

**UNIVERSITY OF KWAZULU – NATAL**

**The Effectiveness of Outcomes Based Remuneration on FNB's Sales Staff**

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## **Abstract**

This study emanated from the positive results observed in the FNB Branches where a new concept termed Outcomes Based Remuneration (OBR) was introduced to Branch Managers. As the concept was introduced to empower Branch Managers so that they could be entrepreneurial in the running of their branches as they would their own businesses, they were expected to be creative, innovative and to ‘think out of the box’. The Branch Managers were given particular hurdles which when achieved would allow them to share in the profit which was generated by the branch. In order to give this project a fair chance the best Managers were chosen to operate these models in the higher producing Branches. This worked well with many Managers creating their own income by elevating their Branches performances and most were operating their units as retail outlets scrutinising all -aspects of their activities. The objective of this study was to determine whether a similar styled remuneration system could be cascaded down to sales staff to increase the profitability of the organisation.

An Outcomes Based Remuneration (OBR) is a form of payment awarded to an employee based on his outstanding performance. Performance payments are “once-off” payments made to staff in accordance with the company’s documented performance-based remuneration arrangement, based on agreed performance targets.

A quantitative research method was selected for the proposed study. The rationale behind this selection was based on the following points:

- The research was going to be conducted through paper based questionnaires which are easily accessible to bank employees. Quantitative research can also accommodate this situation as the questions are short, and to the point.

The findings from the study have proven that Outcomes Based Remuneration plays a major role in motivating employees to work hard for their benefit as well as the benefit of their company. The study confirmed findings in other studies that employees are motivated by physiological needs, such as, good working conditions, salary increase, pay-for-performance, good relationship with other staff members, recognition, job security, being appreciated or being applauded by their supervisors for good performance, safe work environment and healthy environment led to employee satisfaction and therefore productivity. The recommendation arising from the study is that a full scale study

incorporating all financial institutions from Kwazulu-Natal and other Provinces be conducted to achieve all-conclusive results.

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# **CHAPTER 1**

## **OVERVIEW OF STUDY**

### **1.1.Introduction**

This chapter provides an overview of this study. It starts by providing the background to the study, then discusses the objectives that informed the study, the research methods, sample size, study limitations and the structure of the study. The study examines Outcomes Based Remuneration (OBR) and seeks to investigate if it is introduced in a Financial Institution if it can yield fruitful results with regards to motivating employees to perform better in their respective jobs. The study hypothesized that if employees were remunerated based on the outcomes of their performance, they would be motivated to work much harder. The findings from the study have proven that Outcomes Based Remuneration plays a huge role in motivating employees to work hard for their benefit as well as the benefit of their company. The study confirmed findings in other studies that employees are motivated by physiological needs, such as, good working conditions, salary increase, pay-for-performance, good relationship with other staff members, recognition, job security, being appreciated or being applauded by their supervisors for good performance, safe work environment and healthy environment led to employee satisfaction and therefore productivity. The recommendation arising from the study was that a full scale study incorporating all financial institutions from KwaZulu-Natal and other Provinces be conducted to achieve conclusive results.

### **Background to Study**

This study emanated from the positive results observed in the company under investigation where a new concept termed Outcomes Based Remuneration (OBR) was introduced to Branch Managers. This concept aimed to empower Branch Managers so that they could be entrepreneurial in the running of their branches and therefore run branches as they would their own businesses. They were expected to be creative, innovative and to ‘think out of the box’. The Branch Managers were given particular hurdles which when achieved would allow them to share in the profit which was generated by the branch. In order to give this project a fair chance the best Managers were chosen to operate these models in the higher producing Branches. This worked well with many Managers creating their own income by elevating their Branches performances and most were operating their units as retail outlets

scrutinising all aspects of their activities. They were running their Branches as retail outlets. Branches were redesigned and renovated to look like merchandise store fronts and operating hours were increased to enhance this store front image to customers. Branch Managers were given the title 'Associates' and they were permitted to share their portion of the profits with members of their team. The concept was a huge success for the business as well as the employees, and the results indicated a high rate of motivation and satisfaction amongst the Branch Managers. A study, therefore, emanated out of this success which sought to investigate if the same concept would reap similar benefits if it was applied to the front end operating sales staff.

### **1.2. Location of the study**

The study was conducted at the branches of one of the South Africa's big four banks, First National Bank, in Durban, KwaZulu-Natal

### **1.3. Objectives and need for the study**

The success of the new concept of Outcomes Based Remuneration introduced to Branch Managers of First National Bank resulted to the need for a study of this nature amongst the front end operating sales staff as they also have a great contribution to the success of the business. The current situation in the Branches was that sales employees are paid a monthly salary. This is paid to them irrespective of their productivity. There are currently issues with sales targets that are relevant to their particular Branches and are assessed on these through a balanced scorecard measurement system. The scorecard also tests areas of administration, service and up skilling of knowledge which are weighted. It is possible to under achieve in their sales production and still receive a fair result overall. The question that the researcher was asking was whether the sales employees had any motivation to deliver more in terms of their production. A study of this nature would be useful to FNB management so that they would ascertain whether to implement this Outcomes Based Remuneration system amongst sales staff or not.

The aim of the study was to determine whether a remuneration system previously applied to Branch Managers could be cascaded down to sales staff who are the front end operation of the Branches. This was to determine if it would be a benefit the sales staff as well as whether this method would increase the production of Branches thereby increasing the

profitability of the Branches. The objective was to ascertain whether this method of remuneration will generate a desire to increase productivity which would then translate into greater income generation for the employee. The objectives of the research, therefore, were as follows:

- a) To determine whether an OBR system could be cascaded down to the front end operating sales staff of FNB.
- b) To determine whether an OBR system would benefit the front end operating sales staff.
- c) To ascertain if OBR would increase the production of FNB branches.
- d) To investigate if OBR would increase the desire to be productive amongst FNB front end operating sales staff.
- e) To determine if a correlation would exist between the responses received and the productivity
- f) To determine if a correlation would exist between the responses received and the assessment of sales staff.

#### **1.4. Questions to be answered in the research**

The following questions were asked by the researcher:

- a) Could an Outcomes Based Remuneration (OBR) system be cascaded down to the front end operating staff?
- b) Would an OBR system benefit the front end operating staff?
- c) Would OBR help increase productivity amongst FNB sales staff?
- d) Would OBR increase the desire to be productive amongst sales staff?
- e) Would there be a correlation between the responses received from the respondents and the productivity
- f) Would there be a correlation between the responses received from the respondents and the assessment of sales staff.

#### **1.5. Research approach/ methods**

The quantitative research method was selected for the proposed study. The rationale behind this selection was based on the following:

- Bank employees are very busy as they are working 6 days a week, and as such, the element of “speed” could be easily accommodated by a quantitative research method;
- The research was going to be conducted through paper based questionnaires which are easily accessible by bank employees. Quantitative research can also accommodate this situation as the questions are short, and to the point.

The questions were constructed to address each objective.

## **1.6 Sample Size**

A sample size of 110 respondents was established to work with for the purpose of this research. This study opted for paper based questionnaires as the staff are busy attending to clients and could afford time when away from their workstations. The researcher sent questionnaires to all 110 respondents who constituted of sales staff and they were given three days to respond since they are quite busy people.

## **1.7 Limitations of Study**

The study was limited to six months. Due to time constraint, this study could not include a pilot study; instead the researcher chose to work comprehensively with the questionnaire design in order that extra time was utilized to ensure clarity in an attempt to avoid problems of misunderstanding and ambiguity amongst the respondents.

## **1.8 Structure of the Study**

Chapter 1 in this study introduces the research topic, background to study, purpose of study, the need for study, research methods, sample size, limitations, as well as, the structure of study. Chapter 2 discusses the literature informing this study. Chapter 3 informs the reader of the methods of research that have been utilized in this study. Chapter 4 then presents data as obtained in the survey. Chapter 5 analyses and discusses data presented in chapter 4 of this study. Chapter 6 is the final chapter that brings in conclusions from research findings and makes recommendations for further studies.

## **1.9. Conclusion**

The research was conducted efficiently and through paper based questionnaires but it was difficult to get staff to return the questionnaires completed. This is the chief reason that the study only received 110 questionnaires back. Attempts were made to get the views of management by requesting interviews but this was declined by Managers in Branches. Staff that responded appeared to be enthusiastic about their views being considered and were happy to respond.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter introduces motivation as a significant factor in the achievement of employee productivity which ultimately leads to the success of an organization. The term ‘motivation’ is defined extensively and reasons why it is necessary are suggested. The chapter then discusses why outcomes based remuneration is significant for employee productivity. The reasons why organizations need to focus on motivating their employees in order to achieve competitive advantage are discussed.

#### **2.2 Motivation**

Motivation has been defined in different ways signifying different yet similar scenarios in the workplace. According to Webster’s New Collegiate Dictionary, a motive is “something, a need or desire that causes a person to act”. “Motivate, in turn, means “to provide with a motive,” a motivation is defined as “the act or process of motivating”. Motivation is a word that has been derived from the word ‘motive’ which refers to needs, desires, wants or drives within a person (Yudvir and Sunita, 2012). Consequently, motivation is the performance or procedure of presenting an intention that makes a person want to capture some accomplishment (Shanks, 2010). Motivation is derived from the word “motivate”, which means to move, push or influence to proceed for fulfilling a want (Kamalian et al, 2010). Motivation is a set of courses concerned with a kind of strength that boosts performance and directs one towards accomplishing some definite targets (Kalimullah et al, 2010).

Verma (2011: 33) defines motivation as a “willingness to expend energy to achieve a goal reward, a force that activates dormant energies and sets in motion the action of the people, as well as, the function that kindles a burning passion for action among the human beings of an organization”.

Motivation is a power that strengthens behavior, gives direction to behavior, and triggers the tendency to continue (Farhad et al, 2011). This explanation maintains that in order to attain assured targets; individuals must be satisfactorily energetic and be clear about their

destinations. Motivation is a procedure that initiates through a physiological or psychological want that stimulates a performance that is intended at achieving an objective. It is the concluding product interface among personality behavior and organizational distinctiveness.

It is a process through which people are inspired into actions leading to the achievement of goals. People are known to be psychologically motivated by job-satisfaction, achievement, team work, need for money and the need for respect. A study by (Aktari, Kamruzzaman & Ali, 2012) indicates that employees often give their maximum effort if they feel that their efforts are recognized and trusted by management. One of the most significant functions of management, therefore, is to create enthusiasm amongst employees so they can function at their optimum level. The arousal of interest amongst employees plays a significant role in this regard. According to (Yudvir and Sunita, 2012), motivation as a process comprises of the three stages, namely, a felt need or oblige, an incentive in which needs have to be aroused. When needs are satisfied, the satisfaction or achievement of goals.

### **2.3 Motivation Theories**

After the Hawthorne Studies many researchers began to focus on what motivated employees. Five major approaches came into being, namely, Maslow's Need- hierarchy Theory, Herzberg's two-factor theory, Vroom's expectancy theory, Adam's equity theory, as well as Skinner's reinforcement theory.

Various theorists in social sciences have put forward their own suppositions or theoretical views which provide insight into human behavior (Yudhvir & Sunita, 2012: 58). These theoretical views are, in fact, known as theories of motivation in organizations. Researchers have proposed two general categories of motivation theories to explain the psychological processes underlying employee motivation: content theories and process theories" (Kreitner 2008: 210). They went on to explain that content theories "identify internal factors influencing motivation" and that process theories of motivation "identify the process by which internal factors and cognitions influence motivation".

(Abraham Maslow, 1943), in his need hierarchy theory observed that people had five basic needs. He classified them as:

- “Physiological. Most basic needs entail having enough food, air and water to survive.”
- “Safety. This consists of the need to be safe from physical and psychological harm.”
- “Love. The desire to be loved and to love contains the need for affection and belonging.”
- “Esteem. Need for reputation, prestige, and recognition from others. It also contains the need for self-confidence and strength.”
- “Self-actualisation. Desire for self-fulfilment, to become the best one is capable of becoming.”

According to (Maslow, 1943), people worked to survive and live through financial compensation, to create new friendships, to attain job security, to have a sense of achievement and to feel important in society, to have a sense of identity, and, most importantly, to have job satisfaction. He maintained that all employees that attained job satisfaction in the workplace were high performers in their respective workplaces (Maslow, 1943). (Taylor, 1911) pronounced that the most important motivator of workers is salary and wages when he said that "non-incentive wage system encourages low productivity". He said that if employees receive the same wage irrespective of their individual contribution to the goal, they will work less and that employees think working at a higher rate means fewer employees may be needed which discourages employees to work more. All these analogies affect only the unskilled and "unmotivated" workers in the company where Taylor worked as a manager.

Herzberg's work categorized motivation into two factors, namely, motivators and hygienes (Herzberg, 1959). Motivator or intrinsic factors, such as, achievement and recognition, were believed to produce job satisfaction, while hygiene or extrinsic factors, such as, pay and job security, were said to produce job dissatisfaction (Herzberg, 1959).

Vroom's theory states that an employee's effort will lead to performance and performance to rewards (Vroom, 1964). It further stipulates that rewards may be either positive or negative, and the more positive the reward the more likely the employee will be highly motivated (Vroom, 1964). Conversely, the more negative the reward the less likely the employee will be motivated (Vroom, 1964).

Skinner's theory stated that those employees' behaviors that lead to positive outcomes will be repeated and behaviors that lead to negative outcomes will not be repeated (Skinner,

1953). Managers should positively reinforce employee behaviors that lead to positive outcomes, and also negatively reinforce employee behavior that leads to negative outcomes (Skinner, 1953).

According to Adam's theory, employees strive for equity between themselves and other workers (Adams, 1965). Equity is, then, achieved when the ratio of employee outcomes over inputs is equal to other employee outcomes over inputs (Adams, 1965).

