandelsvaruhuset i landet.

Att kunna motivera de anställda är en viktig faktor för företag och måste därför ges speciell uppmärksamhet särskilt i vår tid med hård konkurrens och ekonomisk nedgång. Många företag minskar sin personalstyrka för att minska sina kostnader och de anställda måste därför motiveras att arbeta ännu mer strategiskt för att säkerställa produktiviteten och lönsamheten. På grund av detta måste arbetsgivarna vara proaktiva, nu mer än någonsin, och implementera en fungerande motivationsstrategi för att behålla en hög motivationsnivå hos sin personal.

En teoretisk genomgång gjordes med fokus på motivationsteorier och på sambandet mellan dessa och produktiviteten. Utöver detta granskades också belöningens inverkan på motivationen, hur hanteringen och fördelningen av personalresurserna påverkar motivationen hos de anställda samt vilka kommunikationsmetoder som användes i företaget. Den empiriska forskningen genomfördes med hjälp av en kvalitativ metod med ett frågeformulär med flervalsfrågor för de anställda. Svaren användes sedan för att skapa en enkät som användes under en personlig intervju med chefen för företaget.

Resultaten av den empiriska forskningen visade att motivation är en mycket viktig faktor för att upprätthålla produktiviteten. Arbetsgivarna måste veta vad som verkligen är viktigt för sina anställda för att kunna tillgodose deras behov framgångsrikt. Faktorer såsom lön, erkänsla, möjlighet att utveckla sin karriär, arbetsledning, mellanmännsliga relationer och fungerande kommunikationskanaler kunde urskiljas som viktiga faktorer som ledde till ökad motivation och påverkade produktiviteten hos de anställda. Dessutom var ett bra arbetsförhållande mellan de anställda och ledningen av betydelse och både personal och arbetsgivaren bör därför sträva till att upprätthålla sunda och fungerande arbetsrelationer. Båda parter bör samarbeta för att se till att de genomför en fungerande motivationsstrategi eftersom en sådan kommer att gynna både företaget och de anställda.

Nyckelord: motivation, prestation, belöning, kommunikation

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# 1 INTRODUCTION

All over the world organizations seem to be competing for survival due to the ever rising challenges and unstable markets. Working hard and implementing new business models that focus on what the customer wants is not enough to translate to higher levels of productivity. Companies need to also look into the employee motivation and performance as powerful tools that can help the company in achieving long-term success. The employee motivation concept is a central issue among many leaders and business owners and this is because individuals who are unmotivated tend to spend little or no effort in their respective jobs, produce work that is of low quality and in some cases they try to avoid the workplace or exit the company if an opportunity presents itself. On the other hand workers who are motivated are likely to be creative and productive, give high quality work and are willingly to take the necessary steps in ensuring that they give their best in all they do. It is therefore very crucial that organizations ensure that the needs of their employees are well taken care of in the physical, emotional, mental and spiritual aspects.

Today many firms have designed new ways to ensure that their employees' needs are not neglected through the introduction of different mechanisms that induce motivation behaviour. Many firms are embracing different tactics that are aimed at keeping staff focused on their delegated duties and also tapping into their talents and competencies with the goal of achieving the company's set goals and objectives. Some the techniques include promotions, compensation programmes, awards and recognition (Kimani 2015). All these measures are being deployed, because companies are now realizing that investing in your employees is the best decision an employer could ever make. When the staff feels that the organization cares about them it is more likely to translate in how they carry out their work duties. The employees will be more self-driven and inspired to do a good job and take care of their clients, thus creating a win-win situation for everyone (Schwartz 2013). Neglecting the needs of employees creates a rift between them and the management and in worst case scenario employees reach their breaking point and either quit the job or protest in the streets demanding an audience with the management.

Recently there has been a rise in the number of strikes in Kenya, especially in the public sector. The most affected are workers in the health and education categories who agonize over being underpaid. The situation is bound to become the norm if the demands and requests concerning pay and benefits working conditions are not addressed (Kimenyi 2013). Despite the public sector being adversely affected the private corporations have also had a fair share of labour strikes. The cases of workers from private corporations downing their tools has been on the rise. Just recently in June 2015 the workers from Darling Kenya a hair and cosmetics-products company marched on the streets of Nairobi complaining over poor pay. The Kenya Union of Hair and Beauty chairperson Mr. Maina did assert that some of the workers received 6000 Kenyan Shillings approximately 60 Euros, at the end of the month, a salary that is quite meagre given that the cost of living in Kenya keeps rising. Even though talks had been held between the management and employees to raise the minimum wage to 12 percent the company had not complied with these changes. Moreover, most of the employees had been denied the chance to join a beauty products workers union and those who are already members of the union face constant threats by management that they will not be promoted because of their membership status in the Union (Musambi 2015). It is quite clear how this type of conflict would negatively impact the motivation of employees and lead performance levels to drop. When employees feel that their woes are not being addressed chances of being motivated to perform better are likely to be lowered. The management therefore, needs to carefully examine the current state of motivation among their employees and find out what is working and abandon those policies that are no longer serving their workers' needs.

In Kenya the retail market is dominated by four major supermarket chain stores namely Company X, Company Y, Company Z and Company C. Three of them, except Company C, have already crossed borders into the neighbouring countries. According to a Citi Group study, Kenya topped the list by scooping second position as the most advanced retail market with about 30 percent of retail business being conducted in formal outlets in the region of Sub-Saharan Africa. There are also over 200 small scale supermarkets in Kenya which are spread over all the eight provinces. The supermarkets growth seems to be quite high due to the rapid

emergence of strong local supermarket brands that have become the preferred shopping outlet for many middle and high income consumers in towns (Business Daily Africa 2012). With the growing number of branches of these supermarkets have both locally and internationally, healthy workforce is definitely paramount. The success of such chain stores can only be realized if the employees are better equipped with the right tools and positive mind-set to steer head towards long-term success. If the employees are happy and are working in an environment that daily motivates them the results tend to turn out positive.

### **1.1 Research Problem and Objectives of the Study**

The research topic for this thesis is enhancing job motivation so as to improve employee performance. The topic deals with the way Kenya supermarket chain stores enhance job motivation among their employees in order to achieve overall productive performance of the company. The study will be conducted on a case study basis whereby company X located in Nairobi, Kenya will be analysed at length.

The aim of the research is to find out what motivation policies have been put in place to ensure that the employees are constantly motivated and whether it helps on improving their daily performance at work. It is also important to note that in examining performance the aim is not to measure performance but rather to show how motivation behaviour may influence performance. In addition, conclusions and suggestions for improvement are made based on the research results.

### **1.2 Defining Motivation and Employee Performance**

Motivation can be defined in many ways and according to Cambridge dictionary it is the “enthusiasm for doing something”. It can also be referred to “willingness to exert effort towards achieving a certain goal or a necessary but sufficient condition for effective performance” (Cambridge dictionary 2015). Motivation is, however, not the same as job satisfaction.

Employee performance is vital for the overall growth of an organization. Business dictionary.com defines employee performance as “Job related activities expected

of an employee and how well the activities and responsibilities were executed. Performance is an important factor to an organizational success hence significant for companies to assess their employee's performance. This can be done on an annually or quarterly basis in order to check areas that may require improvement" (Business dictionary 2015).

### **1.3 Research Question**

When considering motivation in the retail industry, specifically the supermarkets and the topic of this thesis, one question occurred in my mind and later formed into a research question: *How does motivation enhance and influence the job performance of an employee?*

In regards to this particular question many issues can be examined from different angles, but my aim is set upon finding out what kind of motivation strategies or policies have been put in place in this one supermarket and has it influenced the overall success of this company. Therefore, I will examine this question in a general level and look into issues such as:

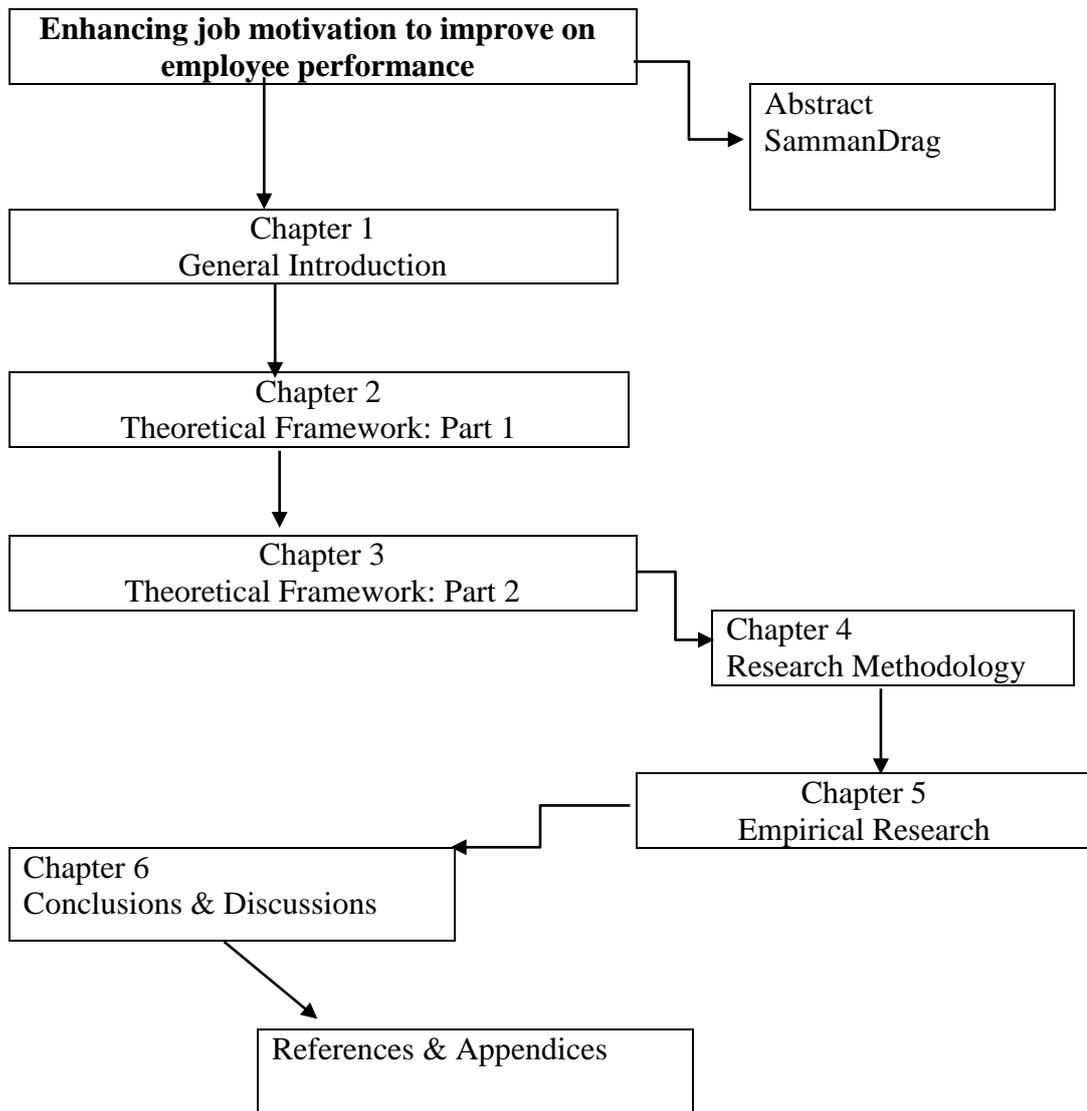
- a) What kind of motivational tools are being used to motivate the employees?
- b) What type of communication methods exists between the employees and the management?
- c) What is the role of human resource department to motivate the employees?
- d) What kind of performance changes have occurred among the employees since the inception of the company?
- e) What types of reward practices are in existence at the company?

### **1.4 Limitations**

Due to time constraints I had to narrow down my research to a case study, because it was easier to gather up valid and reliable information from one supermarket. Currently in Kenya there are about over 300 registered supermarket chain stores and so it would be impossible for me to research all of them sufficiently. In addition most of them do not have the information recorded in a database and thus I would have to dedicate a lot of time moving from one city to the next to get the necessary

information, a task that would be very time consuming. As previously mentioned the case study will be about company X which has a total number of 58 supermarket chain stores located in the country and the East Africa region. It was not possible to include all the chain stores in the study and therefore I decided to take one chain store located in Nairobi, Kenya which is the company X branch B to conduct the research analysis.

### 1.5 Structure of the Study



**Figure 1:** Structure of the Research study

Figure 1 represents the path upon which the thesis will follow in this particular research project.

## **2 THEORITICAL FRAMEWORK**

This chapter will be divided into two parts, the first part will examine the role of human resource management in an organization as well as the motivation theories. The second part will discuss the performance concept and rewards and the link that exists between motivation, performance and rewards.

### **2.1 Understanding human resource management**

Human resource management is a term that is commonly used by organizations to best describe all the organizational activities that could range from recruiting and selecting, designing work for, training and development, appraising and rewarding, directing and motivating and controlling workers. HRM can therefore be described as a framework of policies, philosophies, procedures and practises for the management of the relationship that exists between the employer and the employees (Wilton 2013).

In today's world, more organisations and companies have realized that to be able to maintain progressive success, it is significant to train, develop and maintain talented employees. The business world is ever changing and demanding thus poses a challenge to organizations that want to achieve and maintain long-term sustained success. Therefore top management will have to become more involved and committed towards the development of both high performing employees and organizations. Moreover the Top management will have to foresee the future needs of the employees and evolve specific plans that will help them to be able to obtain, develop and retain the right type of employees who meets the needs of a high performing organization (Sims 2012).

By becoming fully vested towards the employees will aid the top management to develop and retain the right type of employees, can the organization expect to be successful in today's and the future global dynamic and competitive environment.

## **2.2 The role of human resource management**

Human resource management (HRM) has many different objectives as mentioned earlier but one of the main aims is to recruit employees. This can be done through interviews which could be formal or informal then followed up by a screening process and eventually choosing the most qualified candidates for the company. An effective recruiting process requires a significant pool of candidates to choose from, and the more diverse the group is, the better. However to achieve a satisfactory pool of candidates is not easy if the labour market is tight (Decenzo, Robbins 2007).

Prior to recruiting, organizations have to keep in mind, that for the new candidates to integrate well into the company and contribute to a successive path of great performance, they have to be properly trained, this is where training and development comes in. This is another organizational activity that HRM takes care of and usually could determine the success or the failure of a company as far as performance is concerned. Employees cannot be expected to perform as expected unless they have garnered the essential skills and knowledge to do the job. In addition training will be required so that the employees can have the know-how of operating some of the systems: e.g. Managers need to have the proper skills for them to be in a position to run effective project teams. They also need to know how to run some of the performance management systems especially in the business world today where technology seems to be a core part of many companies. To continuously add value to the organization employees should be encouraged to continually develop themselves and to look for new skills and more knowledge (Stredwick 2002). When training and development is concluded, HRM attempts to attain the goal of having proficient, adapted employees who have up to-date skills and comprehension in the abilities needed to carry out their current jobs more successfully (Decenzo et al. 2007).

Performance appraisal is also another important function of HRM, because without checking if the company is doing well or not then it is difficult to determine if performance is good or bad. It is for this reason that the organizations need procedures for the evaluation of employees' job proficiency. It is quite common for most of the companies to have their immediate supervisor provide a performance

appraisal on an annual basis (Thornton, Deborah 2006). Performance appraisals must be precise and clear enough to convey to the employees how well they have performed on the established goals. These goals and performance measures should be desirable and mutually set between the employee and supervisor. It is important to note that there is a risk in decrease of employee's motivation if there is no proper two-way feedback about an employee's effort and its effect on performance (Decenzo et al. 2007).

Rewarding employees is also another important function of HRM, and these rewards are supposed to be effective and aim at encouraging employees to work towards the needs and objectives of the company. Even though financial rewards are very important the employers should not ignore non-financial rewards as they are very significant too. Employers who do not put emphasis on these non-financial rewards end up making a big mistake as research has proven that something like recognition at a workplace can be just as great motivator as a fat pay check. In the past salary has been usually regarded as a contractual arrangement more of a necessary evil to persuade an employee to carry out tasks after accepting to work in a company. However this has changed over the recent years as rewards are viewed in a much broader perspective and strategic ways. In conclusion it's important for the companies to note that they should regard pay as an investment and not just as an expense. On the other hand the employees need to comprehend that they cannot expect a decent pay for just turning to work and doing their basic job, they need to go the extra mile and work hard (Stredwick 2002).

Health and safety considerations is another important aspect of HRM whereby the employers are expected to provide safe and conducive work environments for their employees. The employees safety is very vital and can be communicated effectively through proper communication, supervision and training and adequate welfare provision ((Stredwick 2002). Companies are also expected to use best practical means to examine solutions to safety risks in order to ensure that employers don't take any shortcuts or use cheap botched jobs that may end up putting their employees in harm's way. This means that it's the legal responsibility of the company to ensure that the workplace is safe and any unnecessary hazards have

been eliminated thus providing a workplace that is not only conducive but also harmless for the employee's physical and mental health (Decenzo et al. 2007).

HRM also covers another important role called the employee welfare. This revolves around providing employees with services or benefits that help to cater for the overall employee's well-being. In some cases the welfare could be monetary in terms of allowances, health insurance, cafeteria, house allowances and sports club etc. The welfare may also be extended to cover the families of the employees hence making life worth living when these generous benefits are offered to them. The employer may argue that provision of welfare may be expensive especially during this economic crunch, however the mere presence of welfare to the workers is an indication that the company values and cares for the overall well-being of their employees. Implementing good welfare programs may add more expenditures costs to the company's budget however in the long run it turns out to be beneficial and essential to the organization e.g. Providing health care and wellness programs allows employees to have the necessary information on how to engage in a healthy lifestyle living, this kind of plan will help them in getting the necessary tips on how to prevent from falling sick thus cutting down on absenteeism and also the number of sick off days will be greatly reduced (JetHR 2013).

### **2.3 Exploring Motivation Theories**

In the HRM process motivation seems to be one of the most important function yet it's the least understood aspect. Many researchers have conducted many studies about motivation and what they have discovered is that human behaviour is quite complex thus it has been really difficult to figure out what motivates various employees. To be able to have a complete understanding of what motivation is one has to think of it as a multifaceted process that encompasses individual, managerial and organizational implications (Decenzo et al. 2007). This means that it does not only rely on the behaviour exhibited by an employee rather there are other factors that influence an individual to be motivated depending on the job they are doing.

In the corporate world today, organizations have realized that employee motivation is of key importance if any sustainable company growth and success is to be realized

and maintained. Top managers are working day and night trying to find means to stay at the top of their game amid harsh economic times and tough competition. Those companies who have taken upon themselves to ensure that their employees are constantly motivated have been able to succeed in not only gaining high revenues but also have good relationships with their workers.

Through investing in the employees more companies are coming to the realization that the triggers that end up motivating people are different and also unique. A lot of people would say money is the best way to motivate people, however it is not the final answer, in-fact in some cases it encourages job hopping when the extra bonuses stop coming through. Moreover money seldom motivates because it is never enough and available, the extra cash left after company expenditures is not adequate to meet constant income increments (Gellerman 1968).

Others may claim that they are motivated because they want to make a difference in their workplace and even the world, whatever the reasons are for one to be motivated to reach peak performance it has to be managed and also balanced (Glenn 2012). Before getting into the various motivation theories that organizations could adopt to in order to achieve high levels of performance it is important to first of all understand and define what motivation is and its origin.

The term motivation originated from the Latin word *movere* which means “to move” (Szilagyi, Wallace 1990). It is also derived from the term motive which in simple terms is an emotion or desire to incite action. Motivation can therefore be defined as a state of being incited to action. Moreover it is clear that motivation is based on a consciousness thus it has to come from within an individual though sometimes it can be externally induced. Work motivation on the other hand dwells more on the domain of careers and work. In most cases work motivation has heavily relied on the motivation to perform or produce, however being that the work place can be diverse one could argue that there are different angles to look at it: For example motivation to keep a job or quit the company all-together, motivation to collaborate with others through sharing the skills and knowledge one has, motivation to be a leader or even the motivation to start a new venture (Clegg, Bailey 2008, 919).

According to Locke and Latham motivation refers to the intrinsic factors that stimulate action while the external factors play a role of prompting the action (Locke, Latham 2004). Hutchinson describes motivation as energy exerted by an individual towards a certain activity. It is something that is within an individual that forces or instigates a person to make a choice of action. Motivation can therefore not be confined as a behavior or performance it is a mixture of many factors (Hutchinson 2013). There are two broad categories of motivation, extrinsic motivation and intrinsic motivation. Extrinsic motivation emanates from tangible rewards that are external and partly beyond the control of the one receiving them e.g. pay, retirement benefits, healthcare plan. Intrinsic motivation refers to motivation that emerges from within a person e.g. feelings of self-esteem, accomplishment, recognition etc. (Hutchinson 2013). It is important to note that motivation is not the same as “job satisfaction“. The two however are intertwined but only to a certain degree, job satisfaction can be regarded as motivation but does not necessarily aim at motivating high productivity instead it corresponds mostly to negative turnover (Clegg et al. 2008, 920).

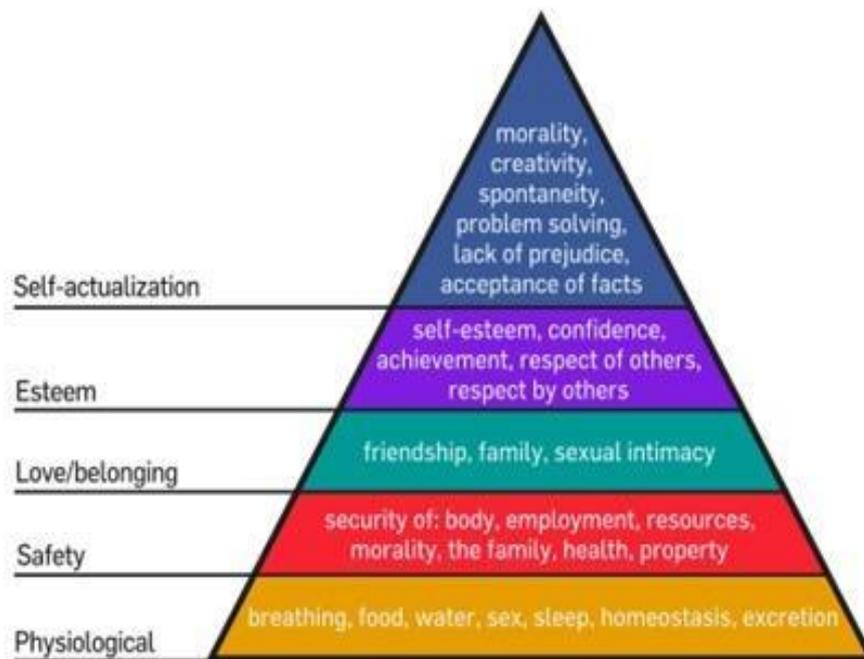
The next section will now discuss the various motivation theories primarily studied by different scholars and their contribution works to motivation theories. These theories can be adopted by organizations aiming to motivate their workforce so as to reach high performance levels and achieve the set goals significant for the company. The section will review content and process theories and in addition reinforcement theories of motivation

## **2.4 Content Theories**

The content motivation theories refers to “what” energizes people to be motivated. This type of theories focuses more on the interests of a person’s goals, needs and motives and the incentives that causes them to be driven to behave in a particular manner. The various motivational theorists that have looked into this type of theory includes the works of Maslow’s hierarchy of needs, Herzberg’s motivator-hygiene theory, Alderfer’s ERG theory and McClelland need theory (Szilagyi, et al. 1990).

### 2.4.1 Maslow's Hierarchy of Needs

The Maslow's hierarchy of needs is a theory that was developed between the years 1943 – 1954 by a man called Abraham Maslow. He further went and categorized this theory into five classification of needs as shown in Figure 2 below. The classification starts from the bottom going up in this order: physiological needs, safety needs, love/belonging, self-esteem and finally self-actualization.



**Figure 2:** Maslow's Hierarchy of needs  
(MBA tutorials 2015)

Maslow's theory claims that in a work place setting, the people are motivated to perform because of desire to satisfy a set of internal needs. His theory is based upon three principal assumptions. The first fundamental assumption is that, human beings have needs that can influence their behavior. The needs that are unsatisfied can definitely influence behavior where else the satisfied needs don't act as motivators. The second underlying assumption is that people arrange their needs according to how important they are. The hierarchy begins from basic needs such as food and shelter and ascends to complex levels such as Achievement and self-esteem. The final Primary assumption is that one can only advance to the next level

of ranking only when the lower level of needs are at least minimally gratified. E.g. an employee may focus more on ensuring that he has satisfied the need of working in an area that is safe and free from any harm before he can direct his attention and motivation towards successfully achieving a given task (Szilagyi, et al. 1990).

According to Miner 1980 the needs of the theory are seen influencing a person's behavior unconsciously. Often the individual is usually oblivious of the motivational sources of his actions. Maslow presented a set category of human needs to explain the correlation between these set of needs and their influence to a person's behavior. The first set of the needs are called the physiological needs and are at the base of the pyramid as shown in fig. 2 above. In this group Maslow placed the chemical needs of the body such as: hunger, sleepiness, sexual desire, activity needs, desired sensory satisfactions, water etc. Most of these needs tend to have a narrowed corporal base e.g. hunger, thirst, sex but not for sleepiness. If these psychological needs are not met with full satisfaction, then the person's concentration is only centered with the object at hand, thus it is not a wonder a person who is very hungry or thirsty can only think of food and water (Miner, 1980).

Looking at physiological needs from an organizational dimension: providing workers with attractive wages or salaries is necessary for a good and fulfilled work life. One could also look at it from the working conditions point of view, having warm and well-lit working conditions helps the employees to conduct business operations with minimal disturbances thus progressive success for the company. Top managers could also introduce subsidized or even free catering services to ensure that the employees have ample time to meet up with their fellow colleagues as they enjoy brunch or lunch (Buchanan, Huczynski 1997).

The second level is the safety needs, this needs represents the need to be free of any kind of danger. Just like the physiological needs the safety needs have the same common quality. Naturally people are motivated to avoid danger at all costs, in this case danger could be represented in form of wild animals, extreme weather conditions, disease, and assault etc. definitely poses a threat to human safety. In the society we live in, especially among adults there is a tendency of inhibiting this type of motivation whereby the expression on the outer surface shows that no one is

afraid of their safety thus making it difficult to see the existence of such needs on the surface. It is for this reason that Maslow likened this sense of insecurity to that state of a young child whose strongest need is to protect himself against a threatening world (Miner 1980).

In a work setting perspective, these needs are combined to provide an environment that is safe and secure for the employee. This means that the employers have to provide the necessary tools required for the protection of their employees so that they don't end up harms-way as they conducting the given tasks. Having job security is of key importance to the employees. The organizations could also provide private health insurance covers for their employees and families to cater for them when they fall sick. Moreover providing attractive pension provisions assures the employees that their financial future is well secured even after they have retired (Buchanan et al. 1997).

The third level is the love/belonging needs, and in this ranking Maslow intentionally used the word love to represent affiliation and general belongingness. Having fully satisfied the physiological and safety needs, the social needs become dominant. They include, friendships, spouses, children, parents, group memberships and gratifying interactions with other people. In organizations, these needs could be expressed in the following ways: frequent interactions with fellow employees, supervision that is centered on the employees and acceptance by others. It is important for the employees to feel loved and accepted and that they have a sense of belonging at a workplace, therefore the top managers should encourage constant communication among themselves and their subordinates to ensure that employees have a voice in running the company operations. The organizations should also encourage the employees to work as a team rather than individuals so as to foster professional friendships and compatible working groups (Szilagy, et al. 1990).

The fourth ranking in the Maslow's hierarchy of needs theory is the self- esteem needs which in other words could be referred to as the ego and status. These needs are segregated into two broad categories, with the first category being internally oriented needs that may emanate from desires of strength, adequacy, confidence, freedom and achievement. The second category represents esteem that could be

acquired through external sources, such as prestige, notoriety, recognition, prominence and appreciation. Either way satisfying both categories leads to self-confidence whilst ignoring them may lead to dire consequences like inferiority complex and sense of helplessness (Miner 1980).

This set of needs could be discussed from an organizational perspective, in that every individual in the company has the right to feel respected despite their position in the company. Employees also feel a sense of accomplishment when they perform a given task and succeed in it. By recognizing their efforts, it is a clear indication that the organization notices what they are doing and could even go ahead and reward them with prestigious titles in the company or even job promotions. Regular positive feedback is also another channel that the top management could use to convey their message to the employees. By communicating and praising individuals for a job well done shows that they are pleased with the way the business operations are being carried out, thus boosting the confidence of the workers (Szilagyi, et al. 1990).

Self-actualization is the final ranking in Maslow's hierarchy of needs and these needs are very significant and they include: morality, spontaneity, growth, advancement and achievement. For an individual to achieve these types of needs the other four needs have to be fully satisfied. Maslow described this as a sense of desire towards self-fulfilment for one to reach his potential and be self-actualized (Latham 2007). In an organization setting this need could be represented through allowing the employees to take on new challenging job assignments. By allowing them to do so, is an indication that the company gives freedom for their workers to develop and introduce new ideas thus a spontaneous and diverse workforce. The workers also get to have full foresight over the core work activities in the company (Buchanan et al. 1997).

The bottom-line to this theory is that as one level of needs gets fulfilled its vitality slowly recedes while the strength of the next need higher in the pecking order rises (Latham 2007). Since the theory relies more on human behaviour these needs could hold different value from one individual to the next: e.g. some upper level managers may place more emphasis on self-esteem and self-actualization needs in that they

are more concerned with issues regarding career change and advancement while the lower level managers could be more interested on the safety and security needs (Szilagyi, et al. 1990). It is also important to note that this theory cannot be suitable for all types of work, however since the inception of this theory many organizations have integrated the Maslow's theory of needs in their company's policies to help change their practices for motivating employees (Buchanan et al. 1997).

#### **2.4.2 Herzberg's Motivator- Hygiene Theory**

Fredrick Herzberg is the man behind the motivation hygiene theory which he researched and published in his 1959 book "The Motivation to work". His theory is also referred to as the two- factor theory due to its two distinct groupings: the motivator factors that could lead to satisfaction at work if well fulfilled and the hygiene factors that contribute to dissatisfaction if they are thwarted. In his research fourteen factors are described as the sources of either good or bad feelings (Adair 2004).

According to Herzberg there are eight hygiene factors that could lead to job dissatisfaction if they are not well catered for from an organization point of view, they include: company policy and administration, whereby it is important for those policies relating to the employees to be readily available and also clearly defined. The management also needs to be adequate in providing the resources needed by the employees to be in a position to conduct their daily business operations. Supervision is also another factor and it should be easily accessible to all the individuals in the company. The superiors are expected to act in a competent and fair manner to all the employees, failure to do so leads to frustration at work. Interpersonal relations are also paramount at the workplace, creating good working relations between the superiors, subordinates and colleagues should be constantly encouraged so as to have a quality collective life at work (Adair 2004).

Salary or money is another hygiene factor that Herzberg argues could lead to dissatisfaction if not gotten in pertinent amounts. It is also not seen as long term potential satisfier due to its short-term feeling impact (Axelsson, Bokedal 2009). Other hygiene factors include status which could be symbolized in a person's rank,

title or even the size of the office. Job security is also vital as it gives an assurance to the employees that they are safe from losing their position in the company or even employment all-together. Moreover the working conditions are quite crucial if they employees are to feel satisfied working in an organization. It does not mean that the top managers only concentrate on the physical aspect of the work but also the amount of work distributed to each individual and also provide enough facilities for the workers to conduct their daily operations. Last but not least the personal life of the employee is also a hygiene factor, being that the employee spends most of the time at work it should have a good reflection on his life and family life if satisfaction is to be expected e.g. working too much could be a source of stress to the employee and even the people close to him (Adair 2004).

The Motivator factors could be characterized as a set of intrinsic factors whose presence builds upon motivation thus leading to high levels of performance. If these conditions are not present they don't necessarily lead to dissatisfaction rather they are more related to the job content. They include achievement specific to success of a completion of a job or creating new solutions to problems. Recognition is also another way to motivate employees, any act of recognition boosts the energy of the employees because they feel that their efforts are not going unrecognized. In addition providing possibilities of growth at the work place also has a positive influence on the employees' motivation as it allows them to develop personally and also professionally. Advancement is by the same token a motivator as it provides channels of change by enhancing positions at the workplace. Employees don't want to feel like they are stuck doing the same job for a long duration of time as it may lead to too much monotony. Furthermore allocating responsibility roles has a great impact on motivation especially when it's matched up with significant jurisdiction to discharge it. Last but not least the work itself should be motivating enough for the workers. By being involved in doing the actual work it should be enjoyable and exciting despite the different phases that may accompany it (Adair 2004).

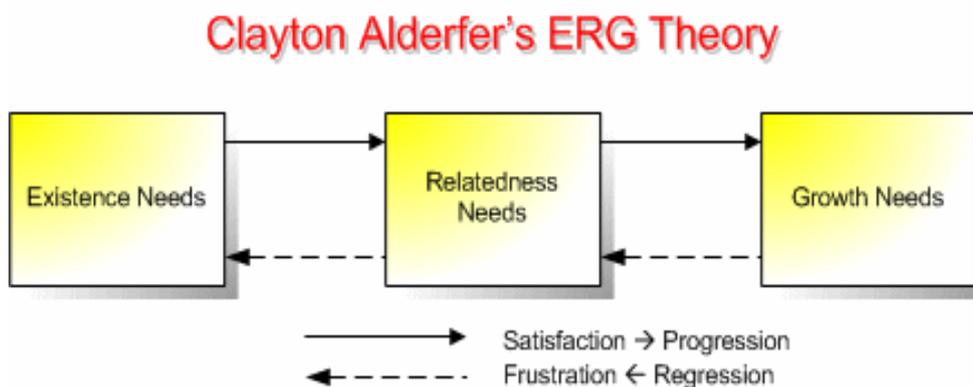
To sum up it all it is correct to say that the hygiene factors are almost similar to those of Maslow's lower- level of need i.e. physiological, safety and social needs. In reality their presence is to prevent anything that could result in dissatisfaction

while their absence only leads to high levels of dissatisfaction. They however do not lead to motivation of individuals which could accompany good performance. On the other hand the motivators are equivalent to the Maslow's higher-level of needs which are regarded as job content factors that prompt people to accomplish. Herzberg's argument is that only these type of motivators can stimulate motivated behavior (Szilagyi et al. 1990).

Top managers can also implement this theory in the organization through focusing on satisfying the Herzberg motivators and avoiding problems with the hygiene factors. Individual job satisfaction in the companies can only be reached if the top management finds out what really contributes to job enrichment and empowerment thus improving the overall performance of the organization (Adair 2004).

### 2.4.3 Alderfer's ERG Theory

The Alderfer's ERG theory of needs was proposed by Clayton Alderfer and his purpose was to establish a relationship between the human needs in an organizational setting. His theory summarizes that of Maslow's but in three need categories namely (E) existence (R) relatedness (G) growth. Figure 3 below best describes how the three are related.



**Figure 3.** Alderfer's ERG Theory

(Envision software 2012)

The existence needs are represented by all the various forms of physiological material needs and desires, they could be hunger, shelter and thirst. From an organization context they symbolize the needs of pay and good working conditions

more so they are similar to those of Maslow's physiological and certain safety needs. Relatedness on the other hand represents the interpersonal relationships formed at the workplace. This need heavily relies on the process of sharing feelings with fellow workmates so as to achieve satisfaction. The Maslow's safety, social and some of the self-esteem/ego needs are analogous to Alderfer's relatedness need. Finally the growth need is representative of a person's endeavors towards visionary and innovative personal advancement on the job. Satisfaction of the growth needs can only be reached if the individual taps into his skills and capabilities and maximizes them fully. Developing on new competences also allows the individual to garner new skills as he progresses on the ones that he already has (Szilagyi, et al. 1990).

The ERG theory has been based upon three major propositions, in that the less each level of need is satisfied the more likely it will be desired e.g. if pay needs are neglected by the top management the more they will be desired by the staff. As for the lower level of needs the more satisfaction is awarded to them the more the likelihood of a greater desire towards the relatedness e.g. if the needs of an individual have been fully satisfied in terms of good pay the more he will gear towards fostering good and long lasting interpersonal relations at the enterprise. Lastly if the high level of needs are ignored the more the lower needs are yearned for i.e. if the staff's growth needs are not well catered for, the more aspirations they will have towards nurturing satisfactory interpersonal relations with their fellow colleagues. The ERG model bases its findings on how people should progress up the hierarchy and also shows a regression down the hierarchy when people fail to pay attention on the higher needs. This is something that the Maslow's pyramid fails to indicate the theory only demonstrates on how one should progress to the next level (McShane, Glinow 2010).