"Employee Performance fundamentally depends on many factors like performance appraisals, employee motivation, employee satisfaction, compensation, training and development, job security and organizational structure, but the area of study is focused only on employee motivation as this factor highly influences the performance of employees" (Manzoor, 2012; 37). Employee satisfaction and motivation towards work refers to prospects of the employee about the organization and his approaches toward his service (Ali et al, 2011). Organizational effectiveness refers to locating targets and attaining them proficiently in spirited and energetic surroundings (Manzoor, 2012). A study examining the relationship of organizational effectiveness and employee performance and motivation in the telecommunication and banking sector of Pakistan indicated that a significant positive correlation existed between employee motivation and organizational effectiveness (Manzoor, 2012). Organizations should, therefore, work out and make such policies and organizational structures that support employee recognition and empowerment.

According to Yudvir & Sunita (2012), motivating employees means providing them with a motive to do some tasks. Motivation has succeeded when utilized by effective managers when prompting ordinary people to achieve uncommon results in all fields of endeavors (Yudhvir & Sunita, 2012, p. 56).

#### **2.4 What motivates employees?**

Employee performance may be affected by many factors such as working conditions, job security, training and development opportunities, the company's overall policies and procedures for rewarding employees, and employee and employer relationships (Aktari, Kamruzzaman & Ali, 2012). Attention should be paid to what motivates employees in the workplace since unmotivated employees can bring losses for an organization. This is because such employees are likely to spend slight or no effort in their jobs, evade the

workplace as much as possible, leave the organization if awarded an opportunity and also produce low quality work (Ganta, 2014, p.1). What motivates employees, on the other hand, to be persistent, creative and productive, while willingly undertake high quality work comes in the form of intrinsic and extrinsic motivation (Aktari, et al, 2012). Extrinsic rewards incorporate concrete rewards which may incorporate salaries, incentives, promotions, job security, etc (Aktari, et al, 2012). Intrinsic are intangible or psychological and often include appreciation, meeting new challenges, positive and caring attitude from employer, and job rotation after attaining set goals (Aktari, et uval, 2012). According to Ganta (2014, p. 1) some employees are motivated by money while others are personally motivated by recognition and rewards (Ganta, 2014). Luthans (2000) identified two basic types of rewards, namely, financial and non-financial rewards which may be effectively used to enhance performance behaviours of employees. Financial rewards are defined as 'pay-for-performance' such as job promotion, performance bonus, commission tips, gratuities as well as gifts. Non-financial rewards are those rewards that hold no monetary value. Neckermann & Kosfeld (2008) refer to these as materials rewards. These theorists argue that desired employee performance can only be achieved if employees get a sense of mutual gain between the organization and themselves, together with the attainment of that set target or goal (Aktari, et al, 2012).

## **2.5 Types of Motivation**

There are different types of motivation that influence individuals to be effective in whatever they do.

### **2.5.1 Intrinsic Motivation**

Intrinsic motivation is defined as a type of motivation that arises from within (Yudhvir & Sunita, 2012). It comes from the personal enjoyment and educational achievement that we derive from doing that particular thing. An example of intrinsic motivation is when people who love music are motivated to practice the instrument, attend classes. Keijzers (2010: 24) "posits that employees may be intrinsically motivated to perform well if the organization succeeds in providing high scores on the following five job characteristics, namely; skill variety, task identity, task significance, autonomy and feedback". Yudhvir and Sunita (2012, p. 63) further indicate the most effective factors relating to employee intrinsic motivation, namely, feeling trusted and empowered, feeling that they are growing

and developing personally, belonging whether to a family, peer groups, network, team or company, as well as, purpose; the knowledge about what the future holds for the employees and their families. .

### **2.5.2 Non-Monetary Incentives**

Non-monetary incentives are used to reward employees for excellent work performance through opportunities. Non-monetary incentives include flexible work hours, training, pleasant work environment, and sabbaticals (Yudhvir & Sunita, 2012, p.58).

Theorists still argue about which type of reward is more effective in increasing employee performance. Perry et al (2006) argue that financial rewards are not the most motivating factors. They argue that these types of rewards have a de-motivating effect amongst employees (Srivastava, 2001). More studies have indicated that money was not the most significant motivator amongst employees (Guzzo, et al 1985).

### **2.5.3 Extrinsic Motivation**

Extrinsic motivation is motivation that comes from things or factors that are outside the individual (Yudhvir & Sunita, 2012: 58). For example, being motivated to work hard at the office because one is looking for a promotion is extrinsic motivation. Social recognition, money, fame, competition or material achievements are all examples of extrinsic motivation (Yudhvir & Sunita, 2012: 58). It may be argued however that according to Herzberg's (1959) Two-Factor theory extrinsic factors (or hygiene factors) cannot cause motivation or satisfaction, which translates to the fact that those factors fail to lead to high performances. It may be concluded therefore that extrinsic factors have an influence on intrinsic motivation but in other cases, can even decrease intrinsic motivation (Keijzers, 2010).

### **2.6 Incentive theory of Motivation**

The incentive theory of motivation suggests that people are motivated to do things because of external rewards (Cherry, 2013). For instance, one may be motivated to go to work each day for monetary reward. The purpose of monetary incentives, such as, profit sharing, project bonuses, stock options and warrants, scheduled bonuses, is to reward employees for

excellent job performance through money (Yudhvir & Sunita, 2012: 58). These have helped maintain a positive motivational environment for employees.

## **2.7 The need for motivated employees**

Companies need a workforce that will work toward the achievement of organizational goals, and who will remain loyal to the company (Ghazanfar et al, 2011). Such dedication and devotion relies on motivation and the relevant type of motivation awarded to employees at the time. Employees can also be motivated through proper leadership, as leadership is all about getting thing done the right way. In order to achieve these goals, the leader should gain the employees' trust and make them follow him. Nevertheless, in order to make them trust him and complete their tasks properly for the organization, the employees should be motivated (Dobre, 2013). Motivation is not only expected to promote productivity, but also, employee satisfaction (Ghazanfar et al, 2011). Employees who have high levels of motivation work hard and give their best performance when compared with those with lower levels of motivation (Ghazanfar et al, 2011). The understanding of employee needs and expectations at work forms the basis for motivation. The strongest motivator is what employees value, but lack (Ghazanfar et al, 2011). "The awareness, for the organization, about those strong motivators is of great value and may serve as a starting point to re-design the work, in order to increase an employee's motivation and satisfaction" (Ghazanfar et al, 2011: 121).

To effectively use compensation as a motivator, managers need to consider four major components of a pay structure in an organization (Popoola and Ayeni (2007). "These are (a) job rate, which is the importance the organization attaches to each job; (b) payment, which encourages employees by rewarding them according to their performance;(c) personal or special allowances; and (d) fringe benefits such as holidays with pay, pensions" (Ghazanfar et al, 2011: 122). As far back as 1911, compensation and performance based remuneration has been viewed as the most significant management tool companies needed to utilize in order to motivate employees, increase their productivity and reduce turnover rate (Taylor, 1911 in Dulebohn, Ferris, & Stodd (1995). An example where money as a form of compensation has been perceived to exhibit more power when it relates to job choice is where, for instance, an employee has been offered another job which offers greater financial rewards and with similar job characteristics, he would often

be motivated to take the new job offer (Ghazanfar et al, 2011). The desire to be promoted and earn higher income has been seen to play a significant role in motivating employees in this regard.

Other findings, however, indicate a different perspective to the above one. For instance, their study found that flexible pay such as overtime, incentives and bonuses have a positive role but on the weaker side (Ghazanfar et al, 2011). This meant that these benefits, although they motivated employees to a certain extent, they were perceived as rights rather than as compensation or incentive.

## **2.8 Benefits of Motivated Employees**

Motivational strategies help improve employee performance, diminish opportunities of low employee morale, encourage teamwork and instill a positive attitude during challenging times in the workplace (Yudhvir & Sunita 2012). Employees with a high level of motivation have been seen to work harder than low level motivated employees, and have the ability to overcome common workplace challenges with ease (Yudhvir & Sunita 2012). In return, this assists the organization to ‘reach its objectives and improve operations overall’ (Yudhvir & Sunita, 2012: 64).

Motivators such as, pay raises, bonuses, stock options and profit sharing are examples of positive motivators which can boost job performance (Yudhvir & Sunita, 2012: 64). These motivators reward employees for not only doing their job, but doing it well and with enthusiasm (Yudhvir & Sunita, 2012: 64). These motivators are utilized to retain normal levels or morale but do not necessarily encourage overall motivation levels. Most organizations hope and believe that small business employees are only motivated by things such as, money, a nice office and job security, but these motivators do not necessarily assist employees to become more motivated (Yudhvir & Sunita, 2012).

In conclusion, motivation is a significant concept that has been receiving considerable attention from academics, researchers and practicing human resource managers (Yudhvir & Sunita, 2012). In its essence, motivation encompasses vital ‘elements such as, the need or content, search and choice of strategies, goal-directed behavior, social comparison of rewards reinforcement, and performance-satisfaction’ (Yudhvir & Sunita, 2012: 65),

however, mere knowledge about these theories of motivation will not assist managers to effectively manage their subordinates (Yudhvir & Sunita, 2012). They will need to possess particular techniques that can help them change the behavior of their employees (Yudhvir & Sunita, 2012).

## **2.9 Why Companies Need Motivated Employees**

The first reason why motivated employees are needed is survival of the organization is because motivated employees contribute to the survival of the organization. The second reason why organizations need a motivated employee is that a motivated employee becomes a valuable asset that delivers huge value to the organization in maintaining and strengthening its business and revenue growth (Chaudhary & Sharma, 2012). In a business environment human resource is the only input that requires accomplished handling of thoughts, feelings and emotions for the highest productivity of the organization (Chaudhary & Sharma, 2012). This makes it inevitable for human resource manager to assist the general management to motivate staff because a company with de-motivated staff often suffers through poor performance by employees thus leading to the failure of the business. Motivated employees are more inclined to be productive than non-motivated ones (Lindner, 1998). Some of the recommended way of motivating employees include keeping them happy and satisfied at all times, involving them in decision-making processes, creating realistic expectations, awarding employees with a job description that will suit their personalities and skills allowing employees to perform at their best, offering them a safe and non-threatening work environment, flexible human resource policies such as flexible working hours, work from home, offering childcare facilities, offering them incentives such as bonuses, and creating a positive and employee-friendly company culture (Chaudhary & Sharma, 2012).

The above study has indicated that employee motivation has a direct impact on productivity of employees and growth of the company. It has also indicated that a highly motivated employee invests his/her best potential in carrying out every aspect of his/her duties and responsibilities (Chaudhary & Sharma, 2012). The study has also proven that an enhanced job performance adds value to the growth of the organization and to the employee productivity him/herself (Chaudhary & Sharma, 2012). The experimental results of the study have indicated that motivation of employees is beneficial to both the

employee and the organization, and has a tendency of increasing the faithfulness of employees to the maximum level (Chaudhary & Sharma, 2012; Yudhvir & Sunita, 2012). It also generates trust amongst the organization, supervisor and top management. Previous research has proven that organizations can live and succeed by taking care of their employees (Chaudhary & Sharma, 2012). In the current fast growing global market only organizations that carefully take care of their employees by focusing on their needs and satisfaction will succeed and secure a competitive advantage. Motivation is highly important for every company due to the following benefits which include:

1. Human Capital Management	A company can achieve its full potential only by making use of all the financial, physical, and human resources that it has. It is through these resources that the employees get motivated to accomplish their duties. This way, the enterprise begins to glisten as everyone is doing their best to fulfill their tasks.
Meet Personal Goals and Help an Employee Stay Motivated	Motivation can facilitate a worker reaching his/her personal goals, and can facilitate the self-development of an individual. Once that worker meets some initial goals, they realize the clear link between effort and results, which will further motivate them to continue at a high level.
Greater Employee Satisfaction	Worker satisfaction is important for every company, as this one factor can lead towards progress or regress. In the absence of an incentive plan, employees will not feel ready to fulfill their objectives. Thus, managers should seek to empower them through promotion opportunities, monetary and non-monetary rewards, or disincentives in case of inefficient employees.
Raising Employee Efficiency	An employee's efficiency level is not strictly related to his abilities and qualifications. In order to get the very best results, an employee needs to have a perfect balance between ability and willingness. Such balance can lead to an increase of productivity, lower operational costs, and an overall improvement in efficiency, and can be achieved only through motivation.
A Higher Chance of Meeting the	Any enterprise has its goals, which can be achieved only when

Company's Goals	<p>the following factors are met:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> There is a proper resource management</li> <li><input type="checkbox"/> The work environment is a cooperative one</li> <li><input type="checkbox"/> All employees are directed by their objectives</li> <li><input type="checkbox"/> Goals can be reached if cooperation and coordination are fulfilled at once through motivation</li> </ul>
Better Team Harmony	<p>A proper work environment focused on cooperative relationships is highly important for an organization's success. Not only that it can bring stability and profits, but employees will also adapt more easily to changes, fact which is ultimately in the company's benefit.</p>
Workforce Stability	<p>Stability of the personnel is highly important from a business point of view. The staff will stay loyal to the enterprise only they meet a sense of participation within the management side. The abilities and potency of staff can be used in their own advantage, but also in the benefit of the company. This may cause an honest public image within the market which can attract competent and qualified individuals into the business</p>

(Ganta, 2014)

## 2.10 Money as a Motivator

Compensation has become a significant factor amongst the employees of the 21<sup>st</sup> century. They expect compensation that is fair and equitable, that provides rewards, commensurate with their skills, and that should provide them with a livelihood and recognition (Ghazanfar, Chuanmin, Khan & Bashir, 2011). Many early studies have highlighted the effectiveness that remuneration has in increasing employee productivity. For instance, after their first meta-analysis regarding motivational interventions, Locke, Feren, McCaleb, Shaw, and Denny (1980) concluded: "Money is the crucial incentive . . . no other incentive or motivational technique comes even close to money with respect to its instrumental value". Locke et al, (1980, p379) found money or remuneration to be an effective form of motivating employees. They tested four methods of staff motivation; money, goal setting, participation in decision making, and redesigning jobs to give workers more challenge and responsibility. They found that the average improvement in performance from money was

30%, compared to an increase in performance by 16% for goal setting, less than one percent improvement from participation in decision making, and a 17% improvement from job redesign (Locke et al, 1980). In addition, Locke et al, (1980) reviewed numerous motivation studies and found that when money was used as a method of motivation it always resulted in some improvement in employee performance. It is clear that money is a motivator of employee productivity; however, the relationship is not linear.