The managers have the responsibility of ensuring that they recognize that employees have an assorted array of needs which must be satisfied in a synchronous manner. Placing too much attention on one level of needs means that there will be some weaknesses on the other levels thus a reverting kind of an effect which in most cases leads to frustration. In other words this is known as the frustration-

regression principle which is evident when the higher level of needs remains unfulfilled the impulse is to go back to the lower level needs which seem effortless to satisfy. For effective motivation in the company, ERG theory is only efficient if all the three levels are given the same attention simultaneously. The management should also be at the fore front of perceiving these conditions early so that the necessary steps can be taken to cater for the needs which are frustrated in order to aid the employees to seek growth again (Szilagyi et al. 1990).

#### **2.4.4 McClelland's Theory of Needs**

David McClelland is another psychologist whose theory of needs went on to further explore the idea of a need's strength being altered through social influences. McClelland's theory was quite particular as emphasis was placed more on how a need could be strengthened through reinforcement, learning and social conditions. Through these standpoint views he was able to come up with three learned needs namely: Achievement, affiliation and power (McShane et al. 2010).

According to McShane the need of achievement which is abbreviated as (nAch) is an urge that makes people want to attain goals that are equitable, reasonable and at the same time don't require explicit feedback or recognition once they succeed. Such people prefer working individually rather than in groups and the kind of task they take are neither too easy or complex to finish. Individuals with high-nAch tend not to put so much emphasis on recognition that is too obvious after succeeding in a task. To them money is not so important in regards to motivating them unless used for recognition or feedback purposes. On the contrary low nAch employees perform better at tasks when money is used as a stimulus because they know succeeding at an assignment will be rewarded (McShane et al. 2010).

Need for affiliation which is abbreviated as (nAff) is defined as a need in which people constantly pursue ratification from others while trying to avoid conflict and disputes. They are able to achieve through conforming to other peoples' standards and expectations so as to portray a favourable appearance. Employees with high nAff tend to be good at sales positions as this kind of work demands one to foster long lasting relationships in order to sell the products or services. In case of conflicts

at the work place they are good at working out the disputes and encourage others to get along. The downfall to these kind of people is that when faced with adversity and given the responsibility to allocate scarce resources, they tend to be less efficacious, this is because they want to ensure everyone is happy which is impossible. In the end they end up creating more conflict with the decision they make. From an organization point of view managers should delegate the tasks of decision making to people who have low nAff thus a lower need of personal approval to avoid any unfairness or bias (McShane et al. 2010).

To conclude the McClelland's theory of needs is the need for power better abbreviated as (nPow). This refers to a need whereby an individual wants to always control his surroundings, tangible resources available, and even people for his beneficial purposes or power gain. Such individuals are ever eager to take up leadership positions and are more interested in maintaining these posts. During meetings they always want to give suggestions on how business operations should be run and are keen to evaluate situations. McClelland pinpointed that there are two types of powers: first personalized power which is more aligned to an individual's personal interest, i.e. the person is more interested on what the new power he has can benefit him and is likely to show it off to others as a prestige symbol. The second type of power is the socialized power in which individuals have a higher need for power in order they can assist others. The corporations of today's world should encourage top leaders to work more on having socialized power rather than personalized power. Effective leaders are the ones who have a high degree of altruism keeping in mind that their social responsibility is to ensure that the actions they undertake affects them and others too. The repercussions of their actions will be felt not only by them but also those they are leading (McShane et al. 2010).

## **2.5 Process Theories**

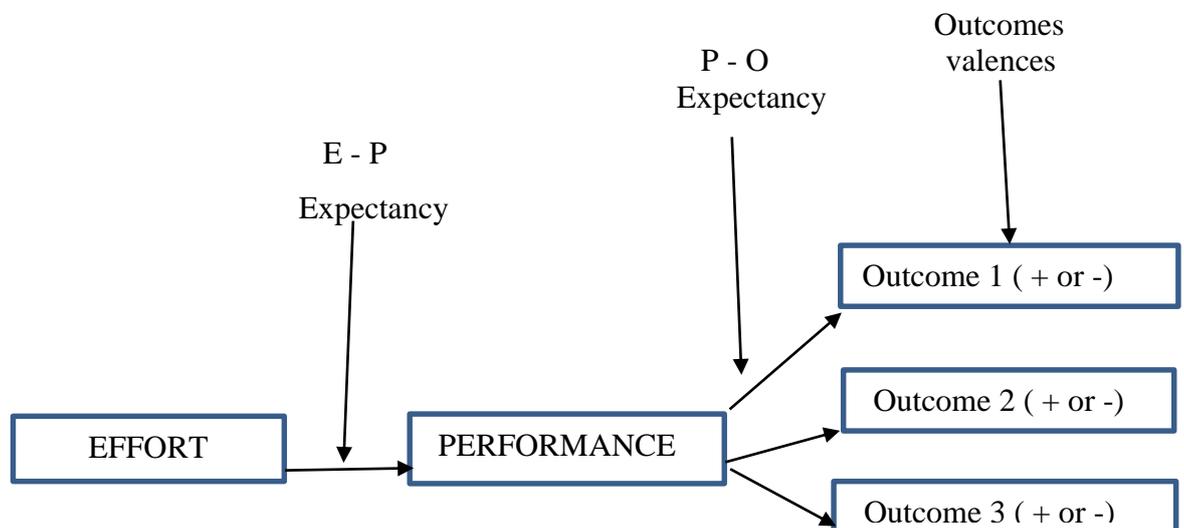
The process theories are more focused on what energizes motivational behaviour and also the direction this behaviour takes. The process theories go deeper to look at the desired end result as an aim towards motivational behaviour. Some of the process theories are expectancy theory, equity theory, goal theory and

reinforcement theory. Additionally the four drive theory and the Mc-Gregory theory X and Y will be discussed

### 2.5.1 Expectancy Theory

Vroom's expectancy theory first appeared in his doctoral dissertation Vroom 1960. He later expanded his theory to cover work motivation in 1964 in which he suggests that people usually prefer some goals or outcomes over others. He further went on to recommend that once a preferred outcome was achieved the reaction would be satisfaction. Vroom's expectancy model was based upon three concepts of value, expectancy and force. His assumption was that the choices made by people during a certain course of action is based duly on psychological events that may occur jointly with their behaviour. In this theory the force concept is equated to motivation. Using an algebraic expression the products of valences multiplied by expectancies results to motivation:  $Motivation (Force) = Valence \times Expectancy$  (Niraj 2009, 169).

McShane equates the expectancy theory to a platform in which through experience an individual can develop expectations in which job performance levels can be achieved. He further states that the development of job performance and work behaviours expectations can lead to certain outcomes thus more effort can be exerted towards achieving these outcomes so that they may lead to the fulfilment of our needs. The expectancy theory is presented in Figure 4 below to expound more on how it works (McShane et al. 2003).



**Figure 4.** Expectancy theory of motivation  
(McShane, et al. 2003)

The expectancy theory bases its assumption that motivation is based upon three main elements. The first is the effort – performance expectation which means if it is increased it may lead to good performance thus in other words can be referred to as expectancy. The second fundamental is the performance – outcome performance perception whereby good performance will eventually lead to certain outcomes or rewards, it can also be attributed as instrumentality. The third element is the valence which is the value or allure placed on a reward or outcome to an individual. Consequently for an individual to be motivated, the end result of the outcome or reward has to be highly valued by the person. The belief has to be that any additional effort will be a precedence to higher performance and higher performance will in the end result to bigger rewards or outcomes (Bowditch, Buono 2001).

Employee motivation is very important and the management has to keep in mind that all the three components mentioned above influence it in one or another. If any of them is neglected it will definitely have a negative reaction thus a decline in motivation. For this reason managers need to understand what each level entails: the first being effort-to-performance expectancy (E-P) is defined as perceived prospect by an individual that his effort will precede a particular level of performance. The expectancy is illustrated as a probability ranging from 0.0 to 1.0. In some cases, employees may have absolute confidence that they can effortlessly achieve the task given to them thus a probability of 1.0. In other scenarios, even with the highest levels of effort they may be unable to accomplish an assignment thus a probability of 0.0. Often the E-P falls between these two extremes. E.g. an employee may not feel so motivated to do something that he knows even with his array of skills he won't accomplish it (McShane et al. 2003).

Performance to outcome expectancy (P-O) is the second element and it can be characterized as perceived probability that definitive conduct or performance levels results to clear cut outcomes. The probability is 1.0 when employees have the belief that achieving a certain task will result in a particular outcome. Further-more they

may also believe that despite their successful performance, the influence on the outcome is ineffective thus a probability of 0.0. Constantly the P-O falls in between these two extremes. Outcomes could be numerous hence we cannot evaluate them all but we can keep a close eye to those that interests us. Therefore it is significant to note that only those outcomes that we value and interests us are the driving force for our motivation behaviour. E.g. at one time an employee may be motivated to finish up on an assignment so as to have some free time to socialize with people from his inner circle whereas another time the same person maybe motivated to complete an undertaking because he's aiming for a job promotion or extra bonus after the work is completed (McShane et al. 2003).

The term valence represent feelings that may emanate from specific outcomes. In simple terms it is also referred to as forecasted feelings of satisfaction or dissatisfaction by an individual towards an outcome (McShane et al. 2003). The outcomes may acquire valences on their own right as they may be regarded to lead to outcomes projected to be sources of either satisfaction or dissatisfaction. E.g. an employee who accumulates a lot of earnings might feel satisfied because he has a lot of money in the bank, alternatively for another accruing a lot of earnings may be due to the desire of wanting to own an expensive car or apartment (Miner 2006).

The valences are regarded as strengths of a person's preferences towards particular outcomes. Valences could also be referred to as the value a person places upon issues like increase in pay, recognition, accolades, promotions etc. Valences can have negative or positive impacts in a work situation. The actual range isn't of essence as it may range from -1 to +1 or from -100 to +100. The expectation would be that a hike in salaries would have a positive valence while supervisory censures may end up leading to a negative valence. In this case the negative valences are not highly valued by employees (Szilagyi, et al. 1990, 124).

The expectancy theory model has an advantage in that it provides a clear framework on how motivation works. By using the model the goal is to have well motivated employees and this can be only be accomplished if all the three fundamentals are increased simultaneously. To increase the E-P expectancies the main goal is to make the employees have complete belief in themselves that they are qualified to

execute their jobs in a successful manner. The top management hence need to ensure they recruit people with the skills they are looking for and then properly train them, and thereafter provide them with clear cut instructions on what the job entails. In addition appointing lesser tasks to the newly recruited will help them master what is required of them providing they are given enough time and the essential resources to complete their duties. Finally counselling and coaching services are vital especially for those employees whom may feel they are lacking self-confidence. This can be achieved by bringing aboard similar employees who were able to successfully complete work assignments to help boost their colleagues' self-esteem (McShane et al. 2003).

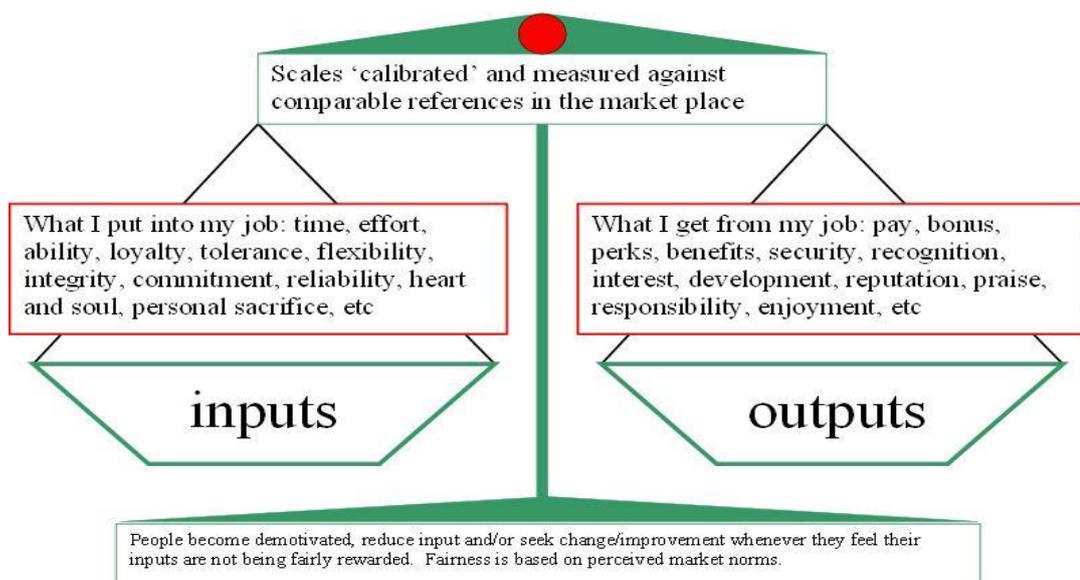
The P-O expectancies can be improved by accurately measuring the employee's performance and giving credit where it is due. The more valued rewards should be awarded to those who have higher job performances. The process is not always clear as most companies may find easy to give accolades to those who have performed well while ignoring poor performers because they don't want to create conflict with them. Organizations should however keep in mind that the aim is to raise the belief that the better an employee performs the higher the value of a certain outcome. Additionally the outcomes should be clearly expounded that their results will be of successful performance and the rewards given will be based on the employees past achievements. Likewise giving good examples of employees who were able to attain high levels of performance and were awarded high rewards will give a positive ambition to others to aspire to be higher performers at the workplace (McShane et al. 2003).

Finally the outcomes or rewards must be desired by the individuals for them to feel motivated. Managers need to take into account the core valence or outcomes their employees want rather than making assumptions (Bowditch et al. 2001). Instead they can ensure an even distribution of rewards which are valued by the employees as well as putting in place reward systems that individualize the awards so that the workers can have a diversified display of choices to choose from (McShane et al. 2003).

## 2.5.2 Adam's Equity Theory

The equity theory came into existence after it was developed and tested by John Stacey Adam in 1963. The fundamental behind this process theory is to explain the different perceptions that could developed by different individuals when it comes to distribution and exchange of resources. To further break it down, it basically means what motivates employees to take certain actions when they feel they are being treated inequitably (McShane et al. 2003). The notion behind this theory shows why the employees may end up being de-motivated in their affiliation towards their job or employer when they feel as if theory inputs are larger compared to the end result of the outputs. For a better understanding the Figure below shows the Adam's Equity theory and what it entails.

Adams' Equity Theory diagram - job motivation



**Figure 5.** Adam's Equity Theory of job motivation

(Chapman, A. 2001)

To clearly understand this theory, it is important to look at the four elements that sums up the equity theory, which are: outcome/input ratio, comparison other, equity evaluation and finally consequences of inequity. The outcome/input ratio is essentially the value of outcomes an employee receives divided by value of inputs

he or she provides in the exchange of relationship. Inputs could range from skills and abilities that an employee has to effort, experience and employee alternative contributions to the company. On the contrary outcome is what the company gives the employees in exchange of their inputs, which could be pay bonuses, promotions, awards and recognition. Being that employees receive a lot of outcomes in a workplace it may be difficult to determine the overall values. Moreover the inputs and outcomes may possess different value and importance from one individual to the next thus the variations of these two cannot be generalised (McShane et al. 2003).

The second element is the comparison of other in which the theory states that often individuals compare their situations with that of another comparison. Equity's theory has not clearly identified what exactly is the comparison of other therefore it could range from anything like a person, a crowd of people or even oneself in the past. It could also be another job or company or even a person in a similar job. In a work setting employees holding senior ranks are likely to compare themselves with their correspondents from other firms. Chief executives also tend to do the same since they don't have direct comparison within the confines of the organization they are working for (McShane et al. 2003).

The equity evaluation is the third element and this can be determined by comparing the outcome/input ratio to that of comparison other's ratio. By doing so people are able to develop either feelings of equity or inequity. Equity evaluation can become complex from one individual to another especially when the comparison of other has different outcomes and inputs. With the equity evaluation chances of under-reward inequity situations occurring are quite common, and this is represented when for example in a company some employees find out that they are being under-paid while their colleagues are getting slightly a higher pay than them even though their tasks are similar and also the effort exerted to these task is also the same. Over-reward inequity is also another equity evaluation condition in which the common belief amongst a certain group of employees is that their ratio of outcome/inputs is greater than the comparison other's ratio. Notwithstanding over-reward is not as

common as under-reward considering that humans generally adjust their concepts so as to validate affirmative results (McShane et al. 2010).

Lastly the consequences of inequity is primarily the pressure that arises in the event of people observing inclinations of inequity. The higher this pressure is the more motivated employees become in taking steps to rid of the inequity. McShane talks of seven significant ways to reduce the feeling of inequality in the workplace: which are reducing the inputs and this could be achieved through slow performance of work tasks given or even less involvement in the organizational company objectives. The second one is increase of the outcomes which could be accomplished through asking of a pay rise directly or even through a labour union. Thirdly employees could increase the comparison other's inputs by asking those co-workers who are receiving higher pay to justify their outcome by doing a larger amount of work. Fourthly reducing the comparison other's inputs is also another way to diminish inequity conditions and this can be done by placing suggestions to have co-workers pay which is high to be cut. Fifth, employees could change perceptions and believe that their colleagues who are receiving higher pay are doing what's required of them to deserve such kind of pay. Changing the comparison of other is the sixth way to thwart feelings of under-reward inequity and it can be achieved through comparing oneself with someone who is in the same situation as yourself or maybe closer, it could be that the tasks being undertaken are the same or the paygrade is the same. Finally the most extreme response to inequity would be to leave unfavourable working fields. The employee does this to avoid the inequity either by moving to another work station so as to avoid his fellow workers who are being over-paid. Feigning sickness in order to have more sick leave days is also another way to avoid working and in extreme cases an employee may end up quitting the job because they don't want to be in an environment where they feel they are being treated unequally (McShane et al. 2010). All these are capable of balancing out the unequal conditions that the employees might be experiencing amongst themselves. The correlation between inequity and employee motivation is quite inseparable, this is because any awareness of inequity like conditions are likely to lead to negative emotions, and emotions are the drivers behind motivation hence demotivation type of reaction is expected any time negative emotions arise.

### **2.5.3 Goal Setting Theory**

In the 1960s Edwin Locke came up with a motivational theory termed Goal Setting in which he stated that there was a link between task performance and goal setting. By having challenging goals in the company accompanied with the appropriate channels of feedback, higher and better task performance is realized. I.e. Goals tend to direct the employees to the paths of what needs to be done and the amount of effort required to achieve the task given. Many organizations around the world have realized that by implementing the goal setting approach in their daily routines they are able to efficiently motivate their employees as it is one of the most effective theories of motivation (McShane et al. 2003, 150).

For a better understanding of the theory it is important we first of all comprehend what goals are and the process of goal setting. Goals can be defined as critical objectives that employees try to attain from their job effort. The process of goal setting is illustrated as a course of action taken to motivate employees through interpreting their role concepts and enacting performance objectives. Employee performance has the potential of being improved through goal setting in the following main ways: by extending the vigor and persistence placed on effort and also through providing the workers with role perceptions that are clear so that any effort they exert is channeled towards habits that will lead to a progression of their work conduct (McShane et al. 2003).

Some of the organizations apply goal setting through a formal process called management by objectives abbreviated as (MBO). Generally this process involves identifying policies aspired by an organization which then are circulated to work departments and individual employees. The progression of the goals is also monitored through MBO. Goal setting is quite complicated and it is for this reason specific conditions have been identified in order to ensure maximum job effort and performance. The specific conditions are as follows: specific goals, relevant goals, challenging goals, goal commitment, participation in goal formation and goal feedback (McShane et al. 2003, 151).

Top management should give goals that are specific and clear as employees are most likely to invest much effort rather on targets that expect them to do the best they can to attain the given goals. Through clarifying what the employees are expected to do, it means that the communication of the kind of performance expected is clear and precise. This means any loopholes of misunderstanding are eliminated and greater output and performance is realized.

Goals also have to be relevant and connected to an individual's job which is within the control of his work e.g. a goal which aims at waste reduction has to also be combined with the production process otherwise it won't be valued by the employee if his control is limited in the early stages of production (McShane et al. 2010). Moreover the goals have to be challenging in nature this because there is a sense of pride and triumph when an individual finally achieves that goal. This in a way fulfils the growth needs of achievement which are regarded as high level of needs. Organizations should therefore set goals that will challenge the employees to get out of their comfort zone and maximize their potential by activating their knowledge and skills required to attain a particular goal. However learning goals should also be incorporated at the beginning of new and difficult tasks as it is more effective than dwelling on goals of performance outcome (Clegg et al. 2008, 922).

Goal commitment is another important aspect of goal setting theory as it reflects the value of commitment placed on a certain goal with the conviction that it is significant, attainable and at least approachable (Clegg et al. 2008, 923). It is crucial to note that there is a limit to goals that are challenging and sometimes when very difficult goals are set, employees may end up losing interest and commitment to attain them. This can be equated to the expectancy theory mentioned earlier whereby lower E – P expectancy means that the expectation of the goal to be achieved is quite low thus motivation towards the goal commitment by the employee will decline (McShane et al. 2010).

Goal participation basically means involving employees in processes of goal setting and other decision making process that affect them. When supervisors allow their employees to be practically involved in making the goals they ultimately improve the potential of goal commitment as employees feel they have a sense of owner-

ship unlike if the goals were set without their involvement. The workforce of this day and age is progressively expecting to be involved in such processes because it is important for them to have a voice when policies regarding their well-being are being formed. The quality of the goals is also improved because employees may have valuable suggestions that maybe unknown to those originally making the goals (McShane et al. 2003).

Finally goal feedback is vital process in goal setting because people require feedback so as to document their progress as far as their goals are concerned (Clegg et al. 2008, 923). Feedback is also a crucial part of motivation as the higher level of needs like achievement cannot be fully contented if there are no channels of giving information once a goal is accomplished (McShane et al. 2003).

To give feedback effectively it should have some elements attached to it. These elements are: the feedback should be specific and relevant, particularly it should pinpoint the exact metrics and also the individual behavior that led to a certain outcome. E.g. a sales manager could acknowledge an individual's effort, that in the last two months the customer base increased by three percent due to the diligence and persistence work effort. The feedback should also be timely soon as results are realized so that the employees can be able to determine the actions they partook and the overall consequences' that came afterwards. Moreover it is critical to give frequently give sufficient feedback depending on the employee's knowledge regarding the task at hand and also the duration that the task will take to be completed. Last but not least employees can only be motivated by feedback that comes from authentic and credible sources (McShane et al. 2010).

Goal setting can be summarized as one of the theories in organizational behavior that have been tested and remained valid since its inception. As we have discussed earlier goal setting combined with feedback is an effective channel of improving employee performance and motivation. Nonetheless it is essential to note that the practicality of goal setting in the organizations can lead to some problems. One of the problems is that some of the dimensions of job performance cannot quite be measured as they are complex and are associated with long term performances outcomes. This is because the goal setting process is focused more on short term

goals rather than long term goals. Hence jobs that require long durations to get completed may end up not being properly measured. The second complication is that when goals are bound with monetary incentives employees tend to prefer easy goals than the challenging ones. At the same time they claim the easy goals are quite complex to achieve so that they can pocket the extra bonuses. Finally those establishments that are already using the goal setting approach are always effective however the problem comes in when new and complex job assignments are introduced. It is for this reason that when intense learning processes are ongoing, goal setting should not be combined together with such as it may not be applicable (McShane et al. 2010).

#### **2.5.4 Reinforcement Theory**

The foundation of reinforcement theory was first laid in 1911 by Edward Thorndike in which he explained what the law of effect was. His findings were that behaviors that led to positive outcomes had a likelihood of being repeated while those that led to negative outcomes were not likely repeated. The implications of the law of effect in a workplace would be that any kind of behavior that would seem like it was reinforced either through rewards by the management would have a tendency to be repeated while those that are not would end up being done away with (Niraj 2009).

B.F skinner later came up with the operant conditioning and it states that human behavior is regulated and controlled by the environment surrounding an individual (Bowditch et al. 2001). His basic assumption is also based on Thorndike's earlier work of law of effect. Skinner 1953 suggested that employee's behaviours that led to positive outcomes were to be repeated and those behaviours that led to negative outcomes should not be repeated. This theory places a lot of its emphasis on what happens to an individual once he or she takes a certain action thus the inner drives of individuals are ignored by this theory as it overlooks the inner state of the individual. For this theory to be effective Skinner highlights that organizations role is to ensure that the external work setting is designed in a way that will effectively motivate the employees.

Reinforcement theory underlines four basic techniques that could be used to modify employee behaviour and even boost their motivation. These approaches are positive reinforcement, negative reinforcement, punishment and extinction. The positive reinforcement is a technique based upon evoking and enhancing new behaviours through the addition of rewards and incentives without the elimination of the benefits. Organizations can be able to achieve this by introducing fringe benefits like promotions slots and even pay bonuses at the workplace. Positive reinforcement could also be intangible in this case recognition by the employer, e.g. an employer could easily give an employee a pat on the back for successfully handling a difficult customer (Niraj 2009). This type of reinforcement has been discussed by many reinforcement scholars as the most effective channel to sustain desirable behaviour (Bowditch et al. 2001). However the negative reinforcement is equally as important if any desirable behaviours are to be repeated. By avoiding actions that could lead to negative consequences the likelihood of having what's considered to be good behaviour in a workplace being repeated is quite high. This can be portrayed in the following example if an employee comes late to work two days consecutively and gets scolded for doing so, if by the third day he is able to show up in time the supervisor should not reprimand him. By doing so it will encourage the employee to try and keep time in the near future since he would like to avoid the repercussions that come accompany lateness (Niraj 2009).

Punishment reinforcement is another approach that aims at removing any unwanted behaviour. The main focus with this approach is to discourage those type of habits that are not supposed to be repeated. This approach is seen as a straight forward method of curbing bad behaviour as it is not difficult for the employees to understand when they are being punished for wrong-doing (Bowditch et al. 2001). A recent study on punctuality indicated that employees who were fined for being late to work tended to be more effective in the daily duties. The study further indicated that paying of fines to co-workers was a good tactic in improving the employee attendance as many of the workers would rather pay the fines to the employer than their own colleagues (Siang 2012).

In conclusion managers are expected to find out and implement strategically the appropriate approach in order to either elicit or eliminate certain behaviours in a workplace. As we examined earlier the positive reinforcement seems to be the best method in encouraging and motivating employees to perform better in their delegated tasks. Employees who are always encouraged to do better tend to have desirable behaviour as they already know that positive rewards await them. Moreover punishment reinforcement seems to work when negative habits are to be eliminated as employees who are penalized tend to show better discipline, however it should be enforced with caution as too much of it may end up being counterproductive and cause a decrease in the morale of workers thus demotivating them (Wei, Yazdanifard, 2014).

### **2.5.5 Four Drive Theory**

The four drive theory was developed by Paul Lawrence and Nitin Nohria who are professors at Harvard business school. In this theory they both state that everyone has an intuitive drive to acquire, bond, learn and defend whilst incorporating emotions and rationality.

The first drive is drive to acquire and its best described as a spur to seek, take, control and hold on to objects and personal experiences. The drive to acquire is not only about getting basic needs like food and water but also consists of self-concepts like being recognized in the society through prestigious status. The second drive is drive to bond whereby individuals tend to form social relations and foster mutual commitments with other people. It is the reason as to why people will connect with distinct social groups that have the same mindsets as them. Bonding tends to motivate people to work in cooperation with others hence it is an integral part of any organization if any success or progress is expected. The third drive is the drive to learn and this is characterized as the drive that makes us as individuals to want to satisfy the curiosity within us so as to better understand ourselves and the surroundings we are in. There is always that information gap within us that yearns to be filled especially when we are observing something that may appear erratic or is not in the confines of our current knowledge. Just as Maslow's self-actualization growth needs the drive to learn is also classified in the same level. Last but not least

is the drive to defend and safeguard ourselves both socially and physically. The drive to defend is quite symbolic to the response fight or flight when exposed to a crisis. It is not only about protecting ourselves physically but also the relationships we have forged with others, the belief systems as well as what we acquired financially (McShane et al. 2010).

The Four drives are all internal and universal thus they are found in the brains of all human beings. All of them are independent of one another thus no hierarchy is present neither is one drive superior or inferior to the other. Three of the drives however are constantly proactive and only the drive to defend is reactive as it is triggered by threat. Four-drive theory has a holistic approach as there is a relation between all the drives and also a humanistic approach since it relies on the role of social impact and human thought and not just intuition (McShane et al. 2010).

In an organization setting this theory is recommended so as to establish a platform in which the work setting provides a uniform space whereby all the drives can be fulfilled in a balanced manner. This means that employees can only feel motivated if they are provided with the best workplaces that are accompanied with conditions that will help them accomplish all the four drives. The management can achieve this by implementing reward systems, opportunities for learning in order to foster growth as well as social interactions avenues so that staff can connect with each other. It is also critical to have a balance among all the drives when fulfilling the four drives. Organizations are advised not to put too much or too little attention when trying to fulfil each drive. This is because as mentioned earlier all the four work together harmoniously and dependently with each other e.g. if a company encourages the drive to acquire and neglects the drive to bond chances are that in the long run the cases of disputes and rampant behaviour among the employees will be frequent. Moreover constant change in the company might lead to the drive to learn however too much of it may provoke the drive to defend to the degree of the workers becoming defensive and territorial as they resist any chances of further changes. Thus organizations should ensure they give enough opportunities for all the drives to be fulfilled in a harmonious manner (McShane et al. 2010).

### **2.5.6 McGregor's Theory X and Theory Y**

Theory X and theory Y was created and developed by a man known as Douglas McGregor in the 1960s during his time at MIT Sloan School of management. These two theories describe the kind of attitudes employees have in relation to workforce motivation and have been put into use by many organizations around the globe. McGregor's proposition is that most managers usually base their assumptions about people on either one of his two theories, theory X or theory Y (Tyson 2015). According to McGregor theory X basic hypothesis is that people are passive and uninterested and sometimes resistant to organizational needs unless there is active interference by the top management. This is due to the nature of an average man being unambitious, indolent and inherently self-centered and will try and avoid responsibility at all costs. He however points out that this kind of behavior is not an effect of man's innate nature rather an outcome of management philosophy and practice (Latham 2007).

Theory X can be examined from a traditional point of view whereby the main incentive is constant supervision which is necessary for the theory to be effective in an organizational setting. Hence the managerial approach in regards to employee motivation highly emphasizes total control of the employees from the higher level of managers to their subordinates because it is all about the pain and fear (Stewart 2010). It is for this reason that McGregor states that people end up adopting defensive postures because they want to group up and beat the system with any chance they get. Already the management expects such results from them hence when they do react this way it comes with no surprise (Tyson 2015).

Some of the assumptions managers bestow upon their employees when theory X is in question is that due to people having a dislike nature towards work they tend to avoid it. The employees also lack a sense of responsibility thus very little ambition and above all coercion and sense of control has to be established by the managers to get people to do their work. In most cases threats of punishment is also used so as to pass a message to the workers that there will be harsh consequences if they don't meet their end of the bargain as far as work is concerned. The underlying element of this theory can be concluded to base its belief on the negative aspects of

people as a motivational technique because the managers have to motivate their junior staff members with pessimistic approaches like punishment, aggression, controlling and coercion to get their duties done. It is paramount to note that theory X is mostly suitable in governmental or public sector organizations where people's trust is quite questionable. Unlike the government offices, the private organization sector cannot apply this theory since the assumption is that they promote freedom and autonomy and also people are more likely to be trusted (Rao, Kumar, Tej 2010).

Theory Y on the contrary is more aligned towards the positive aspects of people. According to Stewart, human beings are seen as active comparatively to being passive shapers of their own selves and their surroundings. The proper way to manage such people is to supervise as little as possible and give them space to thrive on their own ((Stewart 2010). Some of the assumptions regarding theory Y is that people relate the nature of working to that of play or rest and in most cases they aspire to exercise self-direction and self-control especially if they are committed to the organizational objectives. In addition the average person is capable of learning to accept or pursue responsibility as well as shun laziness. In fact they have become diligent due to the consequences they have experienced when they tried to be languorous (Rao et al. 2010).

This theory further states that under the appropriate conditions people have the potential to be creative and innovative and apply such applications to their workplace. Since the private organizations are more inclined towards performance rather than procedure this theory is mostly applicable in the private sector. Employees in such organizations are motivated through creation of techniques that lead to job enrichment. Additionally they have ample freedom to decide on their work, which activities to partake in as well as making their own decisions which would lead to organizational performance (Rao et al. 2010).

In conclusion Stewart portrays how theory X is viewed in today's corporate world, almost as that of a state of conflict. In World X managers come across as eyeing every single step taken by their subordinates during daily operations due to the magnitude of mistrust present. The number of employees who may be eager to call out their bosses due to their autocratic approaches of leading is quite few, and often

not so many managers are enthusiastic with identifying with the idea of being harsh or mistreating their junior colleagues. On the other hand theory Y is seen as a peaceful state in which both the managers and workers are in total agreement and embrace each other as they pursue the journey towards empowerment and personal fulfilment. The vision according theory Y is that freedom and self-realization propagates tremendous productivity (Stewart 2010).

### **3 PERFORMANCE AND MOTIVATION**

This chapter will define what performance is and the link between performance and motivation. By taking a deeper look into to performance it will help the reader to understand how the two intertwine and how employee motivation could eventually influence the overall performance of the staff in a company. In addition the measurement of performance in an organization and also how rewards impact motivation will be discussed in this chapter. To conclude a summary of the theoretical framework will be included.

#### **3.1 The Link between Performance and Motivation**

Since the beginning of time business leaders have always strived in sustaining good work performance in their organisations. In a world that is full of competition working hard is no longer enough, employees have to perform better and in a continuous manner lest the competitors catch up with them. It is therefore correct to say that motivation and performance work hand in hand and they are both important factors for the workforce of a company (Stredwick 2002). Having noted that these two are connected it is important to understand what performance means and exactly what does it entail.

Performance is a complex concept and it can be interpreted in a lot of different ways (Hutchinson 2013). Greene states that the definition of performance can be in terms of results, behaviours or both. He further argues that when measuring results in a quantitative manner there are some advantages that accompany this e.g. the subjectivity required is reduced. However it is important to note that not all jobs can use these quantitative measures because in some cases what can be counted

may not hold any significance as what may be judged subjectively. On the other hand the behavioural measures when performance is concerned is suitable for most job if not all. However measuring behaviours have been on the receiving end of criticism because of the subjectivity involved with it (Greene 2011).

Hutchison further adds that performance can be defined simply by the outputs or achievements which have been pre-set by certain objectives or the units that have been produced. She however states that this type of definition has some limitations as it disregards the factors that are outside the control of an individual that may end up having an impact on the performance realized i.e. there is no explanation of the 'how' of the performance. Alternatively just as Greene asserts that performance is also about the behaviours of an individual, Hutchinson also affirms that focus could also be pointed toward employees behaviours or actions as a way to understand what performance is all about (Hutchinson 2013).

There are many definitions for performance management depending on what context it is used. Some relate performance management to a formal performance appraisal process while others see it as a way to measure the performance in an organization or the pay that is awarded once a certain level of performance has been achieved (Hutchinson 2013).

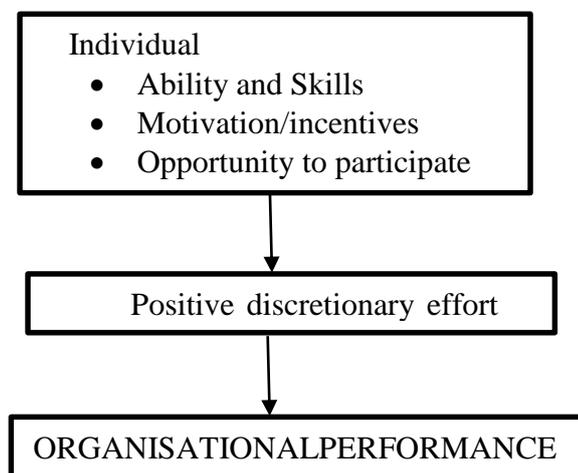
Dessler defines performance management as a process in which companies make sure that employees are working towards achieving the organizational goals of the company. Managers are expected to define the employee's goals and work, develop the skills and capabilities of the workers and then conduct an evaluation of the person's goal-directed behaviour so as to properly reward the individual in a manner that is coherent with the person's and the company's needs (Dessler 2009). It is important to note that with performance management, how performance is defined should be in a way that is apt with the organization's context as well as the set objectives of the company. The company should also be in a position to measure results and compare the actual results to what is expected or required. Furthermore when defining performance it should be in a manner that is fair to all employees or other parties involved. This is because performance management is deemed as an important element of the psychological contract entered into between the employer

and his employees. In the event that the employer defines performance in a criterion that is unacceptable to the employees or maybe the set goals by the employer seem unreasonable to achieve by the employees, conflict is likely to arise. This kind of conflict could have a negative impact on the employees and reduce their motivation in accomplishing the organization's expectations. In conclusion it is imperative for organizations to ensure that they define and manage performance in a mutual aggregable manner so as to generate more employee commitment and motivation towards performing better in the objectives of the company (Greene 2011).