Even though compensation is seen as a vital factor in motivating employees; companies still view it as a cost instead of as a strategic benefit plan for their employees (Ghazanfar, et al, 2011). Compensating employees only constitutes about 20% of total expenditure for most companies and exceeds 80% in service firms. Firms are, therefore, encouraged to spend more on compensating their employees in order for them to be productive or perform at their best (Ghazanfar, et al, 2011).

Many more studies agree that remuneration as incentive increases employee productivity (Guzzo, Jette, and Katzell, 1985; Judiesch, 1994; Stajkovic and Luthans, 1997; Jenkins, Mitra, Gupta, & Shaw, 1998). Previous research has shown money not to be the only motivator and primary motivator for all individuals. However, there is overwhelming evidence in the above mentioned studies that remuneration is a significant motivator for most individuals. Since the often modest surveys do not clearly indicate money to be the most important motivator of employee productivity, it would be vital for managers to, while considering both financial and non-financial methods of attracting, motivating and retaining employees not to underestimate the role that monetary rewards play in employee productivity (Rynes, Gerhart, and Minette, 2004). Rynes, et al, (2004) suggests that the potential significance of monetary rewards in any situation should be 'evaluated by considering both the situational variables such as, pay variability and individual variables such as, performance level, that best describe the context of a particular manager's decision' (Rynes, 2004, p392).

In Hymowitz and Murray (1999: B1), Welch states, "showering rewards on people for excellence is an important part of the management process. There's nothing I like more than giving big raises . . . You have to get rewarded in the soul and the wallet. The money isn't enough, but a plaque isn't enough either. . . . you have to give both". However, as has been indicated in Herzberg's (1957) study, monetary rewards are not always indicated as significant by employees. Practitioners should not be misled into thinking that

remuneration as a motivator plays a less significant role in motivating employee productivity (Rynes, et al, 2004). The underestimation of pay as a significant indicator of motivation requires extensive research. Even though money has been indicated as a low order motivator, it has the ability to obtain any of the levels 'on Maslow's motivational hierarchy, including self-esteem and self- actualization' (Hynes, et al, 2004: 385).

### **2.11 Outcomes Based Remuneration (OBR)**

Outcomes Based Remuneration (OBR) is a form of payment to an employee based on his/her outstanding performance. Performance payments are "once-off" payments made to staff in accordance with the company's documented performance-based remuneration arrangement, based on agreed performance targets (Remuneration Policy, 2012). These payments are non-recurrent and are based on achievements within specific timeframes. The outcomes and measures need to have been established and agreed to before they can commence and have to be reviewed regularly (Remuneration Policy, 2012). Applications for performance pay need to be approved by the Director: Human Resources through the submission of a business case (Remuneration Policy, 2012).

For an organization to succeed, it must be in possession of a carefully structured remuneration policy outlining how the organization intends remunerating its employees from top management, such as, executives to the lower level employees, such as, front line operating staff (Remuneration Policy, 2012). This should include introduction and purpose, expectations which include remuneration principles with structure and fixed remuneration, and then outcomes/performance based remuneration principles entitling other performances to be remunerated with a clearly structured framework of how this is to be performed by the organization (Remuneration Policy, 2012). Performance based remuneration comprises mostly of short-term (usually annual), long-term (mostly 3-5 years) incentives as well as side-on allowances (Remuneration Policy, 2012). Outcomes/Performance Based Remuneration is a system of payment offered as a result of an outstanding performance by an employee. It may also be referred to as "Pay for Performance" since this "refers to a pay strategy where evaluations of individual and/or organizational performance have significant influence on the amount of pay increases or bonuses given to each employee" (McPhie, 2006a). According to McPhie (2006b) a 'pay

for performance' system may be presumed as functioning properly when the following are achieved:

1. Outstanding performers will receive the greatest rewards, to acknowledge their superior contributions and to motivate them to continue high performance.
2. Average performers will receive substantially smaller raises, which may encourage them to work harder to achieve larger raises in the future.
3. Poor performers will receive no increase, which is intended to persuade them to improve their performance or leave.

Some of the reasons for performing 'pay per performance' may be summarized as follows:

- i. Improvement of the organization's ability to attract and retain high performers.
- ii. The organization may hope to improve individual effort and as a result, organizational performance.
- iii. The organization may also be searching for a fairer way to pay since those who contribute more to the organization should receive a larger salary in return.

Literature has indicated failure to achieve these objectives in all instances. The reasons for this have been found to be that 'pay for performance' often requires a large investment from its initiators. Secondly, 'pay for performance' is sometimes disturbed by flaws in the design, implementation and operational phases. For instance, an adequate budget must be in place to fund performance based increases large enough to be meaningful (McPhie, 2006). In addition to this, for agencies to fairly determine who receives these increases the performance evaluation system must be accurate and supervisors must be well-versed in its use. Also, checks and balances should be built in to help hold supervisors accountable for their decisions. Finally, the pay for performance system needs to be evaluated on an ongoing basis to detect any changes that may be necessary as the organization and the pay system evolve.

According to Zeelie (2012), a good Outcomes Based Remuneration system should align itself to the organization's strategy and objectives, be the driver or promoter of the right behavior, be self-funded, award effort and results, as well as, be credible.

## **2.11.1 Performance Based Remuneration Policy**

In addition to the fixed remuneration some employees may be awarded performance based remuneration which is a reward for an outstanding performance. This OBR is calculated against predetermined and challenging targets. The outcome of the formula is capped as a percentage of the relevant executive's package. It is then reviewed by the Board in order to guard against anomalous or inequitable outcomes. Performance based remuneration may be comprised of both short term (usually annual) and long term (3-5 year) incentives.

### **2.11.1.1. Short Term Incentives**

Remuneration Policy 2012 stipulates that: Short term incentive plans are those plans that are based on meeting both company and individual objectives against predetermined Key Performance Indicators (KPI's), composing of both financial and non-financial indicators, but the outcomes of the formula calculation will be capped and reviewed by the Board to guard against anomalous or inequitable outcomes, and the ultimate decision on any payment will be at the Board's discretion. Short term incentives will only be used for the CEO when they support and are consistent with the Company's long term goals.

### **2.11.1.2. Long Term Incentive**

According to the Remuneration Policy 2012: Long term incentives (LTI) may be provided to certain senior executives to reward creation of shareholder value, and provide incentives to create further value. The Company believes that the most significant value that can be created for shareholders will occur by way of senior executives delivering on the strategic outcomes and goals set by the Board. The measurement of these achievements will be linked to the delivery of Total Shareholder Returns (TSR), and Specific goals and outcomes extracted from the Company's Strategic Plan. Long term incentive awards will generally be made by way of share performance rights. Annual awards of long term incentives will be made based on a percentage of the Base Remuneration. Performance will be measured at specified points during the life of the LTIP.

### **2.11.1.3 Sign on Allowances**

In order to attract certain exceptional candidates it may be appropriate from time to time to pay a 'Sign on' or 'Attraction' allowance (Remuneration Policy 2012). Such allowance will generally be paid by way of performance rights.

### **2.12. An Outcomes Based Remuneration Model**

Rudman (2013) lays down some fundamentals for the outcome-based remunerations model. He stipulates the following:

- Rate the person on performance and then award top performers with more money. He states that traditional model over-rewarded and paid under-performers too much. The under-performers would therefore hang around and never intended to move on. He maintains companies should not be afraid of losing people. He maintains, "...the dead weight will fall out in an outcome-based model" (Schoeman, 2013:1).

Schoeman (2013) maintains that the way to go about doing this is through Engagement approach, according to which the following is done:

- 1) Define the role of the position/job description.
- 2) What are the top 3 outputs?
- 3) What are the behaviors?
- 4) Is it possible to measure? Decide on measurements.
- 5) Do the financial modeling.
- 6) Shadow for at least 3 months.

A company that wants to move up in the premium markets and sell through premium brokers needs a change in business strategy. To increase sales and become a preferred service provider, a company needs to design processes and calculate values (Schoeman, 2013).

One company had to determine targets and goals for producers. They did that by finding the mean. Since they wanted to reduce costs, their processes looked had to look at quality control and turnaround times. Positive outcomes in all of these areas were rewarded (Schoeman, 2013)

The company met their five-year targets in only two years. That retained their customers, and as result money was put into a pot. Each year if the target was achieved, the pot got shared (Schoeman, 2013). This model not only promoted shared profits in the form of OBR, it also increased the company's performance, performance contracting, performance coaching, performance managing, as well as institutional change (Schoeman, 2013).

### **2.13 Benefits and Drawbacks of Performance-Based Remuneration**

A positive correlation exists between effort and performance, and employee retention is enhanced as employees who perform best are rewarded for their efforts (Wootton, 2011). Other companies use performance-based compensation not only to reward high achievers but also to weed out weakest performers (Wootton, 2011). According to Naicker (2012: 13-14) advantages of performance-based remuneration include the following:

- Attracting and retaining the best and brightest
- Motivating people at work more efficiently
- Obtaining the firm's strategic goals and objectives
- Recognizing a variety of employee contributions
- Encouraging people to help others achieve their goals and objectives
- No longer subjectivity, favoritism and entitlement on pay structures
- Pay for performance systems require that there be timely and effective evaluations of performance, resulting into better performance act and retain key staff.

In as much as there are benefits for performance based remuneration, there are also drawbacks to performance-based pay structures. According to Wootton (2011).

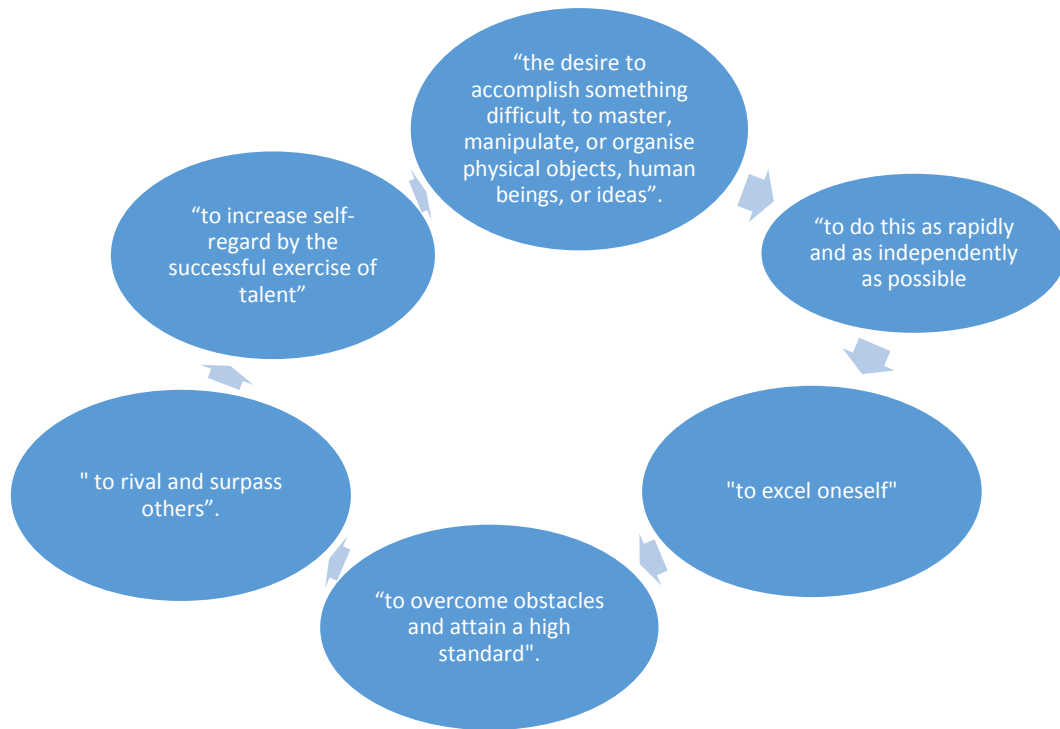
- Implementation can be problematic and, perhaps the supposedly motivating process can actually be damaging self-esteem, teamwork and creativity.
- Teams anxious to improve their performance may avoid working with colleagues they perceive to be less able, leading to some employees being excluded from the more rewarding projects.
- Keen competition for limited rewards, while motivational, can also create a hostile working environment where trust and cooperation are sacrificed in the interests of self-promotion

- Projects can fail due to factors that are completely beyond an employee's control, such as delays in receiving supplies or a downturn in the economy

This does not mean that pay for performance is all bad. In order for it to be successful, there must be reasonable, achievable and measurable goals that are potentially achievable by all employees. For achievements to be quantifiable, a comprehensive system must be put in place to monitor and assess whether or not employees have met designated targets (Wootton, 2011). Communication and transparency is significant; everyone must be aware of, and understand, the criteria for performance based performance. Training and education facilities must be in place to improve the performance of weaker employees and enable ambitious employees to widen their knowledge and skills and be able to meet targets (Wootton, 2011). Furthermore, implementation must not become too cumbersome.

#### **2.14 Money as a motivator**

Outcomes Based Remuneration is able to satisfy three of the five needs referred to by Maslow (1943). As long as the employee generates enough sales they would earn an income that would provide for food and water, which would address the first basic need. If the employee performs well they would be recognised by their employers as well as their peers. Good performance and the recognition that follows would generate self-confidence and strength. As employees continue to perform well, they develop a good reputation which will hold them in good stead for any prospects of promotion. If the employee produces well they would satisfy the need for self-actualisation and they would become the best that they could be (Maslow, 1943). This need for achievement is also addressed by David McClelland in his Need Theory (Kreitner, et al, 2008). McClelland stated the need for achievement is defined by the following:



**Figure 2.1: McClelland's Needs Theory (Kreitner 2008: 213)**

Research has also indicated that outcomes-based remuneration such as bonuses, merit and individual incentives, plays a significant role for high academic achievers, high performing employees and individuals with high self-efficacy and high needs for achievement (Rynes, et al, 2004). Also, a study by Rynes, et al. (2004) indicates that each time pay changes are made, employees look for the changes that might signify how they are regarded by their employers particularly in relation to other peers and/or to other past relationships with the employer. There is also indication that in non-unionized and non-governmental situations, even though pay incentives are offered, most companies pay systems show little difference between average and superior performers (Rynes, 2004). In non-unionized situations, rewarding employees through remuneration incentives depends on the discretion of management, while in unionized situations; this is done through collective bargaining and by job security than by performance (Verma, 2011). Verma (2011) echoes what Rynes et al (2004) has highlighted; that management should have discretion to award high performers with other forms of motivation, but other employees need their lower order needs to be satisfied with money. The only time that remuneration will motivate employees will be the extent to which it is contingent on performance (Rynes, et al, 2004). This signifies that pay

will be more motivating if it is performance based. The following recommendations have been made by Rynes, et al, (2004):

- Complaints about pay should be taken seriously, as research has indicated that most employees will not indicate it as significant, especially in unionized circumstances.
- In order to avoid any complaints about pay, companies should not fall below the market level with their remuneration system.
- Companies should realize that best employees seek strong pay-performance relationships.
- Evaluate current pay systems with respect to the pay-performance relationships.
- Examination whether executive pay is moving in the same direction, and at a roughly proportionate rate, as employee increases.
- Companies should track employee behaviors as well as attitudes.

### **2.15 Remuneration, not the only motivator**

Even though early studies have indicated pay as the most significant motivator of employee performance, other studies indicate otherwise. In his study, Verma (2011) found that the fact that management has provided physiological and safety needs such as, good wages, good working condition, excellent fringe benefits and steady employment, does not guarantee employee satisfaction. He also posits that motivational emphasis has shifted to social and egoistic needs. In this regard, he maintains that though money has the ability to satisfy the higher needs of employees, it would be considered to be so if it was the only option available.

A study by Bowen and Radhakrishna, (1991) indicated that what normally motivates employees changes constantly. Previous research indicated that as employees' income increases, money becomes less of a motivator (Kovach, 1987). On top of this, as employees get older, interesting work becomes more of a motivator.

### **2.16 Motivating Professionals**

Professionals are those individuals who are highly educated having College Diplomas to Doctoral degrees. These individuals usually receive inflated salaries, however, they are found to be motivated by their profession than by their employers and have strong and long term commitment to their field of expertise (Verma, 2011). They regularly update

their knowledge and expertise through continuous studying, and therefore, are less motivated by money and promotion (Verma, 2011). Since they are well-paid and often enjoy what they do, they are often motivated by challenge, tackling crises and solving them (Verma, 2011). Organizations should offer them challenging projects and reward them with educational opportunities rather than money (Verma, 2011). They should be allowed autonomy and be allowed to restructure their work in ways they find productive (Verma, 2011). While most behavioral theorists maintain that some employees are not always motivated by money but by goals, participation in decision making, feedback, cohesive work groups and other nonmonetary factors as stimulants to employee motivation, there is an argument that money does play a pivotal role in motivating employees to be productive (Verma, 2011). As a medium of exchange, it is believed to be a vehicle by which employees are able to purchase the numerous satisfying needs they desire (Verma, 2011). Furthermore, 'money has been seen to be performing the function of a score card, by which employees can compare their value to others (Verma, 2011: 34). In addition, while some employees may be satisfied by their work as indicated above, some may not. Their attitude to work becomes vital. To put it differently, to be productive at the workplace, their attitudes must be good. As Herzberg, et al, (1951) put it: 'the good or bad performance of a company is also influenced by the feelings of the employees' (Ghazanfar, et al, 2011: 121); the attitudes of employees must be taken into consideration. This is the case where the morale of the employees is the driving force behind the survival of the company. Since it may be argued that some employees are motivated by money while others are motivated by recognition, the relevant question that should be asked, therefore, is: Does money satisfy most employees? The answer to the question is 'NO'. Studies discussed in this thesis indicate that for money to motivate individual employees, certain conditions must be met: First money must be important to the individual. Second money must be perceived by the individuals as being a direct reward for performance. Third, the marginal amount of money offered for the performance must be perceived by the individual as being significant (Verma, 2011).

As most studies have indicated, money can be used in productivity, but can it be used to motivate employees? There are supporters for the theory that money motivates people and that productivity is linked to it. In her speech, Reed has indicated that money can be a driving force and extra money can encourage employees to do extra work. It has been seen to generate competition amongst employees which would increase productivity. Reed

maintains that circumstances may not always permit employers to promote employees; in that case, money can be used to reward an employee. In a practical scenario, occasional substitutes are used, for example, gifts. Some employees may find this insulting and others may not be appreciative of this. “Two often mentioned motivators are money and job satisfaction. We hear that better pay motivates employees to be more productive. We also hear that happy employees are productive employees” (Reed). Reed asked the question, ‘does money motivate people?’ The answer Reed gave was that there was no definitive answer. Reed stated that research studies may sometimes have conflicting results regarding this. The reason, Reed maintains, has to do with the complexity of human behavior. ‘Money is a motivator to an extent. I enjoy my work, but let’s face it...how many of us would keep doing our jobs if our employers were no longer able to pay us but asked us to stay on as full-time volunteers? Money is a crucial incentive to work motivation. It is a medium of exchange and the means by which employees can purchase things to satisfy their needs and desires. It also serves as a scorecard by which employees assess the value that the organization places on their services. Employees can also compare their value to others based on their pay. In addition to its exchange value, money also has symbolic value” (Reed)

Adams Equity Theory of Motivation (1963) maintains that employees believe that motivation is a process that is fair to them. They need to see a correlation between the work that they put in and what they are rewarded. They also need to see that it has a correlation to other employees output and remuneration. They believe in being treated in a fair manner and in relation to others in the workplace.

Reed went on to bring into the argument in favor of money the theory of Reinforcement and Vroom’s Expectancy Theory. She stated that “reinforcement and expectancy theories also attest to the motivating power of money. According to reinforcement theory, if pay is contingent on performance, it will encourage employees to maintain high levels of effort. According to expectancy theory, money will motivate to the extent that employees perceive it as satisfying their personal goals and to the extent they perceive their pay as being dependent upon performance criteria”. Kreitner also lends strength to the argument and stated “the strength of a tendency to act in a certain way depends on the strength of an expectancy that the act will be followed by a given consequence (or outcome) and on the value or the attractiveness of that consequence (or outcome)” (Kreitner 2008, p223).

Clark (2005) supports the opposite view and states that money is not a motivator for employees. According to Clark (2005) many organisations pay bonuses to sales people,

which should be attainable by any of their employees but only a few strive to get it and in most cases it is the same people year in year out. The question she poses is: why does this incentive of money not change the behavior of the majority of employees? She stated “Simply put, because rarely do companies also do anything that effectively encourages their people to work harder or give them additional training to help them perform better. Nor do they give employees a reason that actually motivates them to work harder” (Clark 2005).

According to Javitch (2009) money is not a sustainable motivating factor to employees. He states “Money motivates”. Of course, if you pay some enough money, they will do almost any job. And when you give bonuses to reward past behavior, the recipients are usually very happy (unless they were expecting a larger bonus). However, studies find this happiness is short-lived. Within six months, individuals have difficulty recalling that bonus and it does It's the recognition and status that are the true motivators for the increased output.

Hertzberg's Motivator-Hygiene Theory also supports the view that money may not be a motivator. He conducted a study on two hundred and three engineers and accountants and found that “job satisfaction was more frequently associated with achievement, recognition, characteristics of the work, responsibility and advancement” (Kreitner 2008, p215).

## **2.17 Summary**

This chapter has defined the term ‘motivation’, and discussed categories of motivation such as intrinsic and extrinsic motivation. It has discussed types of rewards that assist in motivating employees to be productive. The chapter has also highlighted that even though most theorists agree that outcomes based remuneration plays a significant role in motivating employees to be productive, other theorists argue against this notion, and maintain that non-financial rewards also play a significant role in this regard. The chapter further discussed the reasons why motivating employs plays a significant role in promoting productivity. Whilst this chapter has provided a generic understanding of OBR, it is unclear whether OBR would be effective in increasing productivity in a bank.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The previous chapter introduced and defined the term ‘motivation’. It then discussed categories of motivation such as intrinsic and extrinsic motivation. The chapter also discussed types of rewards used to motivate employees to be productive. Additionally, the chapter highlighted that even though most theorists agree that outcomes based remuneration plays a significant role in motivating employees to be productive, other theorists argue against this notion, and maintain that non-financial rewards also play a significant role in this regard. The chapter further discussed the reasons why motivating employs plays a significant role in promoting productivity. The chapter concluded by revealing that the company under investigation has championed outcomes based remuneration system of rewarding its Branch managers and has observed significant results.

This chapter introduces research design and methodology. Essential elements regarding research design, instruments, sampling procedures and processes, as well as, pretesting and validation are discussed.

#### **3.2 Aim and objectives of the study**

An aim of a study refers to a statement indicating what the research seeks to achieve, and, objectives are the specific issues to be investigated in relation to the overall aim of the study. Research objectives are the essential points the study intends to achieve and from which research questions are formulated.

##### **3.2.1 Aim**

This topic was chosen as a result of a new concept that was introduced to Branch Managers at the company under study. The concept involved empowering Branch Managers to become entrepreneurial in order for them to run their Branches as their own businesses. The intention was to encourage them to become creative, innovative and to think “out of the box”. They would then be given certain hurdles and if these were achieved they would be allowed to share in the profit that was generated by that Branch. Outcomes Based

Remuneration was then introduced in order to motivate these employees. However, it also became pivotal that in order for these employees to be beneficial to the business they had to be motivated. In order to give this project a fair chance the best Managers were chosen to operate the models in the higher producing Branches. This worked well with many Managers creating their own income by elevating their Branches performance and most were operating their units as retail outlets scrutinising all aspects of their activities. They were running their Branches as retail outlets. Branches were redesigned and renovated to look like merchandise store fronts and operating hours were increased to enhance this store front image to customers. Branch Managers were given the title ‘Associates’ and they were permitted to share their portion of the profits with members of their team. Having seen the success of the project and the benefits it provided for the business as well as employees, a need for a study of this nature amongst the front end operating sales staff was deemed necessary as they also made a great contribution toward the success of the business. A study of this nature would be useful to the company’s management as well as to other enterprises as they would ascertain whether to implement this OBR system amongst sales staff or not if they want their business to expand.

### **3.2.2 Objectives of the study**

#### **Objectives and need for the study**

The success of the new concept of Outcomes Based Remuneration introduced to Branch Managers of First National Bank resulted to the need for a study of this nature amongst the front end operating sales staff as they also have a great contribution to the success of the business. The current situation in the Branches was that sales employees are paid a monthly salary. This is paid to them irrespective of their productivity. There are currently issues with sales targets that are relevant to their particular Branches and are assessed on these through a balanced scorecard measurement system. The scorecard also tests areas of administration, service and up skilling of knowledge which are weighted. It is possible to under achieve in their sales production and still receive a fair result overall. The question that the researcher was asking was whether the sales employees had any motivation to deliver more in terms of their production. A study of this nature would be useful to FNB management so that they would ascertain whether to implement this Outcomes Based Remuneration system amongst sales staff or not.

The aim of the study was to determine whether a remuneration system previously applied to Branch Managers could be cascaded down to sales staff who are the front end operation of the Branches. This was to determine if it would be a benefit the sales staff as well as whether this method would increase the production of Branches thereby increasing the profitability of the Branches. The objective was to ascertain whether this method of remuneration will generate a desire to increase productivity which would then translate into greater income generation for the employee. The objectives of the research, therefore, were as follows:

- g) To determine whether an Outcomes Based Remuneration system could be cascaded down to the front end operating sales staff of FNB.
- h) To determine whether an OBR system would benefit the front end operating sales staff.
- i) To ascertain if OBR would increase the production of FNB branches.
- j) To investigate if OBR would increase the desire to be productive amongst FNB front end operating sales staff.
- k) To determine if a correlation would exist between the responses received and the productivity
- l) To determine if a correlation would exist between the responses received and the assessment of sales staff.

### **3.3 Research Approach**

For a researcher to choose the right approach he/she needs to understand the theory and be in possession of a clear thought about the research objectives (Saunders, Lewis & Thornhill, 2012). These are described as inductive and deductive reasoning. Inductive reasoning incorporates a process of generalizing from one or more observations about a phenomenon (Barbie, 2010), and preliminary hypotheses and an integrated theory that explains a set of events are eventually formulated (Dunn, 2010). The only disadvantage of depending on inductive reasoning is that unobserved factors that could be responsible for the effects that we encounter may be missed (Dunn, 2010, p5). This study was based on four preliminary hypotheses, namely;

**Hypothesis 1:** The outcomes based remuneration system would benefit sales staff.

**Hypothesis 2:** The outcomes based remuneration system would help increase productivity amongst staff.

**Hypothesis 3:** The remuneration system would increase the desire to be productive.

**Hypothesis 4:** There will be a correlation between their responses and the productivity and/or assessment.

The Inductive approach is used in cases where data is first collected and a particular theory is developed as a result of the analysis of the data. The Deductive approach, on the other hand, develops the theory, constructs a hypothesis and then designs a research strategy to test the hypotheses (Saunders et al 2012) both approaches can be used, however, with one feeding the other. An inductive approach would be necessary in a first-time research area to develop some theory which can be tested further via a deductive approach. This is referred to as 'multi-methods' (Saunders et al 2012).

This study followed the deductive approach which develops a model only after a background literature review on outcomes based remuneration.

### **3.4 Research Methodology**

When a research study is conducted, the method that likely meets research objectives is often chosen by the researcher to conduct the study. The data collection method is often informed by the type of information the researcher intends to find. Theorists have defined research methodology as an approach that underpins the research (Blaxter, Hughes and Tight, 2001: 59). Other authors, such as, Welman, Kruger and Mitchell (2007:2) define research as “a process that involves obtaining scientific knowledge by means of various objective methods and procedures.” Adding on this, Kothari (2008) viewed research as a systematic and scientific search for knowledge on a specific topic. According to Botha (2006), research methodology specifically identifies methods and procedures for the collection, measurement and analysis of data that the researcher employed in his/her study. Since research is a process of finding out solutions to a problem it is often necessary to devise a methodology that will be best suited for the achievement of intended results (Zwane, 2011).

This study selected quantitative research method, and the reasons behind the selection included the following among others:

- Bank employees are very busy as they are working 6 to 7 days a week, and as such, the element of “speed” could be easily accommodated by a quantitative research method;
- The research will be conducted through paper based questionnaires which are easy to distribute to bank employees in the Area of study as they are all in close proximity. Quantitative research can also accommodate this situation as the questions are short, and to the point.