There is a significant connection between some of the theories that were discussed in chapter 2. The goal setting theory has close affiliation to the performance management concept. Locke pinpoints conditions that are necessary in order for the goals to be effective and induce motivation like behaviour and at the same time influence performance. Some of these conditions suggested are that goals should be clear cut and challenging. Research suggests that companies which present specific challenging goals often translate into better performance than those do your best kind of goals. When goals are ambiguous chances are they will not fully communicate the intended purpose. Those in charge of setting the goals should carefully scrutinize the goals they have set in order to remove any confusion that may be accompanied by having vague goals. In addition, the set goals should be attainable, when individuals feel that they cannot be able to achieve what has been set by the management because they term it as difficult, it is highly likely they will end up being demotivated thus reducing the level of performance. The most common factor that is responsible for individuals feeling incapable of achieving the expectations set upon them, is that they lack the adequate skills and the know-how required. Organizations should therefore ensure that their employees have enough resources to train, learn and develop their skills so that they are able to be in a position to achieve the set expectations. Last but not least feedback is also another important element of the goal setting theory. Feedback should be provided in a prompt and precise manner to the employees. This allows management to communicate to their workers if they are performing well or not. It also provides an open forum to exchange ideas and suggestions on how to improve on areas that performance may be poor. It is worthwhile to also note that Equity theory has some

valuable contributions to performance. The theory revolves around how feelings of inequity or equity may be formed based upon what people perceive to be fair or unfair. The more the pressure on what is perceived unfair the more motivated an individual becomes to want to take action so as to reinstate equity. E.g. an employee who perceives that the salary he or she receives is lower than the other co-workers, the more this individual is likely to reduce the effort on his or her job. This will have negative effect on the overall performance as it will lead to poor performance and the person may not be willing to co-operate because they feel they are being treated unfairly. The motivation will also be affected in a negative way. On the contrary the employees who discern that they are being over-rewarded will want to maintain the status of being over-rewarded. They will work an extra mile to ensure that they do not lose the equity being awarded to them. The motivation for such individuals is definitely high are more likely to be perform better at their tasks (Hutchinson 2013).

Consequently from the above discussion, it is correct to infer that there is a connection between motivation and performance. The focus point however is to understand that there is a differentiating factor between motivation and behaviour when performance is involved. Motivation itself is a psychological state and the outcome of motivation is the behaviour. Only through taking action does motivation truly become connected to performance (Kurose 2013). The common belief has been that, highly motivated people always deliver a better job performance but it is important to note that performance is not only dependent on motivation. There are other key factors like ability and skills as well as opportunities to participate that contribute to performance as demonstrated in Figure 6 below.



**Figure 6.** The AMO model of performance adapted from Appelbaum 2000 (Hutchinson, 2013)

The AMO model of performance represents A (ability), M (motivation) and O (opportunity) a framework initially proposed by Bailey in 1993 then later developed by Appelbaum in 2000. This model has become worldwide accepted as a way to show how the HR policies can work and influence performance. The proposition of this model is that HR practices reinforces on improved employee performance through the development of employees abilities to carry out their tasks at the same time promotes employees motivation for their discretionary effort. This ensures that the workers have the opportunity to completely utilize their skills and be motivated. A good example on how the HR policies can achieve the proposed goals and even influence performance through the AMO model is: A (ability) is something that is determined in the early stages of selection and recruitment, and this is achieved by evaluating the capabilities of employees recruited so as to select the ones' having the right competencies. Training and development is also crucial in that it allows the employees to garner new knowledge and skills. M (motivation) is basically altered by either intrinsic rewards like career advancement or extrinsic reward e.g. financial pay or bonuses. Having regular performance reviews with a good channel of feedback is also another way that could impact the employee's motivation. The workers want to feel that their positions in the company is safe and the work-life is balanced as well as be provided with good career development opportunities. All these can determine the degree of motivation in an organization depending on how well these issues are catered for. Finally O (opportunity) is prompted by creating teamwork contingencies as well as involvement initiatives, communication channels, job rotations as well as job design. This particular feature has been acclaimed by many researchers as the source that marks high-performance working practices out from alternative HR disciplines (Hutchinson 2013).

Improving on performance seems to be at the back of the mind of most business executives. This is why companies all over the globe are constantly trying to motivate their workers in order to ensure that they are productive and at the same time their needs are well-catered for. A well-motivated workforce is easily recognizable as it has common indicators that show the employees enjoy what they

do on a daily basis in a company. Some of these signs can be pinpointed and one is able to notice them immediately you walk into an organization: employees always seem to enjoy their work and team work seems to be the order of the day. The focus is always on achieving good results and the energy and robust they exert in the tasks given is quite high, they are willing to give more than a hundred percent towards their work. They are also prepared to go the extra mile be it for the customers, managers or even the company when necessary etc. (Stredwick 2002). One may say that all these traits cannot occur at one time, but it is not rare either. For those companies which have been able to tap into their employees and put the required measures to ensure that their employees are constantly motivated, they are likely to have these traits and their performance levels are progressive.

### **3.2 Performance Measurement**

The ability to measure performance in any organization objectively, depends highly on setting realistic targets that will be able to determine and review prior performance. Having appropriate measures of performance is crucial especially during giving back of feedback, developing more areas for positive performance to thrive as well as allowing room for poor performance to be properly addressed additionally to taking disciplinary action to improve on such areas. It is therefore noteworthy that these measures be viable and reliable in matters concerning promoting the desired performance along with identifying accurately the assessment of achievement (Wilton 2013).

As I discussed earlier there are two major ways to measure performance, the first is to target the results or outcomes of performance where it can be quantified and the second looks at ranking of performance where it cannot be measured quantitatively. Measuring behaviour is quickly gaining more importance as many companies are more concerned on ensuring that their employees display the kind of behaviour and competencies they want likewise to establish the mechanism by which the aspired objectives are accomplished. When measuring performance it is vital to note that the nature of the job or company may determine what kind of measures will be used to assess the performance levels e.g. public parastatals may be more concerned about service delivery to their local citizens and the value placed on the money

being utilized to give these services, while Private sector companies may fixated on fiscal revenue in addition to using metrics that help them to make well informed decisions on matters pertaining performance remuneration. Decision makers are therefore advised to make contingent plans when designing performance systems to ensure that they suit the organization's local events as well as flexible and adaptable in the event of unforeseen circumstances on the performance achieved (Wilton 2013).

The setting of objectives requires managers to be acquainted with the abilities and expertise of the employees conjointly with the objectives of the various departments in a company. Moreover the top management should be in a position to interpret the objectives in relation to tasks and behaviours and then designate the tasks to the most applicable team or individual. To gain the best results, the foundation of this process should be conducted in a manner that is fair and the aim should be to offer jobs that are motivating and provide room for the employees to employ the finesse and expertise they have while at the same time having opportunities for personal development (Pilbeam, Corbridge 2002).

Performance objectives are made in-order for them to be effective in the long run and it has been suggested that this can be attained by having SMART objectives: which means S (specific), M (measurable), A (attainable), R (realistic), and T (time-bounded). Furthermore the employer and employee should agree on the set objectives and should not be imposed. There is usually a high chance of success on those objectives that have been agreed by both parties as they carry more legitimacy than those which are enforced. In the interest of maintaining relevance of these objectives they should be flexible enough to allow room for renegotiation in the event of change of circumstances. Finally they should be auditable so as to allow the ratification of decisions concerning reward and rating. In conclusion the fundamental to the success of performance management is to set objectives and measures that clearly indicate the overall picture of the whole job performance. If the inaccurate dimension of the job is measured then management is bound not to learn anything essential concerning the performance of the employee as well as what their contributions are to the company. Chances are that the workers will react

in a negative way to objectives that do not naturally advance the overall performance thus the impact on the individual job satisfaction and motivation will be adversely affected (Wilton 2013).

### **3.3 The Link between Rewards and Motivation**

Rewards are termed as a universal and global language as people all over the world tend to respond positively to a work environment that is supportive and caring. Performance and rewards can be a driving force for individuals to accomplish more than their expectations. Comprehending what motivates individuals is quite important for the management to know as it will help them to tap into the various ways to ensure that they are able to successfully motivate their workers (Nieto 2014). So what are rewards? As I mentioned earlier in the introduction, motivation is the inner drive that enables us as individuals to want to take action, rewards on the other hand is what you get after the behaviour or course of action. Bratton defines rewards as to everything that is financial, non-financial and also psychological awards that are provided by a company to the employees after performing diligently in their designated duties (Bratton, Gold 2007). It is vital to understand the distinction between these broad categories as they are quite different.

The financial rewards are the earnings or pay a person gets at the end of the month and mainly consists of basic pay e.g. salary or wages and also may include bonuses or conditional pay which could be tied to individual performance as well as overtime pay and commissions. Non-financial rewards on the other hand are intrinsic rewards that come directly from the work individuals undertake additionally to the work environment they are in and bonds formed from the work setting. Feelings of wanting to be valued, praised and yearning for recognition after accomplishing a task are some of the non-financial rewards. Moreover issues of promotion, career advancement and also personal growth and development are considered to be falling under this category. Last but not least are the benefits which are payments that are added to the financial rewards and hold some financial value, they may include paid holiday leave, pension plans, occupational sick leave pay, company car, gym membership, sports club membership, extra annual leave and

provision of child care services etc. From the above list it is obvious that some of these benefits are implemented to enhance the commitment of employees as well as cater for their welfare needs (Wilton 2013).

When examining rewards the aspect of extrinsic and intrinsic motivation is imminent, hence it is significant to understand what these two terms mean. Extrinsic motivation focuses more on financial rewards that may include bonuses and pay, commissions, benefits like use of company cars or even cafeterias (Wilton 2013). The rewards from extrinsic motivation are tangible and don't come from the work itself, usually they are created by the supervisors to ensure that employees do what they are supposed to do and follow the rules. For a long time the extrinsic rewards have been deemed as an easy option when it comes to motivating employees as they offer the top management the chance to hover around their subordinates closely supervising to make sure that the rules and regulations are being followed and that work is being done as expected, if not they can decide to withhold rewards. However in today's world the dynamics are changing and individuals are looking for more than a fat check in their account. Having a chance to work in an environment that is innovative, challenging and interesting is something that more people are keen to engage in as it offers more opportunities for personal development: this is where intrinsic motivation comes in (Thomas 2002).

Intrinsic motivation lies more on the lines of aiming to satisfy employee's psychological needs which may include recognition of accomplishment, provision of challenging work that is interesting as well as favourable chances for both personal and professional development. Management of rewards certainly traverses multiple facets of human resource management including training and development, employee relations as well as management of performance. Organizations therefore are encouraged to create reward systems that are beneficial to the employees and their employers in order to maintain a bilateral employment relationship between them (Wilton 2013). Further-more as far as motivation is concerned the expectancy theories of motivation has clearly indicated that employees can only feel motivated if the rewards they are receiving are valued by the recipients, if the one receiving the reward does not really value it then it is highly

likely that he or she will not be motivated by it (Wilton 2013). Rewards can be regarded as elements that could shape the attitudes of employees towards their job and company. If they are dissatisfied with the way the reward packages have been made then it is likely for them to react with their actions. Their performance will probably go down and also the intent to quit the job or change jobs is highly likely. In worst case scenario dysfunctional behaviour such as strikes are likely to occur (Wilton 2013).

The motivation theories in chapter 2 offer some suggestions on how rewards can be implemented to elicit motivation like behaviour. The expectancy theory of motivation suggests that individuals have different preferences towards particular outcomes. Identifying what outcomes or rewards are important to the individuals and the value they have placed on certain outcomes is vital. E.g. Organizations that have generalized reward packages of pay and allowances may face the problem of motivating everyone in the company. This is because as previously mentioned in the introduction money may not be a motivator for everyone. Some people value having recognition for a job well done over banking a fat check. Reward packages should therefore be individualized to ensure they cater for the intended purpose. Organizations should try and find out what type of rewards motivate their staff and actualize such rewards (Hutchinson 2013). Employees whom are satisfied with their reward packages show some commitment level to the job and motivation will be evident. Therefore top management should keep this in mind when forming the reward packages to ensure that the rewards they give out are satisfying the employees' needs.

### **3.4 Summary of the Theoretical Framework**

In conclusion to the above theoretical discussion we can say that each of the motivation theories that have been discussed have contributed towards an understanding of what employee motivation entails. The concept of motivation is quite a broad subject that has been studied over the years by various theorists and their research works helps us to understand how motivation could be incorporated in the workplace successfully. Motivation could be categorized into two categories namely the content theories and process theories (Stredwick 2000). Having a well-

motivated workforce is very essential in today's business world if any organization is to succeed in a marketplace that seems to be ruled by cut-throat competition.

A lot of companies have realized that having a well-motivated personnel could easily steer them towards achieving the company's goals and objectives in a successful manner. However most business leaders and managers could agree on one thing that it is always a challenge to keep their employees motivated and productive in a work setting, the reason behind this is because individuals are different and this translates also to what kind of needs they deem important. The reality is that what may motivate one person may be entirely different to another person, it is therefore pivotal for the top leaders to understand what motivates each individual so to properly influence them since everyone is unique (Broder 2013).

The world today is bombarded with a lot of information about what technologies improvements should be implemented to ensure that a company stays ahead of competition that it is so easy to lose sight of what is important. Motivation of employees is an important aspect of any organization and issues pertaining employees should be clearly assessed: happy satisfied employees will often do their very best in their job and take good care of the clientele. Top management should therefore implement the correct motivation theories keeping in mind that different individuals are motivated by different factors. As Vroom 1964 asserted people have different preferences for particular outcomes it is therefore crucial for those responsible for creating reward packages to keep this in mind so as to ensure that they are catering for everyone's needs in the company. If the reward packages are catering for the needs of employees the likelihood to perform better in the daily tasks will be high.

Maslow's work is the most common theory of motivation and has remained very influential as it is used to identify behaviour depending on the range of needs, motives and drives. His ideas have been incorporated by top management in many companies so as to help in matters concerning rewards, work design and management styles. Maslow's perspective is that a need cannot be a potent motivator until the lower needs in the hierarchy have been more or less satisfied. He continues to assert that individuals have an innate desire to want to move up the

hierarchy in order to satisfy the higher-order needs after the lower needs have been successfully satisfied. The frustration comes in when one is unable to satisfy a particular need thus negative feelings of lack of self-esteem which may affect the individual's ability to sustain good relations with others. This can adversely affect a person's level of motivation. Finally Maslow maintains that the self-actualization level inspires a yearning for more, in fact he states that those who are able to experience self-actualization have peak experiences and this energizes the self actualizers to want to have another experience of being self-actualized. It is critical to note that this level cannot be satisfied the same way as the other level of needs (Buchanan et al. 2013). Although this theory does not allow prediction of individual behaviour it still very relevant in today's business world.

The Herzberg theory two factor theory is a development of the Maslow's hierarchy of needs but rather classified into to two categories called hygiene factors and motivator factors. The hygiene and motivator factors corresponds to the Maslow theory of lower and higher level of human needs. The hygiene factors are categorized as those determinants that surround a work situation and have to be constantly scrutinized in order to prevent dissatisfaction. They may include pay and rewards, work conditions and security etc. All these aspects are essential in attracting employees and neglecting them may cause dissatisfaction, however they cannot actively boost motivation. This is because Herzberg believes that motivation has to come from within an individual and the opportunities available for him from the job for self-fulfilment (Tyson 2015).

Moreover, this theory emphasizes that the nature of the job is an influencer over an individual's level of motivation. Employees are looking for interesting jobs that will allow them to have a certain amount of control and responsibility in the work duties accorded to them. Further-more the interest of the work and also the challenges that come with it as well as the interactions held between the parties involved and the common belief they share amongst themselves during a particular task that whatever they are doing is significant also seem to be important factors that could lead to motivation (Stredwick 2002).

The Herzberg theory has had its fair share of controversy in that it generalizes its applicability and not enough account is taken when it comes to individual differences, nevertheless Herzberg insists that motivation can only truly come from within thus managers cannot enforce motivation on their employees but they can stimulate the motivation from the employees(Tyson 2015).

Alderfer ERG theory is more relatable to Maslow's work due to its hierarchical ordering of existence, relatedness and growth. Alderfer suggestions are that rather than viewing these levels as distinct grouping they are more of a continuous progression. Unlike Maslow's where one has to satisfy one need to move to the next level the ERG theory proposes that more than one need can be actuated at any one time. In addition to proceeding up the hierarchy there is also the possibility to move down the ranking which in other words is known as frustration regression process. This is likely to occur if an individual reaches a point and feels like he lacks the ability to grow in ways he desired thus leading to frustration e.g. a job could be insufficient in providing possibilities for career advancement thus for those individuals who want to get to the next level of their career might end up being frustrated due to lack of these opportunities. If a person is frustrated that has some negative impact on their motivation. Managers are also encouraged to turn their focus on the relatedness needs and form interpersonal connections with the employees to better understand what kind of needs each particular individual has. By doing so they will be able to provide the right contingencies for the workers and successfully fulfil their needs. This theory is able to indicate how a person may be likely to react if the desired needs are not satisfied (Hutchinson 2013).

The McClelland theory of learned needs has also contributed towards the motivation theories and he affirms that motivation is influenced by three innate needs which are achievement, power and affiliation. He asserts that people tend to develop a bias towards one of these attributes which could be based upon experience or development through learning and training. This theory however states that the needs vary depending on an individual's position in the hierarchy e.g. employees holding non-managerial posts have a likelihood of being motivated by need for affiliation unlike the middle-level managers who could be motivated by

the need for achievement. Moving up the ranking, senior managers will tend to feel more motivated by the need for power. McClelland's theory has been widely accepted but some critics still argue that his suggestions that some of the higher level of needs of achievement could be taught through training are questionable as this may require a momentous alteration in a person's temperament (Hutchinson 2013). Having examined these four theories it is correct to say that there is a correlation between the four of them and it relies on one main characteristic which is to determine the specific factors that motivate people. After identifying what needs motivate individuals then they relate the motivation in order to satisfy the needs.

The process theories of motivation have been described as those that try to create an understanding of the psychological process under which a person goes through to make motivated decisions. Unlike content theories that focus on what specific factors that motivate people the process theories show that what may end up motivating an individual to perform better than other may not be similar to everyone else.