This study utilized surveys as a research strategy. Denscombe (2010, 1) describes a survey as an activity of looking at something ‘comprehensively and in detail. Advantages of utilizing surveys incorporate the following:

- A wide and inclusive coverage (Denscombe, 2010:1).
- Offer a snapshot of how things are at a specific point in time (Dunn, 2010).

Surveys allow the researcher to look into something more closely, and bring with this the idea of empirical research, that is, going out there to search for the necessary information (Denscombe, 2010). The researcher uses surveys to seek factual information which is relative to groups of people involving what they do, think, and who they are (Denscombe, 2010). Surveys are advantageous when a researcher needs to deal with particular issues and, especially, when he/she knows exactly which factors are vital and the type of information he/she needs. Surveys also provide an excellent way of looking at patterns of activity within groups or categories of people (Denscombe, 2010). Seven types of surveys can be identified in research, namely, postal, internet, telephone, group- administered, face-to-face, observational, and documents. Face-to-face surveys were used for the purpose of this study (Sekaran, 2010). As highlighted earlier, a research strategy must accompany the purpose of the research. This study used surveys to measure some aspect of a social phenomenon or trend, in this case, the extent to which remuneration plays a role with regards to outcomes in the workplace, as well as to gather facts in order to test a theory, which is testing the hypothesis in the study (Denscombe, 2010).

The study utilized a questionnaire as a research instrument. The instrument was used to determine, firstly, if the remuneration system that was used to motivate branch managers to be productive would be cascaded down to the front end operating sales staff of the company under investigation. Secondly, the study, also, sought to find out whether the system would benefit sales staff or not. Thirdly, it was in the interest of the study to determine if the system would help increase productivity amongst staff or not. Fourthly, the study intended determining if it would increase the desire to be productive or not, and lastly, to determine if there would be a correlation between their responses and the productivity and/or assessment.

The foreseen challenges were whether the researcher's attempt at getting employees to sign the questionnaire would be achieved as salary is often a very sensitive topic. The researcher attempted to address this challenge by giving clear explanation with regards to why the research was conducted, especially highlighting the fact that it might benefit them when management decides to compensate them for performance as it was done to senior management staff. Another concern was that the company, itself, may perceive the researcher as someone who wanted to solicit information through one of its employee. The researcher sought to explain to the company that the research was purely for academic study, and collected data would be kept by the institution and eventually destroyed. The third and last concern was the frontline employee's access to an internet based questionnaire and to email facilities. The researcher thought he might consider collecting data telephonically if such cases arose. For ethical reasons, the researcher ensured that consent agreements were made with the respondents in advance where they were informed about their rights to either continue with surveys or withdraw at any time of the survey if they wished to do so.

According to Sekaran (2010) research strategies to be used in research are ethical if they cover all the aspects of ethics as pre-requisite for research. To maintain this, the research ensured the following that measures were undertaken:

- the anonymity of the respondents
- the confidentiality of data
- making participants to understand the nature of the research and their environment
- Informing the participants that participation is voluntary (Sekaran, 2010).

The research study would incorporate six months. To avoid ambiguity, the researcher opted for working comprehensively on his questionnaire design so that extra time was utilized to ensure clarity in an attempt to avoid problems of misunderstanding and ambiguity.

### **3.5 Participants and location of study**

Once the research problem has been developed, constraints identified and research design has been developed and concluded, the selection of a data collection method becomes vital at this point in the study. Conducting research requires a sample size since it is often impossible and uneconomical to survey the whole population (Welman et al, 2007) as this will be time consuming and expensive. The sampling process should be objective since it directly impacts on the quality of information collected. The current study was conducted in Durban. A sample size of 150 respondents was established to work with for the purpose of the research. The researcher decided to electronically distribute questionnaires through to the entire sample (i.e. 150 respondents). Questionnaires were administered to the sales staff face-to-face and they were given three days to respond since they are quite busy people.

#### **3.5.1 Population**

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran 2003). The population incorporates a pool from which the sample elements will be drawn, and to which the research wishes to generalize findings from (Terre Blanche et al., 2006). An element is a single member or unit of the population (Sekaran & Bougie 2010). According to Sekaran and Bougie (2010:267) “the target population must be defined in terms of elements, geographical boundaries and time. The target population consisted of 453 lower level staff of the bank under investigation.

#### **3.5.2 Sampling design**

Generalisability is extremely important; it is only when results are generalizable from a sample to a population that they can be deemed meaningful “beyond the limited setting in which they were originally obtained” Welman et al. (2007:55). In Sekaran & Bougie (2010), sampling has been perceived as a process of selecting a sufficient number of the right elements from the population, so that a study of the sample makes it possible for one

to generalize to the population elements, including those not selected in the sample. Terre Blanche (2006) emphasizes the significance of a sample to best represent the characteristics of the population.

### **3.5.3 The Non-Probability Sampling technique**

This study employed purposive sampling, that is, respondents were hand-picked for the topic. This is because Purposive sampling operates on the principle that the best information can be obtained from a relatively small number of deliberately selected sample that has been hand-picked on the basis of their known attributes rather than through random selection (Denscombe, 2010). With this type of research, the sample was selected on the basis of:

- *Relevance*: to the issue/theory being investigated in this study
- *Knowledge*: privileged knowledge or experience about the topic (Denscombe, 2010:35).

Since the researcher had prior knowledge about the specific people or events, he deliberately picked the relevant ones for the production of the most valuable data (Denscombe, 2010). These participants are selected due to their particular characteristics, relevance to the topic, as well as, their experience or expertise to provide quality information and valuable insights on the research topic (Curwin, & Slater, 2008).

A sample size of 150 respondents was selected for the purpose of this study. The sample size was enough for the purpose of the research which constituted only six months.

### **3.6 Data Collection in Descriptive Research**

Data is divided into primary and secondary data. Primary data incorporates ‘first-hand information the researcher obtains on the variables of interest for the specific purpose of the study’ (Sekaran & Bougie 2010:180). Secondary data, on the other hand, refers to information obtained from already existing sources, such as, literature (Sekaran & Bougie, 2010). The method used for data collection should always be used informed by the type of data required. Sekaran (2003) differentiates methods of data collection into questionnaires or surveys, interviews, observations or focus groups. This study incorporated electronically distributed questionnaires.

### **3.6.1 Questionnaire design**

Closed-ended types of questions were used for this survey. The reason for this choice of questioning was because these require a limited number of response alternatives that are categorical and numerical (Dunn, 2010). This is in line with quantitative approach adapted by the study. Categorical response format includes the yes-no question, and numerical involves the Likert-type scale that allows respondents to rate their degree of agreement or disagreement with opinion statements. The advantages of using paper questionnaires include the following:

- Easy to administer..
- Very inexpensive.
- Fast delivery.
- Respondents can answer at their convenience.
- Respondents must have the time to complete.
- Respondents must be willing to complete the survey.

This study opted for paper based surveys as a method of data collection. The reason for this was that respondents were busy interacting with clients whenever on duty and the fact that they did not have access to the internet and email facilities. The benefits compared to other methods of administration such as:

- Easy access to the population within a smaller geographical reach.
- Save the researcher a lot of time since the Branch network is used for distribution and administered by the Branch Managers to ensure time was allocated for completion.
- Reduction of costs as internal post was used as opposed to costs incurred using postal services.

### **3.7 Analysis and methods of Analyzing Data**

The next step after the collection of data is analysis. This is done in order to test the research hypothesis (Sekaran and Bougie 2010). The researcher has to ensure that data is accurate, complete and suitable for further analysis (Sekaran 2003). The beginning point of departure is data coding; this incorporates assigning a number to the participants' responses so that they can be entered into a database (Zwane, 2011). According to Blaxter

et al. (2010) data analysis “usually involves reducing accumulated data to manageable size, developing summaries, looking for patterns, and applying statistical techniques”.

### **3.7.1 Pretesting and Validation**

Each research instrument requires pretesting and validating in order to detect any present weaknesses with regards to the design of that instrument (Sekaran, 2010). According to Sekaran (2010) three steps are involved in the pretesting and validation of a research instrument to ensure reliability, incorporate the following:

#### **3.7.1.1 Pretesting of the questionnaire**

Before a questionnaire is sent out to the respondents it is imperative that it be pretested and validated for enhancing its accuracy and consistency of the responses (Sekaran, 2010). The accuracy and consistency can be achieved through pre-testing of the questionnaire utilizing a small number of responses with characteristics similar to the target population (Hair, Money, Samouel & Page, (2007). Due to time constraint, the questionnaire was not pre-tested as stated above, but the researcher spent more time on questionnaire design and language to ensure clarity and avoid biasness. The researcher discussed the questionnaire with the supervisor and a number of questions were reformulated and rearranged, as a result. Language editing was thoroughly employed in an attempt to ensure that grammatical errors and inappropriate language usage was eradicated. The researcher also applied language simplicity avoiding complicated terminology that might not be understood or be ambiguous for respondents. This is significant since respondents are not on equal levels of education; a term may be easy for one while complicated for the another. A research instrument should be as clear of these errors as possible if accurate results are anticipated for accurate and efficient data analysis.

#### **3.7.1.2 Validation of the Questionnaire**

According to Hair et al. (2007) instrument validity involves determination of the extent to which the instrument can actually measure what it is supposed to measure. There are different ways of assessing the validity of an instrument (Sekaran, 2010). This research, however, explores only two; namely, content validity and construct validity. Content (face) validity ensures that the measure includes an adequate and representative set of items that tap the concept (Sekaran 2010). The more the scale items represent the domain or universe

of the concept being measured, the greater the content validity stated (Sekaran, 2010). The construct validity of a measuring instrument means the degree to which the instrument measures the intended construct rather than irrelevant constructs or measurement error (Welman, Kruger & Mitchell, 2007). The measuring instrument should possess the ability to measure that which it is supposed to measure (Zwane, 2011). To ensure this was done, different types and levels of questions were included in the questionnaire. In the end, the supervisor was satisfied with the questionnaire.

### **3.7.1.3 Reliability**

Reliability infers to the findings of the research and normally relates to the credibility of the findings (Welman et al. 2007). Sekaran (2003) maintains that the reliability of a measuring instrument often indicates the extent to which the measure is without bias (error free) and, as a result, offers consistent measurement across time and across various items in the instrument. According to Zwane (2011), a measuring instrument is reliable if it produces consistent results. The two important aspects of reliability are stability and consistency.

Sekaran (2010) establishes that stability relates to the ability of a measure to remain the same over time despite uncontrollable testing conditions or the state of the respondents themselves, while consistency, on the other hand, indicates homogeneity of the items in the measure that tap the construct. According to Welman et al (2007) stability of measures is achieved by: Test–retest, meaning that, reliability is tested through administering the instrument on at least two occasions to the same large, representative sample from the population for which the instrument is intended and the test-retest coefficient refers to the reliability and stability of the instrument across time. Due to time constraints, this measure could not be undertaken, but instead, as stated before, more time was spent on ensuring the accuracy and efficiency of the research instrument through ensuring language accuracy and appropriateness for ensuring accurate data collection and analysis.

## **3.8 Questionnaire Administration**

### **3.8.1 Surveys**

The questionnaires were administered through paper based questionnaires to respondents. Survey research, as an applied approach, can be selected to understand a particular problem or examining the experiences of certain groups (Dunn, 2010). In this study the instrument was used to determine whether a similar styled remuneration system could be cascaded down to the front end operating sales staff of the company under study, whether a similar styled remuneration system would benefit the front end operating sales staff, ascertain if this method of remuneration would increase the production of the company branches, investigate if this method of remuneration would increase the desire to be productive amongst the company's front end operating sales staff, as well as, to determine if a correlation would exist between the responses received and the productivity and/or assessment of sales staff.

### **3.9 Summary**

This chapter discussed and described the research methodology used in the study in detail. Research strategies and different methods of data collection were discussed in conjunction with the rationale behind the selection thereof. The questionnaire design and administration was discussed. Methods of data analysis, namely, quantitative approach, as well as, analysis of variance approach were discussed. Chapter Four will present data collected from the study and discussion of results obtained from the completed questionnaire.

## **CHAPTER 4 and 5**

### **PRESENTATION AND DISCUSSION OF RESULTS**

#### **4.1 Introduction**

The focus of this chapter is to present the data as acquired in the survey. In this chapter, data is presented as determined by questionnaires administered to 150 respondents. We had 110 respondents handing back completed questionnaires. Data is presented according to the chronological order in the questionnaire, into demographic information, motivation and satisfaction of respondents in their workplace, as well as their involvement in various components within the organization. The chapter presents the results from the data collected and interprets both descriptive and inferential statistics utilized to produce a detailed analysis.

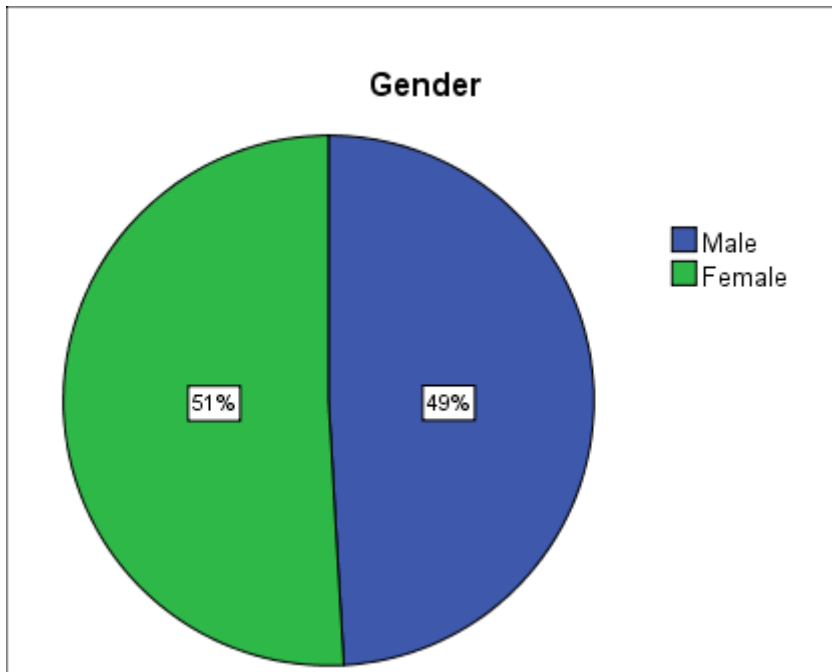
The chapter starts by presenting data regarding the demographics of the respondents in this study. Each question in the questionnaire will be presented as well as the response to it. Findings will then be presented through the use of tables where applicable in order to clearly illustrate the relations and trends that assist in data analysis.

#### **4.2 Demographic Information**

Demographic data is significant in research since it often provides a better understanding of the respondents under study in as far as their background, better analysis of results as well as better means of understanding the different responding pattern amongst respondents in terms of their gender, educational background and work environment.

##### **4.2.1 Gender of the Respondents**

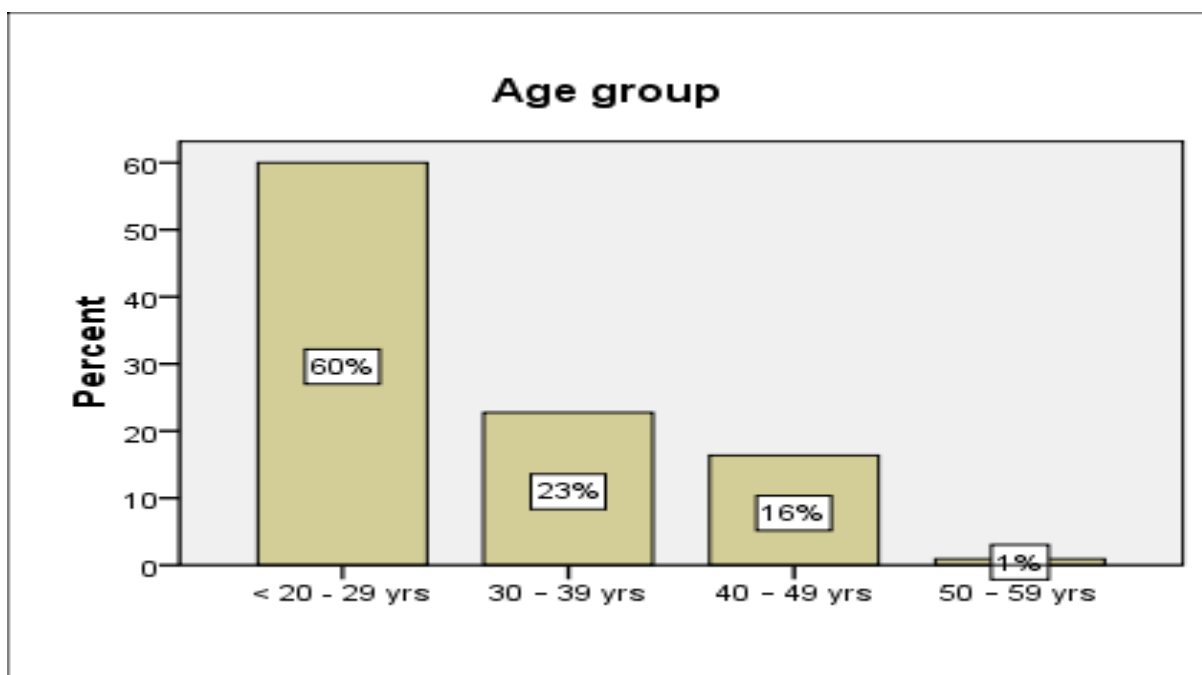
The initial question asked respondents to indicate their gender profile. Figure 4.1 below indicates the gender of the respondents.



**Figure: 4.1.1 Gender of Respondents**

More than half of the respondents, 51%, of the respondents were female while 49% were male. It was noted that the company under investigation tried to maintain gender equity by having an almost equal number of males and females working for the company. This also closely represents a reflection of their customer base.

4.2.2 Age group

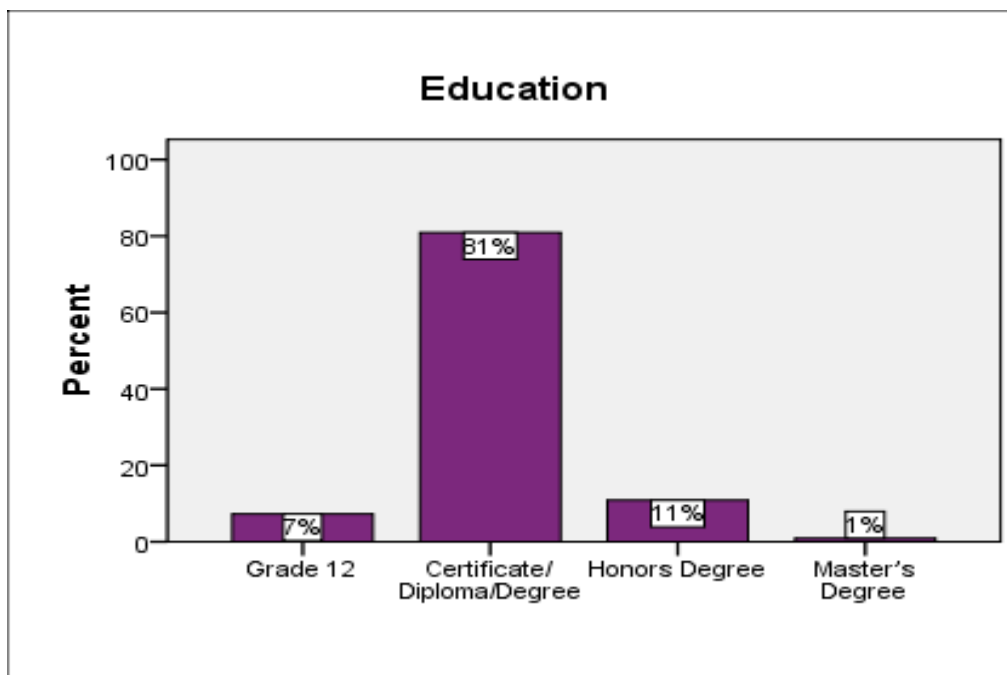


**Figure: 4.1.2 Age Group of Respondents**

The majority 60% of the participants ranged between (20-29) years of age), 23% ranged between (30-39) years, 16% ranged between (40-49) years, while only 1% ranged between (50-59) years of age. This was concluded to mean that the company had the highest number of young employees. Having a young workforce would benefit the company in the long run if they would aim to retain this group of young people as employees for the success of the company. The majority of young staff being on the frontline meant that the older staff were mainly in supervisory and management level positions.

#### 4.2.3 Education Levels of Respondents

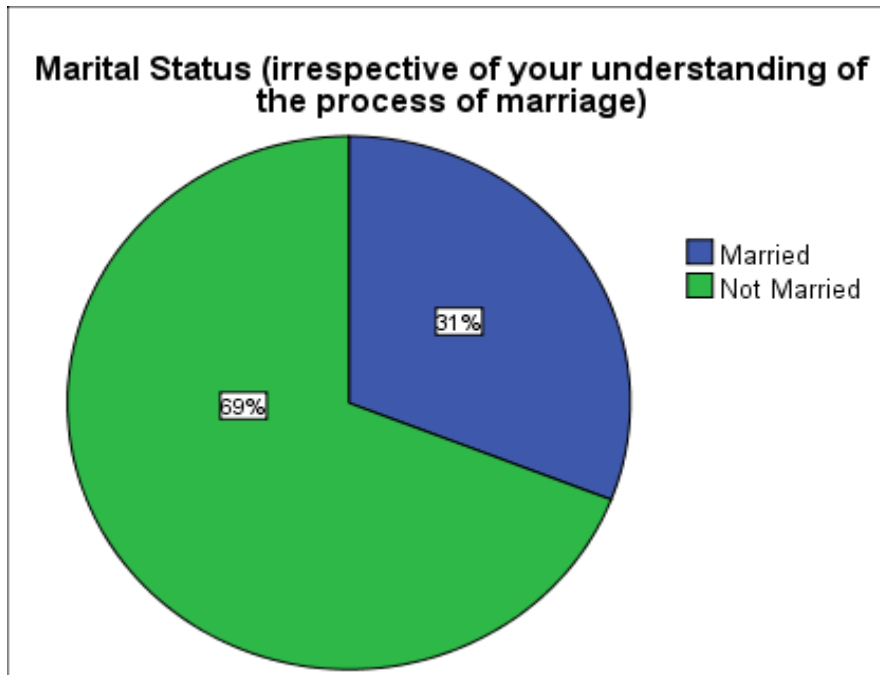
Figure 4.1.3 below indicates the results.



**Figure: 4.1.3 Education Levels of Respondents**

Results indicate that 7% were in possession of Grade 12 certificate while 81% of the respondents possessed Certificates/Diplomas/Degrees and 11% possessed Honors degree, and only 1% possessed a Master's degree. In this question the respondents were asked about their level of education. It was interesting to note that the company had the highest number of educated employees, 93% possessing Certificates, Diplomas, Undergraduate degrees, Honors and Masters. It indicates that the company preferred to employ people that had studied and or encouraged staff to study in their employ.

#### 4.2.4 Marital Status of the Respondents

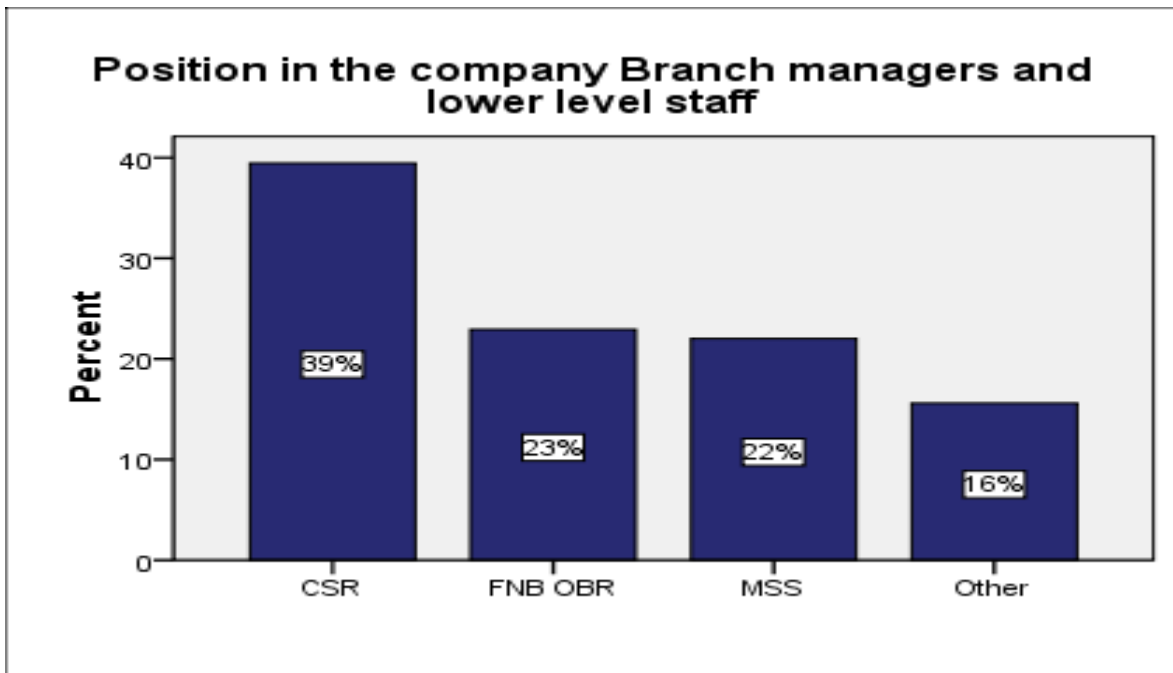


**Figure 4.1.4: Marital Status of Respondents**

Results indicate that 69% of the respondents were married while 31% were not married. Marriage bears an element of responsibilities and may influence staff members decisions to convert to OBR as OBR income would fluctuate depending on performance.

#### 4.2.5 Position in the Company

Figure 4.1.5 below indicates the results from the study.

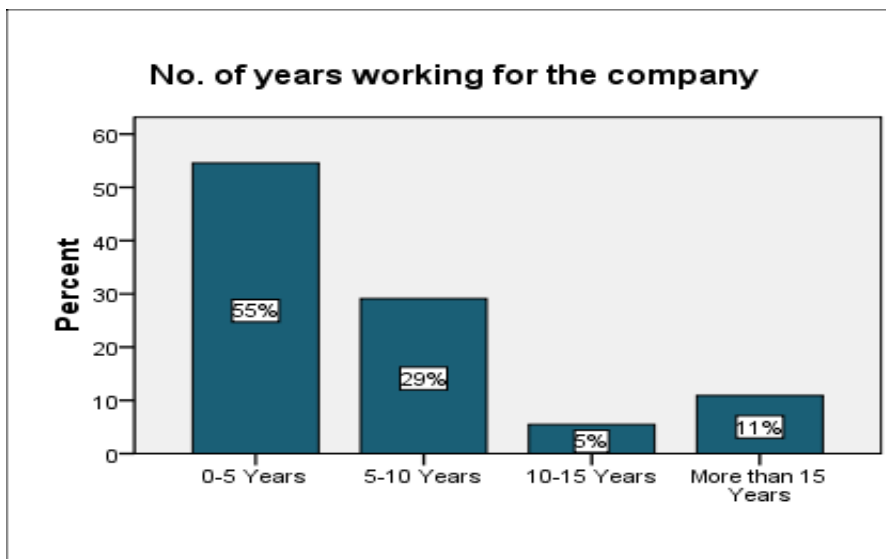


**Figure 4.1.5: Position of the Respondents in the Company**

The results indicated that 39% emanated from the Customer Service Representative (CSR), 23% from First National Bank (FNB), 22% from Multi Skill Consultants (MSS), and 16% from Other.

#### 4.2.6 Number of Years working for the Company

Figure 4.1.6 below indicates the results from the study.



### Figure 4.1.6: Number of Years Working for the Company

Results indicate that 55% had (0-5) years working experience while 29% of the respondents had (5-10) years working experience and 5% of the respondents had (10-15) years working experience and 11% had more than 15 years of working experience. This question asked the respondents to indicate the number of years they had worked for the company under study.