The expectancy theory by Vroom has three basic factors combined that help to determine just how much effort an individual may be willing to exert and has been simplified in a formula  $\text{Motivation} = \text{valence} \times \text{Instrumentality} \times \text{expectancy}$ . In simple terms the valence poses the question: How much does an individual yearn for the potential outcome? While the instrumentality asks the question: If a person takes action, is she or he able to attain the required result or outcome? Finally the expectancy poses the query: if the individual tries are they able to carry out the action that they may be considering? (Hutchinson 2013, 62)

The connotation behind this theory is that individuals tend to dispense more effort at tasks that will yield to desirable good performance or outcomes that seem to have value. Vroom continues to argue that if either the valence, instrumentality or expectancy is zero then the overall motivation to proceed and take action will also end up being zero. If the person feels that they cannot attain the outcome the obvious path at this time is not to take any course of action thus no motivation whatsoever even though the rewards have good potential. This theory has definitely offered

some very helpful insights on how motivation can be managed in a working setting. Managers are encouraged to set the expectations during the onset of selection and induction on new jobs as this will reduce the chances of bombarding employees with exaggerated expectations. Jobs and tasks should also be clearly defined to avoid conflicts and also ensure that the set expectations are in a position to be met. Moreover employees should be provided with the necessary resources of training and learning so that they can garner the required skills and knowledge to help them in their designated tasks. When they perceive they have ample abilities to carry out their duties it will definitely be reflected on their good performance at the workplace. The theory also clearly states that the link between performance and rewards should be well communicated to the employees i.e. proper communication channels should be set up in order to inform the workers that once they perform well their efforts will not go unnoticed. Still on the rewards issue managers are also advised not to generalize the reward packages as the value towards them by individuals is not always the same. Instead they should spend enough time to try and discover what kind of values are valued by employees and target on the kind of rewards that will boost their morale and give them initiative to want to perform better. To conclude on the vrooms theory of expectancy it is highly important that the rewards that have been promised to the employees match up to the available options. Making empty promises will only lead to the workers getting frustrated and demotivated (Hutchinson 2013).

The Goal theory by Locke 1976 also has provided major contributions to the process theories of motivation. This theory also has some similar elements to that of Vroom's. The bottom line to this theory is that behaviour can be determined through a person's goals at a specific period of time. The goal theory carefully analyses the group of goals that are most effectual in initiating and maintaining high levels of performance and how this whole process takes place. For the goals to be effective they are some parameters that have to be present: The goals should be challenging and at the same time specific. Some researchers have proven that having challenging goals seems to produce better performance. The goals should also be set in an objective manner to allow performance to be evaluated. They should also be attainable and time bound. By having deadlines on goals, employees

become aware of how much time they should spend for a particular task over a period of time. It is also important to note that when goals are difficult, chances are that the employees will end up being demotivated. It is also vital to note that commitment towards the goals by employees can only be accomplished if they have a sense of ownership to them, this can be achieved by allowing the workers to be more involved with process of selecting goals. Last but not least the feedback process is very important. By giving back feedback employees are able to know how they have performed and what areas they need to improve on.

Equity theory is also a major contributor to process theories of motivation and the bottom line to this theory is that individuals base their perceptions on fair treatment. Adams 1965 argues that people are motivated to take action when they observe some form of inequity or unfairness. Inequity may happen when one gets that they got less or more than they thought they deserve. This theory tries to explain behaviour by using the perceptions surrounding social comparisons. The higher the perceived inequity the more the tension is likely to build up thus the more motivation to act. Adams insists that issues to do with reward are also perceived differently, it is highly like that those who get over rewarded view this as a token of good luck but those who get an under reward cannot tolerate this injustice. Adams also proposes that there are ways in which inequity could be resolved or reduced. Depending on the perceptions that individuals may have regarding the inequity one can either alter the outcomes, adjust inputs, compare with someone else, change the comparisons input, change the comparisons outcome, rationalize the inequity or quit and leave the company (Buchanan et al. 2013).

Reinforcement theory is also another theory that was examined in the theoretical framework and the basic assumption to this theory is that the human behaviour or motivation hinges on the surrounding environment. Skinner 1953 states that human behaviour or motivation is highly influenced by the ramifications of that behaviour. From a work setting point of view, managers need to promote the behaviour by manipulating the consequences of a particular behaviour e.g. in order to curb lateness managers should provide a reward for those who get to work punctual. This way the workers will want to get the reward thus will arrive to work early. The

managers will therefore be able to control the times workers arrive late to work. The theory continues to propose that positive reinforcement should also be encouraged as it is the most effective when it comes to bolstering desirable behaviours. Furthermore the negative reinforcement has also been discussed and it can be also efficient in boosting the desired behaviours by ensuring that those behaviours that lead to negative consequences are completely avoided. Finally punishment is also another dimension to the reinforcement theory and by implementing punishment the aim is to ensure that the undesirable behaviour is completely abandoned and not repeated (Bowditch et al. 2001). However some studies have indicated that punishment may not be welcomed by all employees as they perceive it as punitive and has negative implications on their performance.

The four drive theory is a much recent theory and it encompasses four innate drives that include drive to acquire, drive to bond, drive to learn and drive to defend. All these have to be balanced as they work together in a harmonious manner. In a work setting all these drives should be given the same merit as they all have some degree of importance in motivating individuals. Management should therefore create avenues that will help individuals fulfil all these four drives.

Theory X and Y was proposed by McGregor in which he identified two different aspects which he later labelled as theory X and theory Y. His argument was that each theory has underlying fundamentals about the attributes of human actions that enabled managers to choose one approach and ignore the other. Theory X leads managers to believe that they need to micromanage their subordinates because the people are generally viewed to be lazy and lack ambition and have to be closely supervised in order to perform. These kind of people are also very resistant to adapting to any change. Theory Y on the other hand presumes that people yearn for growth and development possibilities and are responsible. The challenge for the management is that for theory Y, contingencies that allow growth and development should be provided for these individuals to allow them to grow both personally and professionally (Bowditch et al. 2001). Both of these theories have contributed to motivation theories and gives an understanding especially to those in charge of making motivational policies. This is because the business world today is composed

of a very diverse workforce thus assuming that one approach may work well for everyone might lead to conflict.

The link between motivation, performance and rewards is clearly evident as discussed in chapter 3. These three concepts even though multifaceted, if well implemented can offer great contributions on how to simultaneously motivate effectively and at the same time lead to good performance levels. It is also important to note that even though the motivation theories have been categorized as some belonging to the content theories while others are process theories there are some similarities between them. The drive to learn under the four drive theory can also be put in the same class as Maslow higher needs and Alderfer's growth needs. Individuals yearn to learn new skills and abilities to add the know-how that they may already have. Hence it is correct to say that even though the Four drive theory falls under the process theories in some way it is also related to some of the content theories. Furthermore the motivators which are under Herzberg two factor theory are closely related to Maslow's higher level of needs, Alderfer's growth needs as well as McClelland's power and achievement needs theory. Herzberg interpersonal relationship factor which falls under the hygiene factors also has some similarities with the drive to bond an element of the Four drive theory. People tend to form bonds with the people they have a close connection with or have the same affiliation. It is therefore important to ensure that the work environment encourages good relations to foster not only between the workers and their co-workers but also with the top management.

In this particular research project I decided to use the Herzberg two factor theory, because most of the issues tackled by Herzberg are clearly evident in the retail industry in Kenya. The most dominant factor was about money and how it has been considered as a source of motivation to some employees in Kenya. However money is not the only important aspect that induces motivation. A recent study by Human Capital a consulting arm to the Deloitte East Africa shows that career advancement opportunities is valued more than getting a high pay. The younger generation of workers want to have ample possibilities to further themselves up the career ladder than be stuck in the same job level for a long period of time (Standard Media 2012).

Exploring the hygiene factors and motivator factors at length will offer a comprehensive outlook on how both of them may have had some degree of impacting the current motivation scene in the Kenyan retail industry. Interpersonal relationships and supervision are also hygiene factors that theorist addresses and they too will be discussed at length in the empirical section and the kind of impact they have had on motivation and performance despite being categorized as hygiene factors. Even though the chosen theory is the Herzberg two factor theory other motivation theories contributions on the motivation process will also be examined in the empirical research. The Equity theory by Adams has some contributions on equity valuation which is determined through the comparing of outcomes or input ratios to that of comparisons other which in return may lead to feelings of inequity or equity to emerge. The more the pressure of inequity feelings the more likely motivation behaviour emerges in order to avert the inequities. Other theories that will be looked at in the empirical part of this study will also be the four drive theory, which indicates that each individual has four innate drives to acquire, learn, bond and defend. The drive to bond correlates with the interpersonal relationship hygiene factor of the Herzberg theory, individuals yearn to foster healthy relationships between them and their co-workers and more importantly the management. It is important that the work environment encourages the creation of relations that are not only good but also functioning. The empirical research will therefore not be confined to the Herzberg theory rather some of the motivation theories if not all will be represented in the empirical process.

#### **4 RESEARCH METHODOLOGY**

This chapter will take a look at the research method chosen and how it was executed in the thesis. First will look at what research methods are and the features they entail and then the most suitable research method for this study will be selected. Data collection and analysis will follow and the discussion will revolve around how the information collected is received and how it can be examined in the thesis. Lastly the validity and reliability of the thesis is the final part and this is quite important as it verifies the meaningfulness and usefulness of the study being conducted.

#### 4.1 Research Method

The research process involves collection of data at some point and this can be accomplished through a number of techniques. The research method follows a structured path in which the data collected helps to answer the research problems or questions that the researcher may have. It is important to note that the methods are different from techniques i.e. research methods involve collection of data through a combination of either case studies, analysing historical reviews, surveys and field experiments, whereas the techniques are step by step procedures that aim at finding solutions to a research problem through data collection and analysis of the data gathered (Ghauri, Grønhaug 2010).

Quantitative research can be defined as employing measurement which is objective and involving a large number of respondents. Results are based on numeric statistics and analysis. Formulas are used to calculate the sample size in order to determine how big a sample size will be required from a given population in order to consummate findings with a satisfactory degree of accuracy. Qualitative research, on the other hand, focuses on differences in quality rather than differences in quantity. The researcher's experiences and skills play a vital role when analyzing the data. The results are a combination of words or pictures rather than numbers. The sample size is rather small than the quantitative research because of the quality of data collected does not allow for a large number of participants (Ghauri et al. 2010). The differences between these qualitative and quantitative methods are summarized in Table 1 below.

	<b>Qualitative method</b>	<b>Quantitative method</b>
<b>Methods</b>	Observation, interview	Experiment, survey
<b>Question</b>	What is X? (classification)	How many Xs? (Enumeration)
<b>Reasoning</b>	Inductive	Deductive
<b>Sampling method</b>	Theoretical	Statistical
<b>Strength</b>	Validity	Reliability

**Table 1.** Qualitative versus Quantitative research methods. (Adapted from Picture "Box 2" by Greenhalgh & Taylor 1997).

The methodology that I chose to use in this research study is qualitative research method due to the fact that the topic revolves around a case study. I chose this method because I wanted to get a full understanding of how the company runs its operations when motivation is concerned so as to better analyze and comprehend the results got.

As I mentioned earlier the research is a case study and therefore it was possible to get primary data. Primary data refers to information that is originally conducted by oneself or hired individual specifically targeting the research project in question (Saunders, Lewis, Thornhill 2012). In my research process I applied some multiple questions that were directed towards the company and also conducted lengthy personalized interviews with the appropriate parties of the company so as to clearly fathom the research problem.

#### **4.2 Data Collection and Method of Analysis**

This particular project will embark on a journey to collect data through interviews and giving out of questionnaires to the relevant respondents in the company. The aim of the interview is to get a deeper understanding on how the top management has been able to motivate their employees and in which ways they are able to achieve this. Therefore I will be able to implement two sets of questionnaires: one for the Branch Manager of the supermarket and another one for the employees. The idea is to analyse the information I get from the management with that of the employees so as to clearly comprehend how both parties are able to achieve a progressive motivated workforce. As I mentioned earlier this project was implemented on a qualitative approach, thus, all the information gathered will definitely illustrate a deep review of the company. The interview with the branch manager is personalized so that I will hand him a copy of the questions that I have prepared and then he will answer them step by step i.e. it will be more of a discussion between him and me. The second set of questionnaires is aimed at the employees and in this case I use the Likert-style rating, which aims at finding out how strongly a respondent may agree or disagree with a series of statements (Saunders et al. 2012). This rating scale includes a format of five responses to choose from and they are:

1. Strongly disagree
2. Disagree
3. Neutral (Neither agree or disagree)
4. Agree
5. Strongly Agree

Employees will have a chance to choose from either of the five and tick in the appropriate box to answer the given questions. The process of creating the multiple choice questions was based on the key aspects discussed in this thesis: Motivation tools: in this case which theory has been implemented to make sure that employees are motivated on a daily basis, the role of HRM in regards to motivation of the workforce? Moreover, another section aims at finding out if there are any communication approaches in existence between the employees and management, what performance changes have been experienced since the inception of the company and finally whether the company use reward systems to boost motivation among the workers. As the company studied is located in Kenya, I began by sending a cover letter to the company via a courier service with all the information about the research project and why I wanted to study this particular company and how I would collect the results. I also had to do a follow up via a telephone call so as to set the date for the face to face interview with the branch manager and also hand out my questionnaires to the employees. The employees were the first respondents and based upon the answers they gave I was able to formulate a set of interview questions for the branch manager.

#### **4.3 Reliability and Validity**

The truthfulness and the credibility of a research project is quite important and this is where reliability and validity play a key role. Reliability refers to the extent to which a test may produce similar results after repeated trials. It is based upon consistency, veracity and credibility and the idea behind is that the design used can be replicated by another researcher and still the same results will be arrived at. Validity refers to the extent upon which the research design being used is able to measure and address the research questions and objectives it purports to measure. (White, Rayner 2014). The researcher is expected to ensure that the he or she has

valid measures (Ghauri et al. 2010). The research problem of this project has set the tone of the framework of the research and the way the whole process was conducted hence it is accurate to say that there is validity in this research. Reliability and Validity are both vital criterion for analyzing the quality of measures and though they are independent aspects, there is a somewhat relation between them. At this very moment if another research on how employee motivation may affect performance in the workplace was to be conducted, results would end up being almost the same, however in a few years to come there may be some new findings or changes. This is attributed to the ever changing economic times whereby many organizations are deploying different ways to improve the overall company's performance and also company's behavior and attitudes may be different a few years from now. In this study generalization is not possible because the research method chosen was qualitative therefore the results realized in this research project are unique to the chosen case company. The validity of this project is also high because I had the opportunity to collect information from both the manager and some of the employees. This means that the study results are not biased on one side rather both parties were given a chance to give their views and suggestions.

## **5 The Empirical Research**

This chapter will review the exact results collected on company X. The research focussed on how the company X motivates their employees and if it had any influence on the overall job performance. In addition the communication methods are also discussed in this chapter.

### **5.1 Choosing the Case Company**

I chose company X because it represents a success story of how a small scale business was able to overcome the odds and become a renowned brand all-over Kenya and even beyond its borders. The supermarket came into existence after the founder, started a small shop in Nakuru, Kenya in the wake of Kenya's Independence in the early 1970s. During this period most of the businesses owned by the British colonialists were fading away and there was a rise in more start-ups by the Kenyan citizens. Today company X is a household name in Kenya and

controls almost 85 per cent of the retail industry among other giant chains of supermarkets likes of company Y and company C (Daily Nation, 2012). Table 2 below represents some of the company’s key features.

Company Profile	
Company’s Headquarters	Nairobi, Kenya
Revenue 2014	40 Billion Kenyan shillings. Approx. 360 Million Euros
Market Share	85 % as of 2012
Employees	6000 Personnel

**Table 2:** Company x profile

Bloomberg Business 2015

### 5.1.2 The Story of Company X

Company X is a private limited company that became incorporated in the Kenya in 1990 under the Cap 486, which is the Kenya Companies Act (Company X 2015). The company was first established ten years earlier in a small town called Rongai in Nakuru and would later go through a series of rebranding to become Company X (Daily Nation 2013). In 2007 the company decided to do a major rebrand and came up with a trendier name, so as to appeal to more youthful customers whom are their largest consumer base. The main headquarters of the company are located in Nairobi (Company X 2015).

The main business operations are in retail business and consists of chains of supermarkets which are spread out both locally in Kenya urban centres and also in the East Africa region. The supermarkets scope is quite divergent depending on the needs of the society surrounding the location of the supermarket. The most common one is the Mega-Supermarket and this serves consumers who are located in the urban centres. The products found in Mega-Supermarkets are usually assorted ranging from groceries, clothing, furniture, shoes, garden tools, music equipment etc. This type of supermarkets seem to be the most preferred option in the urban areas as it provides a one-stop shopping experience. The second type of

supermarket is the Express Supermarkets. These are found in areas which are not so densely populated and their product range is not as wide as of those found in the downtown areas (Company X 2015).

Overall the company enjoys a large market share by being the Kenya's second largest retailer after Company Y with a total number of 58 branches of supermarkets: 51 of them are located in major cities in Kenya while the rest are located in Uganda's Kampala region. It is estimated that the number of employees are about 6000 countrywide. Over the recent years the family-owned business has experienced some major expansion so as to increase its competition within the market. In addition the company has consolidated its hold for the low-income consumers in the Kenyan supermarket channel, however, more prospects to venture into the high-end segment are being arranged (Euro monitor international 2015).

## **5.2 Introducing the Respondent**

In the year 1992 a young man started his first job in the retail industry after finishing his one year with the National Youth Service which was program offered to high school graduates to help garner skills in different disciplines such as paramilitary training, secretarial skills as well as dressmaking. By participating in this program young graduates were able to have access to basic life skills like leadership, management skills and also discipline. During that time the company X had grown into a sizeable company and was hiring with the prospects of expanding business all over the capital city of Kenya, Nairobi. Working at a supermarket was the only available job and this would eventually become a source of livelihood for the following years to come. It was not hard to get fully immersed on how an efficient supermarket operations are run on a daily basis and having expertise in basic Microsoft computer skills, management basics as well as basic customer handling service skills propelled this employee to become a branch manager at one of the company's stores. Since at that time no work experience was required when applying for the job, his passion for retail industry gave him the drive to want to learn more about the business and this provided him with new opportunities to advance both personally and professionally. Today his tasks as a manager includes ensuring that the business operations are carried out in a smooth manner and that

each employee is doing their job as expected. The store that he is in charge of has about 140 employees and he agrees that an organization requires to have a well-motivated workforce for the company to perform well. When managing such a large number of employees an individual has to have some personal skills as dealing with different types of people can be quite challenging. This employee has been doing this for over 20 years and he has been able to master the art of dealing with the many challenges that come with working as a branch manager in a supermarket. He also thinks that in addition to having efficient motivational tools, having good communication channels between the management and employees is one key factor that may influence the motivation of employees positively (Respondent 1, 2015). Apart from the branch manager I was also able to have more interviews with a few more respondents who are employees working in the supermarket.