### 4.3 Questions

A 7- point Likert scale was used for each of the following statements rated from Strongly Agree (SA), Agree (A), Somewhat Agree (SA), Neutral (N), Somewhat Disagree (SD), Disagree (D) to Strongly Disagree (SD). Table 4.8 below indicates the results from the study in percentages.

**TABLE 1: Statistical Representation of Statements and Responses in Percentages.**

STATEMENT	SD	D	SD	N	SA	A	SA
4.3.1 I am highly satisfied with the working culture of the organization	1	4	3	12	17	37	27
4.3.2 Top Management is interested in Motivating Employees	5	7	5	4	14	42	24
4.3.3 I am highly satisfied with Promotion	8	9	4	16	18	28	17
4.3.4 I am highly satisfied with appreciation letters	6	8	5	16	18	30	17
4.3.5 I am highly motivated by motivational talks	6	3	6	8	22	30	25
4.3.6 I am highly motivated by salary increase	8	4	4	11	11	25	37
4.3.7 I am highly motivated by leave	7	8	6	15	17	27	19
4.3.8 I am highly motivated by recognition	6	6	6	6	16	28	33
4.3.9 I am motivated by reasonable periodical increase in salary	3	9	4	16	13	30	25
4.3.10 I am motivated by job security	5	2	5	9	15	43	23
4.3.11 I am motivated by good relationships with other staff members		1	1	4	11	41	43
4.3.12 I am motivated by the effective appraisal system	3	2	4	12	15	40	25

4.3.13 I am motivated by effective promotional opportunities	4	4	5	13	15	37	24
4.3.14 I am motivation by when my organization recognizes and acknowledges my work	1	4	2	10	13	33	38
4.3.15 Organizational Policies motivate me to achieve company's aims and objectives	1	2	1	14	19	38	25
4.3.16 Do you think that commission/incentives and other benefits will influence your performance?	2	1	2	6	7	25	56
4.3.17 Does the top management involves you in decision making processes which are connected to your Department?	9	15	4	7	20	30	15
4.3.18 As an employee, do you feel that receive sufficient and appropriate on-the-job performance recognition?	6	9	5	16	25	28	9
4.3.19 Are you empowered by your Department Head/ Supervisor to pursue opportunities for professional development?	5	7	9	14	17	34	15
4.3.20 Have you contemplated a transfer from your Department in the last +twelve months?	12	15	3	17	5	20	24

#### **4.3.1 Satisfaction with the Working Culture of the Organization**

The results indicate that 81% of the respondents were found to be satisfied with the working culture of the organization. Only 8% of the respondents were found to be dissatisfied with the working culture of the organization and 12% of the respondents remained neutral to the question.

A study by Verma (2011) found physiological and safety needs, such as, good wages, good working condition, excellent fringe benefits and steady employment could be relative to employee productivity. The above results which indicated that most, 81% of the respondents, were satisfied with the working culture of their organization tallied with the findings by Verma (2011) who found that physiological needs, such as, good working conditions led to employee satisfaction and therefore productivity. This was regarded as one of the most critical success factors of the organization under study.

### **4.3.2 Top Management is interested in Motivation Employees**

The results indicate that 80% of the respondents agreed that top management were interested in motivating employees. 17% of the respondents disagreed that top management was interested in motivating employees. Only 4% respondents were neutral regarding this question.

### **4.3.3 Satisfaction with Promotion**

Results indicate that 17% of the respondents disagreed that they were satisfied with promotion. Only 4% of the respondents somewhat disagreed with this. 16% of the respondents remained neutral with regards to this question. 63% of the respondents agreed that they were satisfied with the promotion they had obtained from the workplace. Previous studies have indicated that the desire to be promoted and earn higher income also plays a substantial role in motivating employees (Ghazanfar et al, 2011). Most of the respondents, 63%, in this study were found to be satisfied with the promotion they had obtained from the workplace. Even though 21% of the respondents disagreed that they were satisfied with promotion in the organization, the results correlated with the results in Ghazanfar et al's (2011) study which indicated a positive correlation between promotion and motivation amongst employees.

### **4.3.4 Level of Satisfaction with Appreciation Letters**

Results indicate that 65% of the respondents agreed that they were satisfied with the appreciation letters they received from the organization. 19% of the respondents disagreed that they were satisfied with the appreciation letters. Only 15% of the respondents remained neutral in this question. Employees in the company under investigation had been awarded with appreciation letters if they had performed well in their job categories. It was, however, unknown if this criterion led to job satisfaction or not amongst the employees. This then necessitated a question which would find out if they were highly satisfied with the appreciation letters they were given by the employer. When 65% of the respondents agreed that they were satisfied with the appreciation letters they received from the organization, it was deduced that the utilization of appreciation letters as a mode of

increasing the level of job satisfaction had been a success for the company. This was presumed even though 19% of the respondents disagreed that they were satisfied with the appreciation letters, and 15% remained neutral in this question. This left room for improvement for the company under study.

#### **4.3.5 Level of Motivation by Motivational Talks**

One of the many ways of motivating employees in the company under study had been through the use of motivational talks. What was unknown was whether employees were actually motivated by motivational talks or not. The respondents were asked, therefore, to indicate the level of motivation that they had towards their work. The results indicated that most, 77%, of the respondents agreed that they were highly motivated by motivational talks offered to them from time to time. It was only 15% of them who disagreed that they were highly motivated by motivational talks offered to them. 8% remained neutral in this question. The reasons for this were unknown as it was not part of this study to find the reasons why they opted for that. Again, the fact that most of the employees were motivated by these motivational talks was regarded as an important factor of the company under investigation.

#### **4.3.6 Motivation by Salary**

Results indicate that 73% of the respondents agreed that they were highly motivated by salary increase. 16% of the respondents disagreed that they were highly motivated by salary increase. Only 11% of the respondents remained neutral regarding this question. This question asked the respondents if they were satisfied with the current salary they were receiving from their employer. 'Money has been seen to be performing the function of a score card, by which employee can compare their value to other (Verma, 2011: 34). The question 'Does money satisfy most employees?' Has been asked many times in literature. The answer to the question has been a 'NO'. Studies, such as in Verma (2011), indicate that for money to motivate individual employees, certain conditions must be met: First money must be important to the individual. Second money must be perceived by the individuals as being a direct reward for performance. Third, the marginal amount of money offered for the performance must be perceived by the individual as being significant (Verma, 2011). The results in the current study correlated with the above indications when only 20% of the respondents agreed that they were satisfied with the current salary they

were receiving. 25% of the respondents maintained that they were sometimes satisfied with the current salary they were receiving. However, more than half, 55% of the respondents were dissatisfied with the current salary they were receiving from their employer. This coincided with the findings in Javitch's (2009) study which found that money was not a sustainable motivating factor to employees. In his study he maintains that money motivates only if some enough money for the employees was paid to them to do almost any job. He further states that when you give bonuses to reward past behavior, the recipients are usually very happy, unless they were expecting a larger bonus. The staff has been found to be doing a better job following the glow that accompanies added money. However, it is also indicated that this happiness is short-lived. Within a period of six months, individuals often find it difficult to recall that bonus and the after-use impact is often far lesser than the impact it had had within the first few weeks or months of receiving it. The reason for this is observed to be that money, in itself, will not continuously motivate individuals. Individuals are said to be highly motivated to increase output by recognition and status than money. The recognized earner gains recognition from colleagues and clients. Recognition and status are two key sources of motivation. Therefore, while money can serve to motivate, its effects are often short term at best (Javitch, 2009).

Motivation by salary had been found to be effective in the previous studies. A study, for instance, by Yudhvir & Sunita (2012: 58) had found that monetary incentives including profit sharing, project bonuses, stock options and warrants, scheduled bonuses (e.g., Christmas and performance-linked), and additional paid vacation time had been a very good source of maintaining a positive motivational environment for employees. The respondents were, therefore, asked to indicate if salary had an influence on them. The question was asked to determine the level of motivation which is due to salary increase amongst employees. Results indicated that 73% of the respondents agreed that they were highly motivated by salary increase. 16% of the respondents disagreed that they were highly motivated by salary increase. Only 11% of the respondents remained neutral regarding this question. The results in this study reiterate what has been echoed in the previous studies. For instance, the incentive theory of motivation suggests that people are motivated to do things because of external rewards (Cherry, 2013). If income can be determined by the effort incurred, one may be motivated to go to work each day for monetary reward. In addition, another study maintains that the purpose of monetary incentives is to reward employees for excellent job performance through money (Yudhvir & Sunita, 2012: 58). Studies have indicated that as far back as 1911, compensation and

performance based remuneration had been viewed as the most significant management tool companies needed to utilize in order to motivate employees, increase their productivity and reduce turnover rate (Taylor, 1911 in Dulebohn, Ferris, & Stodd (1995). Reed went on to bring into the argument in favor of money the theory of Reinforcement and Victor Vroom's Expectancy Theory. She stated that "reinforcement and expectancy theories also attest to the motivating power of money. According to reinforcement theory, if pay is contingent on performance, it will encourage employees to maintain high levels of effort. Finally, money as a form of compensation has been to exhibit more power when it relates to job choice (Ghazanfar et al, 2011. For instance, when an employee has been offered another job which offers greater financial rewards and with similar job characteristics, he would often be motivated to take the new job offer (Ghazanfar et al, 2011). The desire to be promoted and earn higher income also plays a significant role in motivating employees (Ghazanfar et al, 2011).

To further ascertain the findings in the previous studies, when respondents were asked to indicate the reasons why they stayed in their current jobs, the results indicated that 57% of the respondents agreed that salary/benefits was the reason why they were staying in their present job. 43% of the respondents disagreed that salary/benefits were the reason for their staying in the present job.

On the other hand, when the respondents were asked if they were satisfied with the current salary they received the results indicated that more than half, 55% of the respondents were dissatisfied with the current salary they were receiving from their employer, while only 20% agreed that they were satisfied with the current salary they were receiving, and 25% of the respondents maintained that they were sometimes satisfied with the current salary they were receiving. More studies have coincided with the findings in this study that money was not the most significant motivator amongst employees (Guzzo, Jette, and Katzell, 1985; Judiesch, 1994; Stajkovic and Luthans, 1997; Jenkins, Mitra, Gupta, & Shaw, 1998). The results also correlate with Perry et al's (2006) argument that financial rewards are not the most motivating factors. Their argument is that these types of rewards have a de-motivating effect amongst employees (Srivastava, 2001).

#### **4.3.7 Motivation by Leave**

Results indicate that 82% of the respondents agreed that they were highly motivated by leave. 21% disagreed that they were satisfied by leave. Only 15% of the respondents remained neutral in this question. In their study amongst the Branch Managers, the company had found that these employees were highly motivated by leave. The current study aimed to investigate if leave was able to attain the same or higher levels of motivation amongst front end employees. The question asked, therefore, wanted the respondents to indicate if they were highly motivated by leave or not. An overwhelming 82% of the respondents agreed that they were highly motivated by leave. Even though 21% disagreed that they were highly motivated by leave, it was concluded that the highest number of respondents were highly motivated by leave. The reasons for the 15% who remained neutral were unknown. The granting of leave to employees was thus regarded as one of the critical success factors for the company under investigation.

#### **4.3.8 Motivation by Recognition**

Motivation by recognition has been found to be one of the most effective ways of motivating employees to do a better job. Even though other studies in their findings indicate that the staff does a better job following the happiness that accompanies added money, other studies, however, find that this happiness is short-lived (Guzzo, Jette, and Katzell, 1985; Judiesch, 1994; Stajkovic and Luthans, 1997; Jenkins, Mitra, Gupta, & Shaw, 1998; Javidtch, 2009). Within six months, individuals have difficulty recalling that bonus and it does not seem to have the same impact it did within the first few weeks or months of receiving it. That's because money, in and of itself, will not continuously motivate individuals. It's the recognition and status that are the true motivators for the increased output. A high tech salesperson who sold more product than anyone else in the department, and is awarded a bonus by his/her boss will be recognize by everyone that he/she is the bonus recipient is, and he/she is proud of his/her accomplishments. The recognition from he/she gains from colleagues and clients will greatly motivate him/her. Recognition and status are two key sources of motivation. So while money can serve to motivate, its effects are often short term at best (Javitch, 2009). The results in this study indicate that 77% agreed that they were highly motivated by recognition. Only 18% of the respondents disagreed that they were highly motivated by recognition in the organization. Only 6% of the respondents remained neutral in this question. Recognition appears to be

one of the critical success factors of the company under investigation. The company should be considerate to fact that recognition stimulated their employees and should explore recognition initiatives and programs.

Results indicate that 77% agreed that they were highly motivated by recognition. 18% of the respondents disagreed that they were highly motivated by recognition in the organization. Only 6% of the respondents remained neutral in this question. Motivation by recognition has been found to be one of the most effective ways of motivating employees to do a better job. Even though other studies in their findings indicate that the staff does a better job following the glow that accompanies added money, other studies, however, find that this happiness is short-lived (Guzzo, Jette, and Katzell, 1985; Judiesch, 1994; Stajkovic and Luthans, 1997; Jenkins, Mitra, Gupta, & Shaw, 1998; Javidtch, 2009). Within six months, individuals have difficulty recalling that bonus and it does not seem to have the same impact it did within the first few weeks or months of receiving it. That's because money, in and of itself, will not continuously motivate individuals. It's the recognition and status that are the true motivators for the increased output. A high tech salesperson who sold more product than anyone else in the department, and is awarded a bonus by his/her boss will be recognize by everyone that he/she is the bonus recipient is, and he/she is proud of his/her accomplishments. The recognition that he/she gains from colleagues and clients will greatly motivate him/her. Recognition and status are two key sources of motivation. So while money can serve to motivate, its effects are often short term at best (Javitch, 2009). Since a large percentage (77%) of the respondents agreed to being motivated by recognition, it was concluded that recognition appears to be one of the critical success factors of the company under investigation.