### **5.3 Research Results of Company X**

In this next section the results of company X (branch B in Nairobi) will be examined. In this case study, I was able to have a discussion with the branch manager and some few employees. Because I used the qualitative research method it would be impossible to have interviews with all the employees at this particular store, therefore I was only able to have interviews with a few employees at the supermarket ranging from supervisor, shop attendants, cashiers and shop assistants. This section will also review the key issues tackled in this thesis from the stand point of view of those who will be interviewed. The interviewees' will get the chance to explain if company X has been able to successfully motivate them and whether it has any implications on their performance.

#### **5.3.1 General view of Employees Motivation and Performance**

Employees hired into this company have an age average of 35 years of age, and they include some of the employees that got hired during the inception of the company as well as those who were recruited after the expansion process. Company X appreciates both freshly graduates and also those who have a long experience within the company and have gained the knowledge of the business (Respondent 1, 2015).

Over the years the company has also created internship opportunities to help those interested in retail business be able to handle real work-life situations before deciding which career path to take. Just recently, at the beginning of October 2015, the company set aside 154 million Kenyan shillings approximately 1.4 Million Euros that will be directed into training about 7,500 graduates in retail business. This program will run for five years and the aim is to see 1,500 individuals get internship training for about six months at the company's premises with prospects of absorbing about 60 percent of those who complete the program into the company's workforce. In doing so a lot of young people are able to have different employment contingencies at their disposal, thus creating more jobs for the ever growing number of unemployed youth (Standard media 2015).

The business environment today is quite competitive and having a good business model is not enough to be successful it has to be accompanied by winning employees. The employees are the most valuable asset a company has and investing in them is key if any organization wants to remain at the top of the competition. Motivation is therefore paramount as research has indicated that most of those individuals whom are well motivated are not only productive but also loyal towards the organization.

### **5.3.2 Hygiene Factors: Company X Situation**

The branch manager and the employees interviewed both agreed that motivation is very essential and a major contributor to their daily performance. Most of the respondents agreed that it was not enough to just come to work and go home, there has to be a motivating factor that drives each individual to want to show up to work every day and perform. Over the years the working ambience at the company was seen as that of a family. Employees used to work as friends and it was even reflected on the company's slogan during that time. Even though the slogan was later refurbished the platform for forming long lasting interpersonal relationships between the employees and the management was created. For many years the working atmosphere was great and it was attributed to the good working relationship between management and the employees (Respondent 1, 2015). Having interpersonal relationships at the workplace is one of the hygiene factors by

Herzberg and its presence definitely creates a sense of satisfaction while a lack of them may lead to dissatisfaction. The drive to bond, which is under the Four drive theory, is also related to the Herzberg interpersonal relation hygiene factor. One respondent described that the friendly atmosphere is very important, in her own words she mentioned that *“Most of the time I am at work it feels like my second home”* (Respondent 2, 2015). To be able to experience a home like feeling once you step in a workplace is very important it shows that not only is she motivated to want to come to work but the relations and bonds formed are also healthy and functioning. Furthermore, the motivation and commitment level towards the company is high when a person knows that he or she can rely on the management to get encouragement and support.

In Kenya almost each employee is faced with the challenge of earning a steady living especially during these hard economic times. The cost of living is on an all-time high and money issues seems to be at the back of everyone’s mind. It is no surprise that money, even though a hygiene factor, is regarded as a motivating factor to many of the employees in company X. Some of the issues that were raised in discussing the money factor was that the salary payment was low and this had direct impact on their performance. The few respondents I spoke to, argued that if the salary would be raised it would increase their morale at work and they would be able to enjoy their work even more. However, with the recession fears that have rocked Kenya’s economy over the last two years it has influenced the work dynamics to change. More companies have been looking into downsizing options and cutting costs to ensure that their relevance in the marketplace is maintained. This means that motivation issues especially those regarding finances are not been followed up keenly as before and instead wages or salaries are being reduced.

In the year 2013 the company faced its major tussle yet of ensuring that the employees well-being is being taken care of when the employees decided to down their tools and went on strike. The countrywide strike saw the company shut its doors for business as workers protested demanding a higher pay. The employees were also agonizing over the general overtime pay which the company had withdrawn terming it as unfair as a normal day’s work would last almost 15 hours

daily. Even though a collective bargain agreement had been signed between the workers union (KUCFAW) Kenya Union of Commercial, Food and Allied Workers and the company X management in November 2013 to raise the basic minimum wage to 10 percent in the year 2013 which would then rise to 11 percent in the year 2014, the company did not meet the end of its bargain and hence the employees took to the streets to protest (Herbling 2013). From the above discussion it can be inferred that even though money is a typical hygiene factor of the Herzberg's two factor theory, the employees at company X identify it as a motivating factor. The lack of good payment led to employees feeling dissatisfied with their job and the motivation and productivity was also adversely affected. It is no wonder they took to the streets in order to challenge the management for a better pay.

The morale of some of the workers was boosted when the company decided to follow up with the agreement that they had signed and eventually the strike ended. But, after two years since it happened, some of the employees still argue that more needs to be done. Each year the cost of living is rising but the salary remains the same. This means that more employees are struggling to make ends meet now more than ever with the meagre salary they are getting. Most of the respondents did agree that the increment for the salary and allowances should be gradual at least each year.

Supervision is also another hygiene factor that was regarded as important especially to the low ranking employees, in this case the shop attendants, cashiers etc. did emphasize the importance of having close supervision at their disposal. The branch manager had been able to form good working relationship with his subordinates and co-workers and communication levels between them were deemed to be good. On a normal day he would have a meeting before the store was opened just to give a heads-up on what the day's tasks would entail or communicate any new changes. It was also quite common for example if an employee had questions regarding their tasks they would easily approach the manager and ask for clarifications. The manager, however, highlighted that he was just an employee just like the other employees and was only responsible in motivating his team of workers only through motivational talks. He did emphasize that when the finances were involved he did not have any power to execute such decisions (Respondent 1, 2015). Interpersonal

relationships, money and supervision are the three factors in the Herzberg two factor theory and from the company X situation it is correct to say that though they are hygiene factors they play a major role in motivating the employees in this particular company. It is however, important to note that as much as many workers regarded these three hygiene factors as motivating factors, the motivators also play an important role in employee motivation and are equally essential as money, interpersonal relations and supervision.

### **5.3.3 Motivator Factors: Company X Situation**

Herzberg 'motivator' factors have seemingly nothing to do with money or the supervision style undertaken by the organization, their presence however leads to higher levels of motivation, performance and satisfaction (Hutchinson 2013). The motivators' are gaining a popularity among Kenyan employees as individuals are looking for more than basic pay and supervision. The manager identified with nature of work as an aspect that made him feel motivated and yearn to perform better. As previously mentioned, the reason as to why he applied to the company was because he had the passion for the retail business. His interest in the retail industry has acted as a motivating factor for this employee and pushed him to want to learn more about what it entails (Respondent 1, 2015). Even though this determinant factor has little to do with money there is a clear indication that it leads to more satisfaction and motivating than the aspect of pay. Performance levels are also clearly visible when the motivators of the Herzberg theory are concerned. This is because it is something that comes from within an individual that drives them to want to perform better. Another respondent also attributed personal growth and advancement as elements that lead to motivation. He indicated that when he started working at company X, he started as a shop steward and when he learned that there were available promotion opportunities he worked towards the goal of achieving a higher ranking position. He disclosed "*My goal in this job was to ensure that I exhaust all the opportunities granted to me to become better at what I do in order to move to the next level*" (Respondent 3, 2015). He was then promoted into an assistant supervisor and stated that his consistency in good performance at the company enabled him to be upgraded to a higher position. The conclusion that can

be drawn from here is that just as hygiene factors are important motivators are also very vital and should not be neglected. It is also worthwhile to note that individuals may have different needs and top management should ensure that they fully understand what factors positively motivates their staff. Not everyone may end up being motivated by the same factors. Both the hygiene and motivators should be clearly assessed to ensure that there is a good balance between them.

#### **5.3.4 Employee Performance: Company X Situation**

Motivation is an essential contributor to employee performance but it is not the only element that leads to greater levels of performance. Fundamentals like abilities and skills as well as opportunities to participate like job design and autonomy are also vital (Hutchinson 2013). In this particular case study the aim was to find out how motivation may influence performance behaviour. As we have examined the company X situation, the performance levels were much better a few years ago than they are now. The working environment was family oriented but over the years this has changed. Top management seems to be indifferent to the employees' needs. It is for this reason that most of the employees decided to join the KUCFAW in order to have their needs met. In this scenario the workers still felt that the management was not doing the best to satisfy their needs therefore they decided to take it to the streets and protest. This type of behaviour is seen as destructive and has negative impact towards the overall productivity of the company. At the time when the strike happened it was during the Christmas and New Year holiday season a time that is deemed as a peak season for many retailers (Herbling 2013). Despite having the strike brought to an end the company did incur loses which could have been easily averted. Moreover, the manager did indicate that old employees were more motivated to perform than those newly employed. He attributes this to salary disparity in that those whom have worked for the company for a long time their salary margins are different to those of whom joined the company recently e.g. a cashier who has worked for a long time for the organization had a different pay than the one who has joined the company recently. The manager gave an example "*A cashier that has been working here for a long period of time is paid more than a new employee, sometimes the employees talk among themselves about their salary*

*and we have definitely experienced more walkouts than ever before over the last two years, No one wants to feel that they are working twice as hard and when the pay comes in it is totally different”*. When the new recruited employees find out that they are receiving a lower monthly salary than their counterparts yet the work duties are the same, they may end up having inclinations to leave the company once a better job option pops up (Respondent 1, 2015). These types of scenarios have seen the company employ more people than ever before due to the rise of those quitting the job. The ramifications for this is more funds are being used to train the new recruits in order for them to perform as required and it is proving to be an expensive cost for the company(Respondent 1, 2015). The equity theory is clearly evident in the example discussed above. Adams 1965 suggests that people will become more motivated to act when they realize that there is unfair distribution of equity. In this case those who walked out from the company had feelings of inequity because despite doing the same job as the comparison of other they were still underpaid. The workload was always the same but the payment was different. They felt they were being under-rewarded

From this discussion the conclusion can be drawn that motivation is an important factor to maintaining good performance levels. Not only does it ensure that the company is steer headed towards overall performance but maintaining good motivation levels can help the companies to avoid extra costs that come with training new employees in order for them to perform as expected. Effective management of performance dwells on ensuring that issues pertaining feedback channels between management and employees, motivation and performance as well as clear links between reward and performance are clearly assessed, only then can performance be actively monitored and managed.

### **5.3.5 Communication Methods: Company X Situation**

Research has shown that organizations that have high levels of employee involvement together with constant effective communication record better organisational performance. Involvement and Participation Association 1998 report suggests that more than 65 percent of companies that allowed their staff to be more embroiled in all business operations postulated that they were securing a

competitive advantage. Interestingly enough the employees supported these findings by attesting that the levels of trust between the management and employees was very high and also the performance was better (Stredwick 2002).

Great openness has been adapted by many large organizations because it has become quite essential in order to be able to compete effectively. Communication between the management and employees should be formed in such a way that it allows the parties involved to be able to communicate effectively. Often communication assumes a top-down approach in that employees are told to do things by the top management, however, good communication should allow the possibility for a two way process to happen. Employees should be encouraged to give feedback in order to allow them to voice their opinions as well as new ideas pertaining the business operations thus allowing them to be more involved with the company's policy making and administration matters. By having this platform the management is able to find out what their employees think and even some of ideas brought to them may be potent enough to be implemented into the company's future policy (Stredwick 2002). From the above analysis it can be inferred that communication, consultation and involvement are all intertwined and essential as far as effective communication process is concerned. By communicating and allowing employees to give their ideas through consulting, room is created for all staff members to be involved with the company's way of doing things.

The communication methods may be categorized into two main groups: one way communication and two way communication. Both have their merit and are effective if implemented properly. The one way communication involves conveying of information that staff needs to know or maybe seen as useful to them. This method may take different forms such as information on a noticeboard, company news letter or even company video depending on how big the company is. All these forms have their advantages and disadvantages as well and requirements that need to be put in place for these forms to be effective. As summarised in Table 3, we now take a look at these forms and their merits and demerits in addition to what is required of them in order to ensure that what is being communicated is conveyed in an efficient manner.

Merits	Demerits	Prerequisites to operate effectively
Noticeboards		
<p>Circulation to everyone is not necessary.</p> <p>Cheap and affordable to carry out.</p> <p>-Permanent reminder</p>	<p>Not everyone is interested in them.</p> <p>Can become Easily outdated &amp; outdated</p>	<p>Should be place where everyone can see them e.g. by the lift</p> <p>Updates should be done on a regular basis</p> <p>The notice should always be tidy</p>
Company News letter		
<p>Good channel to rapidly update everyone</p> <p>Cheap to produce</p> <p>Staff are immediately interested</p> <p>Quality versions can be creating using the best innovative publishing techniques</p>	<p>News that is intended to be circulated may not coincide with the circulation dates.</p> <p>Chances are that information may get outdated are high.</p> <p>Often it may be seen as bland and lifeless</p>	<p>There should be a person responsible to ensure that the information give is sufficient.</p> <p>Must have lively content in order to captivate the intended target group.</p> <p>Must invite feedback</p> <p>Special editions should go out when important events takes place.</p>
Company video		
<p>The managing director has the opportunity to talk to everybody</p>	<p>Usually expensive to produce</p> <p>Results may appear to be amateurish.</p>	<p>Avoid altogether</p>

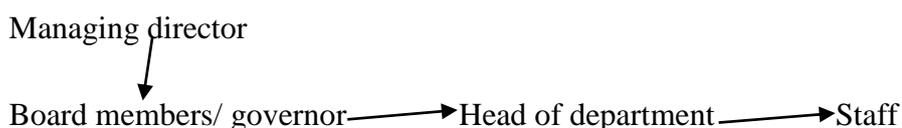
**Table 3.** One-way communication method

Stredwick 2002

From Table 3 it is quite clear that all these three forms of communication methods are effective and useful in their own way. Management is therefore required to find out which method is most applicable for their firms so that they are able to communicate in an effective manner to their staff.

The second method of communication is referred to as two-way communication which can be through holding of meetings with all the staff members. It is obvious that this method has positive impact when both the managing directors are able to meet with the staff and discuss any issues that may be needed to be discussed. In doing so the information can be transmitted in a manner that allows balance for both parties and any questions that maybe present can be answered. Small companies that do not have a lot of employees can be able to carry out these types of meeting with much ease unlike the bigger companies. However, with proper planning large organizations can also use this method to communicate with their employees successfully (Stredwick 2002).

Stredwick argues that for this form of communicating to be effective there should be some parameters put in place. He states that the meetings should be held at least once every six months or once a quarter. The meeting should be brief and should last maximum one hour and handouts should be given out to avoid misinterpretation. Furthermore the one talking at the meeting should do so for at least 20 to 30 minutes and thereafter allow the members of staff to have room to digest and fully understand the information they have received and also ask questions. In the event that an organization has employed for example 100 to 500 employees, then briefing groups should be conducted. These briefings which are also referred to as team briefings are suitable for larger organizations. Usually the team briefings are considered as vehicles of conveying information in a quick and effective manner down to all staff. This process normally entails three major steps as shown below in Figure 7.



**Figure 7.** Cascading information down the Firm  
Stredwick 2002

This method could be implemented for example each month, the board members could talk with their head of departments through a common brief and in return the head of department or managers communicate with their own staff. A discussion is held and questions are invited and in the event that those briefing are unable to answer the questions they can assure to obtain an answer e.g. after a period of three to four days. The briefings should be held simultaneously to prevent miscommunication spreading around the company. Some discipline is also demanded for this form of communication to work especially in preparing the briefs and honouring the set time for briefings. A lot of companies have insisted that for the two-way method to work it should be constantly improved to ensure that it is efficient (Stredwick 2002). The briefing group is also quite efficient and it provides a podium for the employees to pitch new ideas and have consultations without having to resort to formal methods like surveys that may take up a lot of time and also would incur expensive costs.

After examining the one way approach versus the two way approach I was keen to find out which of these methods was being implemented at company X. The branch manager gave some insights on how they manage the communication between the top management and the staff. In this case, they have implemented the two way method of communication. Every few weeks a memo is sent to the branch manager highlighting any arising issues that need to be implemented. The manager has the responsibility to communicate this information to his team. He did point out that if this process was to be conducted at least once every week then it would improve the communication levels between both parties. At the moment there are some disadvantages to this method of communication. Since the information is being passed through an electronic mode which is the email there are some challenges that are likely to occur and the intended message may end up being distorted. This is attributed to the fact that people perceive and understand information differently. There is a likely possibility that the manager is going to pass on the information as he perceives it. In some cases the message may end up being misunderstood. This method also does not allow the receiver of the message who in this case are the employees to give their feedback and also ask questions. Because it is such a calculated process of communicating that has to undergo many protocols, some

individuals may feel discouraged to ask any pressing questions because the guarantee of getting an answer in a timely manner may not be possible. In his exact words he stated *“the management should come down to the level of the employees only then will the staff feel that they are listened to”* . He did suggest that with the current situation more has to be done to improve the communication levels. It is only when feedback is exchanged between both parties that employees will feel that they have a fair chance to dialogue and voice their suggestions. (Respondent 1, 2015).

### **5.3.6 Role of the Human Resource Department: Company X Situation**

The HR has many important roles as previously mentioned in the introduction. This department is responsible for recruiting the eligible employees into a company through selection processes. It is also liable in ensuring that those new recruited employees are well trained through training and development programs in order for them to garner new skills and abilities so that they are able to perform to the expectation of the company. Moreover, issues pertaining employee welfare, reward and performance of the employees also falls under the responsibility of the HR department. So how does HR influence motivation and performance? It can be quite difficult to distinguish what role the HR plays when motivation and performance are concerned. This is because both of these concepts are termed to be quite complex to comprehend and also are multifaceted. However, neglecting to motivate the staff, companies may be faced with the hard task of keeping up with good levels of performance.

As far as motivation is concerned it is not only about the behaviour that an individual exhibits rather the work environment that is surrounding them. It is therefore vital for the HR department to ensure that the work setting of their staff members promotes motivation like behaviour. The relationship between the management and the staff should be respectable and this can be achieved by having the employees be more involved with process of decision making especially those decisions that affect the employees (Decenzo et al. 2007). Providing a listening platform allows the employees to feel comfortable enough to pitch any suggestions that they may have and would probably be appropriate to implement.

As for the performance there are two factors that have been attributed to this concept which are ability and willingness to do the task or work. This is quite important especially during the phase of recruiting and selecting. The HR department should ensure that they choose those applicant who have the skills and ability required to perform the task (Decenzo et al. 2007). Training and development can also be added in order for the new workers to gain more knowledge and information so that they can be able to perform at their utmost best. Matching the right applicants with the correct skills to the right jobs will prevent individuals from feelings of frustration that may adversely affect their motivation and overall performance in the event that they feel inadequate because of lack of skills needed for them to perform. To conclude the HR department is hence advised to ensure that they provide the necessary resources to their staff members so as to ensure that they are fully equipped to perform as to the expectations of the company. Looking at the company X situation, the branch manager did confirm that the HR department is at the moment only responsible for recruiting, training and compensating them for the work done. As far as motivation is concerned there is still no new applications set by the HR department that would improve the current motivation levels. This has seen the manager bear the burden to motivate his team through motivational talks and also offer advice where necessary to the staff under him. In his exact words he affirmed *“Each day I wake up I have to remember that my team relies on me, if am unmotivated to do my job chances are it will affect the motivation level of my team, In most cases I try to offer advice where I can to ensure a good work environment for all of us”* (Respondent 1, 2015).

Although ensuring that staff are constantly motivated may be a difficult task to do every day, the manager still forges on and hopes for better days to come when more new motivation tools may be implemented by the HR department. The situation has been this way for a long time as there is a hierarchical order in which major implementations or changes are done in this company. The final word comes from the managing director. Some of the respondents did reiterate that if the HR would be more involved with the issues of motivation and how it affects the overall performance then the situation would definitely improve and that they would feel more motivated to perform exceptionally (Respondent 1, 2015).

### 5.3.7 Rewards Practices: Company X Situation

Rewards are seen as important vehicles which when correctly implemented could achieve in providing motivation and also initiating good performance levels. Many companies around the world have seen the importance of rewarding their employees as part of promoting employee performance as well as motivation. It is worthwhile to note that rewards could either have a negative or positive impact on employee motivation depending on the desires and needs that an individual wants to satisfy (Lotta 2012). In this particular thesis the focus was to find out whether the company had implemented the financial rewards or non-financial rewards as a means to motivate the workforce. Companies should implement both financial and non – financial because individuals may not have the same needs. As previously discussed on the content theories there are different levels of needs. Maslow 1943 claimed that money could be a motivating factor for those people functioning at the lower hierarchy needs thus those looking to satisfy the higher level of needs may find money not to be a good motivating element. Instead opportunities to grow and advance both professionally and personally may initiate motivation for such individuals. In addition from the discussion in chapter two of the process theories, the expectancy theory sees pay as a motivator for those individuals who identify the actions that will lead to higher salaries and have the capability to work towards those behaviours and yield those actions. However, Herzberg two factor theory clearly states that money which is regarded as a financial reward is categorized under the hygiene factors and is not a motivating factor. His assumptions are that individuals only are motivated by their own innate need to accomplish tasks. Despite his presumptions, in this study money was the dominant factor that was considered as a source of motivation. Lack of good salary led to employees resorting to go for a strike asking for a better pay, therefore even though it is considered as a hygiene factor, to the employees of this company it is identified as motivational tool. Non-financial rewards which are directly link to the work itself were not evident for this study. However, the respondents that I spoke to did highlight that maybe a word of praise or recognition would go a long way in motivating them. One respondent said “*Sometimes you just want to hear that you are doing a good job to become motivated*” (Respondent 4, 2015). At the moment,

however, non-financial rewards are not emphasized in this particular case study. Finally the benefits also played a major role in motivating the personnel. Some of the implemented benefits that had been implemented during the early stages of the inception of the company used to be product giveaways. At least every end of year employees were awarded with some of the giveaways of the products being sold by the company. However, this program was done away with due to decline in business as well as the bad economy and the rise of competition by other rival supermarkets. One of the respondents stated that he always looked forward to the end of year to receive a giveaway. *“Every end of year I looked forward to get my present, I would always be reminded that the festive Christmas had begun and the amount of appreciation I felt from the company through the giveaway always made me to want to do better the next year”* (Respondent 5, 2015). It is very clear that even though the giveaway would be something that can be easily affordable, receiving it from the company is different from buying it. The amount of value placed on a small gift at the end of the year had some positive impact to the employee because he felt appreciated and valued by the company. In return he yearned to put more extra effort to perform even better the following year because he felt that he was being appreciated for his work. Now that there are no giveaways his level of motivation has tremendously gone down. Other benefits that have been put in place are those that were included in the collective bargain between KUCFAW and the management after the strike took place. Each employee is entitled to have at least one day off in a week and 23 days of holiday leave annually. Also one of the issues that employees were concerned with was that the general overtime pay had been done away with and this was later updated to double the amount of the hourly rate per day. Lunch breaks were also implemented to allow the employees to have some time to rest and also to eat their lunch before embarking on their duties. In addition the staff members would be entitled to housing allowances as well as paid occupational sick leave (Herbling 2013). All these amendments have seen the levels of employee motivation rise and this has had a positive impact on their performance levels for some of the employees. Some respondents, however, agree that the company should invest more in them not only financially but also the intrinsic motivation should be carefully assessed through the non-financial rewards.

Recognition for achievement should be awarded accordingly to supplement the financial rewards they are receiving.

## **6 CONCLUSIONS AND DISCUSSION**

This chapter aims at presenting the conclusions drawn from the research case study. Having presented the results in chapter 5 of the empirical research, this chapter is the final part of this thesis. The theoretical study of this thesis encompasses on the content theories of motivation and the process theories of motivation and how these may influence performance behaviour. Additionally rewards and their link to motivation as well as the communication methods used by the company were also analysed. The human resource department and the role it plays in promoting motivation to improve on performance was also examined.

The aim of this thesis was to find out if motivation has any implications on the performance as far as performance behaviour is concerned. The thesis posed the following research questions and the aim was to find the answers to these questions:

1. What kind of motivational tools are being used to motivate the employees?
2. What type of communication methods exists between the employees and the management?
3. What is the role of human resource department to motivate the employees?
4. What kind of performance changes have occurred among the employees since the inception of the company?
5. What types of reward practices are in existence at the company?

The aim of the first research question was to find out what kind of motivational tools and in this case the motivation theories that were being implemented by the company to motivate the workforce. The motivation theory has been presented in chapter 5 in depth and in this case the Herzberg two factor theory was evident. Additionally some aspects of the four drive theory, Equity theory and Expectancy theory are also present in the empirical section. Money seemed to motivate the employees even though it is a hygiene factor and this is as a result to the high cost of living in Kenya. Other hygiene factors that promoted motivation are supervision

and interpersonal relationships. Even though in theory the presence of these factors are there to provide satisfaction in this case they had a significance to the motivation of the employees of company X. The motivators were also noticeable but not to so many employees. Those who had the opportunity to advance to higher ranks in the company were motivated by both hygiene factors and motivator factors. The importance of motivation could not be stressed enough as this study proves that workers want to have something that drives them to want to go to work and perform their duties in an excellent manner. Furthermore, companies that invest in their workforce have a competitive advantage against the stiff competition that seems to be flooding the market.

The second research question was to find out what kind of communication methods exists between the employer and employees. In this study the two way communication method is the one that the company uses. Due to the large number of employees this is the most applicable approach and in some situations the information intended to be conveyed is usually successfully communicated and in other cases the message may end up being distorted due to communication barriers. However, more needs to be done in promoting feedback medium between the top management and the employees. The employees hold the opinion that if the management was to come down to their level more often it would improve the relationship between them and allow both parties to voice ideas and opinions on how to improve the overall job motivation as well as the performance.

The third research question was to determine the role of HR department in stimulating motivation and performance. The HR department has many different roles which are essential to the organization. To build up motivation companies are required to ensure that the HR department recruits and selects the appropriate employees who have ample skills and abilities to carry out the tasks given. Training and development programs should also be provided to the workforce so that they gain new knowledge and experience which in return will aid in doing their work more efficiently. Those employees who are better equipped with the necessary resources and capabilities seems to exhibit more motivation and are able to perform much better. In this case study results indicate that the HR department is involved

in recruiting, and selecting the qualified candidates and further training and development is provided to them, but as soon as they are absorbed in to the workforce the HR seems not to follow up to find out how much the employees are motivated or how they are actually performing. However, with the new program that was recently introduced into the company of training new graduates it is an indication that maybe the motivation needs and performance will be looked into at a much deeper level as the whole program will run on for five years.

The fourth research question was to analyse the changes in performance levels since the company was started. This question aimed to find out if the company workforce was consistent on its performance levels or have there been any major changes. It is evident in chapter 5 that when the company was still expanding the employees were much more motivated than they are now, although some stringent measures have been put in place to improve the current situation. In some cases they resorted to strike in order to get the attention of the top management. This is an indication that they were not happy and their motivation levels had declined therefore some major changes had to be done. Since the thesis wanted to find out if motivation has influence on performance in terms of behaviour, this is a good example when the employee motivation declined the employees exhibited destructive behaviour e.g. the strike but as soon as their demands were take care of they returned to work. Moreover workers felt the inclination to want to change jobs due to lack of motivation this is also part of behaviour that may be displayed if employees' needs are not met. In addition to this the strike took place causing conflict between the management and the employees because both parties were not meeting eye to eye. This is another sign that when motivation is absent chances are that it will impact the performance negatively and vice versa. Finally, the overall organization performance of the company could be represented by loses the company incurred during the period the strike took place as there were no business operations being conducted.

With the last questions about the reward practices I wanted to find out whether the company uses financial rewards, non-financial rewards or benefits to award their employees. In this research the financial rewards and benefits were the favourites

to most employees and some of the employees attributed some degree of motivation when either or both were present. However, some workers argued that including the non-financial rewards may influence a higher degree of motivation to perform their work effectively because sometimes they just want to be recognized for the good work they are doing.

After finishing the research I can say that am quite comfortable with the results realized. The aim was to find out if motivation has any influence on performance and I was able to get the necessary information. In this case it is correct to suggest that when motivation was present the influence on performance seem to be high and positive unlike when there was low or lack of motivation the performance was negatively affected.

### **6.1 Managerial Implications**

Employee motivation and performance are very significant factors in any organization. There is a need for the HR department inclusive with the top management to first of all understand that individuals are different and what may motivate one individual may be completely different to another. Consequently the employer needs to carefully identify what motivates each individual. The motivation strategies implemented should be clearly assessed to ensure that all the employees' needs are met. This can be accomplished through creation of company retreats that allow the employees to bond not only with their colleagues but also with the bosses. This in return will create an open forum for discussions to be held between the staff and their employers on what policies are working and which need to be amended. Company retreats will also open doors for open communication channels between the workers and the employers, by arranging different department retreats, the top management will be able to come down to the level of their employees and exchange ideas and suggestions that may be of great influence especially when implemented correctly.

This study has also indicated that sometimes the best motivators may cost little or nothing. Recognition and praise is all around and all the employer has to do is to grab it and apply it. However, recognition should not be used in a manipulative way

just because you want your subordinates to like you. It should be applied in a manner that is transparent and honest. Recognition could also be aligned with performance goals of the company or what the company is trying to achieve in the long run. When workers feel that they have been able to successfully achieve the expectations that had been set and were recognized for their accomplishments the more likely they will be motivated to take up on more challenging work assignments the next time. This is because they know that what they are doing is not going away unnoticed. The argument could also be that most of the recognition is based on money, however, the study clearly states that even though there is some importance placed on the pay factor it is not the only motivator.

Career advancement opportunities and training and development programs should also be included in the overall company work culture. Employees should be encouraged to advance in their abilities and know-how. Career progression is also an avenue that will create more promotion opportunities to the employees hence another source that may induce motivation. When employees realize that there are available slots for promotion, they will work hard to perform better in order to get promoted. This may also positively influence the overall performance of the employees in the company.

In the end the benefit of this study to other companies is to show that management may have to conform to some of the pressing issues pertaining to their staff at one point or another in order to motivate them. The aspect of motivation behaviour heavily relies on the employees and what some of their needs are. Top management needs to come down to the level of their employees and have open dialogues on some of the factors that may be inhibiting the level of motivation in the company. Both parties should be open to new changes and they should meet each other halfway in echoing new ideas and suggestions. In the event that employees feel threatened to openly give their opinions, then the management should implement suggestion boxes so that the staff can give feedback anonymously. This will also allow them to give unbiased feedback and not feel victimized to offer new ideas that could improve the performance levels and also their overall motivation. Good communication often translates to strong bonds between employer and employees.

In addition frequent meetings should be enforced. The meetings should not only be on an annual basis, they should be on a regular basis so as to allow the employer to assess how the employees are performing. To conclude management needs to improve on how they manage their employees, only by applying good management is an employer able to effectively communicate, motivate and encourage performance behaviour.

## **6.2 Suggestions for Further Research**

Further research is needed to monitor if there are any differences when motivation higher ranking employees, e.g. a research could be conducted to check if the branch managers and supervisors are motivated by the same needs and what implications does their motivation have on the overall performance. This is because even though branch managers are considered as normal employees when matters like major decision making are concerned, in the eyes of their subordinates they seem to have more authority than the e.g. cashiers, shop attendants, etc. Extensive research could be conducted to review the differences when motivating these two groups of individuals and if the performance levels are the same.

Another informative research would be seeking to find out how small scale size supermarkets motivate their employees as compared to the large ones. There are so many emerging small scale supermarkets in Kenya and it would be interesting to study what kind of differences or similarities that exist between motivating employees from larger supermarkets to those of smaller supermarkets. Additionally, a significant research would be to find out the influence communication has when motivating employees. Communication is a very important element in any organization, it would be interesting to research what kind of implications it has during the process of motivating the staff of a company.

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### **Interviews in Company X**

Respondent 1. Branch Manager. Nairobi, Kenya. Personal Interview 23.01.2015  
13:00 – 15:00

Respondent 2. Cashier. Nairobi, Kenya. Personal Interview 23.01.2015 10:20 – 10:40

Respondent 3. Supervisor. Nairobi Kenya. Personal Interview 23.01.2015 10:00 – 10:20

Respondent 4. Shop attendant. Nairobi Kenya. Personal Interview 23.01.2015 10:40 – 11:00

Respondent 5. Shop Assistant. Nairobi Kenya. Personal Interview 23.01.2015 11:00 – 11:20

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## **LIST OF APPENDICES**

### **Appendices 1**

#### **QUESTIONNAIRE FOR THE EMPLOYEES**

I am a student of Vaasa University of Applied Sciences and this questionnaire forms part of my bachelor's thesis. I am doing my final thesis research on enhancing job motivation to improve employee performance. By filling this blank-sheet you would give important information for my research. All the answers are handled anonymously and are used only for this research. Thank you for your cooperation.

#### **Part A. Background of the employees**

1. Gender

a) Female \_\_\_\_\_

b) Male \_\_\_\_\_

2. Age \_\_\_\_\_ years old

3. Do you work?

a) Full time \_\_\_\_\_

b) Part time \_\_\_\_\_

4. How many years have you been working at the supermarket?

a) 0 - 5 years                      b) 5 - 10 years

c) 6 - 10 years                    d) More than 15 years

5. What is your current position at the supermarket?

---

**Part B. Employees Work Motivation to improve performance**

For the following questions please answer by ticking only one applicable box on the side of each question, whereby 1= strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree, corresponding best with your opinion

What is your opinion for the following	Scale Rank				
<b>WORK MOTIVATION AND PERFORMANCE</b>					
The company offers fair and ample promotion opportunities	1	2	3	4	5
Promotion should be based on how well one is performing	1	2	3	4	5
My job is important for career progression	1	2	3	4	5
I am allowed to use my skills and abilities	1	2	3	4	5
I enjoy and love working at the company	1	2	3	4	5
Without motivation I cannot perform well	1	2	3	4	5
Top management is interested in motivating employees	1	2	3	4	5
The Human resource department is heavily involved in motivating employees	1	2	3	4	5
The company has implemented motivational tools to enhance motivation	1	2	3	4	5
Top management and employees are able to communicate effectively with one another	1	2	3	4	5
My work ethic is recognized and appreciated by the company	1	2	3	4	5
I have good relationship with other staff members	1	2	3	4	5
My salary is good enough	1	2	3	4	5

REWARDS					
I prefer Financial rewards	1	2	3	4	5
I prefer both Financial rewards and non-financial rewards	1	2	3	4	5
Top management recognizes when I put extra effort at my job	1	2	3	4	5
Rewards are my source of motivation	1	2	3	4	5

6. Which of the following factors motivates you the most?

- a) Salary
- b) Recognition
- c) Holiday Leave
- d) Motivational talks

7. Which type of incentives motivates you more?

- a) Incentive awards
- b) Appreciation letters
- c) Promotion
- d) Others \_\_\_\_\_

8. Do you think that incentives and other benefits will influence your performance?

- a) Influences
- b) Does not influence
- c) No Opinion

9. The top management involves you in matters concerning employee motivation decisions?

- a) Yes
- b) No
- c) Occasionally

## **Appendices 2**

### **QUESTIONNAIRE FOR THE MANAGER**

#### **Part A. Background Information**

1. Briefly state your name, age and your current position in the company?
2. Briefly tell me about the company?
3. How long have you been working at the supermarket?
4. Shortly describe your working experience at the supermarket.

#### **Part B. Questions about Motivation at the Company**

1. Why did you chose to work at this company?
2. What makes you feel motivated in your work?
3. Are there any motivational tools being implemented at the supermarket? If so please shortly describe ...
4. Have you realized any changes in the performance of employees over the last few years?
5. Is the manager responsible for motivating the staff? How?
6. How often do you communicate with employees?
7. Do you consider constant communication between the top management and employees important?
8. What other factors should be taken into consideration in order to improve the current state of employee motivation and performance?

#### **Part C. Rewards**

1. What form of reward system is being utilized at the supermarket?
  - a) Financial?
  - b) Non-financial?
  - c) Other benefits and perks?

2. Are there any differences that exist between long-term employees and the newly recruited employees when it comes to the rewards they receive?
3. Do you feel that there is need for improvement of the reward system in the supermarket?