#### **4.3.9 Motivation by reasonable periodical increase in salary**

Results indicate that 68% of the respondents agreed that they were motivated by reasonable periodical increase in salary. 16% of the respondents disagreed that they were motivated by reasonable periodical increase in salary. Only 16% remained neutral in this question. Another source of motivation amongst the Branch Managers in the company under study was the reasonable periodical increase in salary. This was tested amongst the front end employees, the respondents in this study, to see if similar results would be attained. The results in this study coincided with findings in the previous study by Verma

(2011) that money does play a significant role in motivating employees.

#### **4.3.10 Motivation by Job Security**

Results indicate that most, 81%, of the respondents agreed that they were motivated by job security. 12% of the respondents disagreed that they were motivated by job security. Only 9% of the respondents remained neutral in this question. Previous studies have indicated that factors, such as, job security in fact play a huge role in motivating employees. For instance, a study by Aktari, Kamruzzaman and Ali (2012) found that employee performance may be affected by many factors, such as, working conditions, job security, training and development opportunities, the company's overall policies and procedures for rewarding employees, and employee and employer relationships. The current study investigated if such factors would motivate the respondents under investigation. The results reiterated this when they found 81 % of the respondents agreeing that they were motivated by factors, such as, job security. These findings reiterated the findings in a study by Yudhvir & Sunita (2012) which indicated that most organizations hope and believe that small business employees are only motivated by things, such as, money, a nice office and job security, even though these motivators do not necessarily assist employees to become more motivated.

#### **4.3.11 Motivation by Good Relationship with other Staff Members**

The results indicated 95% of the respondents who agreed that they were motivated by good relationships with other staff members. Only 2% of the respondents disagreed that they were motivated by good relationships with other staff members. Only 4% of the respondents remained neutral in this question. Andy Core (2013) in his blog 'Maintaining good relationships with people in the workplace' points out that one spends eight hours in the workplace and that staff should attempt to be as content as they can be and he goes on to show a correlation between happiness in the workplace and increased productivity.

#### **4.3.12 Motivation by Effective Performance Appraisal**

Results below indicate that 80% of the respondents agreed that they were motivated by the effective appraisal system the organization was using. Only 9% of the respondents disagreed that they were motivated the effective performance appraisal system utilized by the organization. Only 12% of the respondents remained neutral in this question.

According to the Remuneration Policy of 2012, in order to attract certain exceptional candidates, it may be appropriate from time to time to pay a ‘Sign on’ or ‘Attraction’ allowance (Remuneration Policy 2012). Such allowance will generally be paid by way of performance rights. This means assessing performance of employees with an aim of compensating them for the excellent work done. Outcomes Based Remuneration has been defined as a system of payment offered as a result of an outstanding performance by an employee. It may also be referred to as “Pay for Performance” since this “refers to a pay strategy where evaluations of individual and/or organizational performance have significant influence on the amount of pay increases or bonuses given to each employee” (McPhie, 2006: 1). When this strategy is utilized, organizations should ensure that it is very effective.

The current study aimed to find out if the respondents were motivated by effective performance appraisal. The results in this study indicated that 80% of the respondents agreed that they were motivated by the effective appraisal system the organization was using. Even though 9% of the respondents disagreed that they were motivated the effective performance appraisal system utilized by the organization and only 12% of the respondents remained neutral in this question, it was realized that most of the respondents favored performance appraisal. Studies have emphasized that for an organization to succeed, it must be in possession of a carefully structured remuneration policy outlining how the organization intends remunerating its employees from top management, such as, executives to the lower level employees, such as, front operating staff (Remuneration Policy, 2012). It is stressed that the structured remuneration policy in place should comprise introduction and purpose, expectations which embrace remuneration principles with structure and fixed remuneration, and then outcomes/performance based remuneration principles entitling other performances to be remunerated with a clearly structured framework of how this is to be performed by the organization (Remuneration Policy, 2012). Performance based remuneration comprises mostly of short-term (usually annual), long-term (mostly 3-5 years) incentives, as well as, side-on allowances.

#### **4.3.13 Motivation by Effective Promotional Opportunities**

Results from the study indicate that 76% of the respondents agreed that they were motivated by effective promotional opportunities that arise within the organization. Only

11% of the respondents disagreed that they were motivated by effective promotional opportunities within the organization. A mere 13% of the respondents remained neutral in this question. The desire to be promoted and earn higher income also plays a significant role in motivating employees (Ghazanfar et al, 2011). The results from the study indicated a very high percentage, 76%, of the respondents who agreed that they were motivated by effective promotional opportunities that arise within the organization. Even though 11% of the respondents disagreed that they were motivated by effective promotional opportunities within the organization, it was noted that promotional opportunities play a role in motivating employees to give their best effort in the work they are doing for the success of the company they are working for. Reasons for the 13% that remained neutral were unknown.

#### **4.3.14 Motivation by the organization's recognition and acknowledgement of my work**

Results indicate that 84% of the respondents agreed that they were motivated by when their work is recognized and acknowledged by their organization. Only 10% of the respondents remained neutral in this question. Only 7% of the respondents disagreed that they were motivated by when their organization recognized and acknowledged their work. Professionals are those individuals who are highly educated, having College Diplomas to Doctoral degrees. Verma (2011) notes that even though these individuals usually receive exorbitant salaries, they are, however, motivated by their profession rather than by their employers. They are known as the kind that usually receive intrinsic motivation from their work (Verma, 2011). Since they have strong and long term commitment to their field of expertise, they regularly update their knowledge and expertise through continuous studying, and therefore, are less motivated by money and promotion (Verma, 2011). Since they are well-paid and often enjoy what they do, they are often motivated by challenge, tackling crises and solving them (Verma, 2011). He then suggests that organizations should rather offer them challenging projects and then reward them with educational opportunities rather than money (Verma, 2011). They should be allowed autonomy and be allowed to restructure their work in ways they find productive (Verma, 2011). The results from this study had confirmed that 95% of the employees in the company under investigation were in possession of higher education (Certificates/Diplomas/Honors Degrees and Master's Degree. The results from the study reiterated this fact when 84% of

the respondents agreed that they were motivated by when their work is recognized and acknowledged by their organization. In this case, only 10% of the respondents remained neutral when asked the same question, and only 7% of these disagreed that they were motivated by when their organization recognized and acknowledged their work. This concludes that when an organization recognizes and acknowledges the work done by its employees, they become more motivated to stay in the organization and aim to achieve the organization's objectives.

#### **4.3.15 Motivation by Organizational Policies to achieve the company's aims and objectives**

This question asked the respondents if they were motivated by Organizational Policies to achieve the company's aims and objectives.

The results from the study indicate that 83% of the respondents agreed that Organizational Policies motivated them to achieve company's aims and objectives. Only 4% of the respondents disagreed with the question whilst 14% of the respondents remained neutral in this question. While most behavioral theorists maintain that some employees are not always motivated by money but by goals, participation in decision making, feedback, cohesive work groups and other non-monetary factors, such as, stimulants to employee motivation, there is an argument that money does play a pivotal role in motivating employees to be productive (Verma, 2011).

Manzoor, (2012) mentions in his paper that there are many organizational policies that impact employees but some that feature high in employees minds are training, development and promotional policies. The company would be wise to consider which policies impact these areas for the employees so that in the process employees are kept satisfied.

### **OTHER THINGS THAT MAY INFLUENCE PERFORMANCE**

#### **4.3.16 Will commission/incentives and other benefits influence your performance?**

Results indicate that 88% of the respondents agreed that commission/incentives would influence their performance. Only 5% of the respondents disagreed that

commission/incentives and other benefits would influence their performance. Only 6% remained neutral in this question. A study by Ghazanfar et al, (2011) indicates that flexible pay, such as, overtime, incentives and bonuses have a positive role but on the weaker side (Ghazanfar et al, 2011). According to the Remuneration Policy 2012, long term incentives (LTI) may be provided to certain senior executives to reward creation of shareholder value, and provide incentives to create further value. The current study sought to determine the level of motivation incentives or commissions would have on front end sales operators. Even though in one study by Ghazanfar (2011) employees in the United States perceived benefits, such as, allowances and reimbursements for miscellaneous expenses, company housing and company conveyance as not equivalent to compensation or incentives. According to Stolovich (2010) incentive schemes and initiatives can increase productivity of companies between 25% and 44%.

#### **4.3.17 Involvement by Top Management in decision making connected to my Department**

Results indicate that 65% of the respondents agreed that top management involved them in decision making which is connected to their department whilst 28% of the respondents disagreed that top management involved them in decision making which is connected to their department. Only 7% of the respondents remained neutral in this question. One critical success factor in the development of a company highlighted in the study by Chaudhary and Sharma (2012) was the involvement of employees in decision-making processes. According to Chaudhary and Sharma (2012) this greatly motivates employees to stay in the company. The results in this study confirmed these findings by a major 65% of the respondents agreeing that top management involved them in decision making which is connected to their department. The conclusion was that involving employees in decision making by the top management greatly contributes to employee retention.

#### **4.3.18 Receipt of sufficient and appropriate on-the-job performance recognition**

Results indicate that 62% of the respondents agreed that they felt they received sufficient and appropriate on-the-job performance recognition whilst 21% of the respondents disagreed that they were receiving sufficient and appropriate on-the-job performance recognition and 16% of the respondents remained neutral in this question. In response to a

question on instant recognition Mosley (2016) mentioned that employees in the present changing companies want their feedback more frequently and in real time supporting the response that majority of the respondents delivered.

#### **4.3.19 Empowering by the Department Head/ Supervisor to pursue opportunities for professional development**

Results indicate that most, 66% of the respondents agreed that they were empowered by the Department Head/Supervisor to pursue opportunities for their professional development whilst 21% of the respondents disagreed they were empowered by their department head/Supervisor to pursue opportunities for their professional development. Only 14% of the respondents remained neutral in this question. According to Quest (2012) one should give employees meaningful work and work that is challenging to them. Adding to her views Quest mentioned that staff should be encouraged to develop and follow a personal plan or goal.

#### **4.3.20 Contemplating Transfer from Department in the last twelve months**

The question of contemplation is always significant because it can always indicate to the company how many of their employees may leave the company later. The results in the current study indicated about half, 54 (49%) of the respondents had contemplated transfer from the Department in the last twelve months, as they were not completely satisfied with certain things entailing their jobs. A respectable 33% of the respondents disagreed that they had contemplated transferring from the Department, while only 17% opted to be neutral in this matter. A higher percentage of respondents who contemplate transferring from the company meant the company should conduct a thorough study of what made the employees want to leave the department, and make the necessary changes and adjustments that would help them retain this percentage of employees.

**Table 2: Summarized Ranking of Performance Influencers in Percentages**

<ul style="list-style-type: none"> <li>Organizational Policies motivates employees to achieve their company’s aims and objectives.</li> </ul>	83%
<ul style="list-style-type: none"> <li>Employees were empowered by the Department Head/Supervisor to pursue opportunities for their professional development.</li> </ul>	66%,
<ul style="list-style-type: none"> <li>Top management is involved them in decision making which is connected to</li> </ul>	65%

their department.	
<ul style="list-style-type: none"> <li>Employees felt they received sufficient and appropriate on-the-job performance recognition.</li> </ul>	62%,
<ul style="list-style-type: none"> <li>Employees have contemplated transfer from the Department in the last twelve months.</li> </ul>	49%

**Table 3: Statistical Representation of Statements and Responses in Percentages**

Statement	Yes	No	Sometimes
4.3.21 Do you enjoy going to work every day and performing at your best?	54	6	40

Statement	Motivated	Not Motivated	Somewhat motivated
4.3.22 How motivated are you to assist your department in meeting its objectives?	79	3	18

Statement	Yes	No	Sometimes
4.3.23 What are your reasons for staying at your present job? Challenging job assignments	26	74	-
4.3.24 What are your reasons for staying at your present job? Personal Growth/promotional Opportunities	48	52	-
4.3.25 What are your reasons for staying at your present job? Salary/benefits	57	43	-
4.3.26 What are your reasons for staying at your present job? Profit Sharing	23	77	-
4.3.27 What are your reasons for staying at your present job? Fringe benefits	17	83	-
4.3.28 What are your reasons for staying at your present job? Reimbursement for different expenses	5	95	-
4.3.29 What are your reasons for staying at your present job? Stability/Security	52	48	-
4.3.30 What are your reasons for staying at your	34	66	-

present job? Pleasant Work Environment			
4.3.31 What are your reasons for staying at your present job? Interesting Working Hours	26	74	-
4.3.32 What are your reasons for staying at your present job? Good Manager/Leader	32	68	-
4.3.33 What are your reasons for staying at your present job? Location is convenient	51	49	-
4.3.34 What are your reasons for staying at your present job? Training Opportunities	34	66	-
4.3.35 What are your reasons for staying at your present job? Pay-for-performance	29	71	-
4.3.36 Are efforts being made to retain qualified employees?	46	30	24
4.3.37 Are you applauded and encouraged by your supervisor when you perform a 'good' job?	58	11	31

<b>Statement</b>	<b>Good</b>	<b>Poor</b>	<b>Average</b>
4.3.38 How would you rate the management style of your current supervisor?	52	19	29

<b>Statement</b>	<b>Yes</b>	<b>No</b>	<b>Sometimes</b>
4.3.40 Does your Team Leader take time to listen to your concerns and support reasonable suggestions?	57	22	21
4.3.41 Does your Team Leader assist you with planning essential training to help you perform your duties efficiently?	48	23	29
4.3.42 Does the Team leader have reasonable knowledge regarding all aspects of job responsibilities?	57	19	24
4.3.43 Were you provided with an accurate job description of your current responsibilities?	61	21	18
4.3.45 Do you work in a safe environment?	86	14	-

4.3.46 Do you work in a healthy environment?	81	19	-
4.3.47 Do you work in a comfortable environment?	73	27	-
4.3.48 Do you have the necessary tools to perform your duties effectively?	81	19	-
4.3.49 Do you have adequate working space to perform your duties effectively?	81	19	-
4.3.50 Do you have the Necessary Equipment to Perform Duties Effectively	79	21	-
4.3.51 Do you have Discussions with your Team Leader on ways to Improve your Work Environment?	50	20	30
4.3.52 Are you satisfied with your current salary?	20	55	25
4.3.53 Does your Department have an ongoing Recognition Programmed?	71	29	-

<b>STATEMENT</b>	<b>Yes</b>	<b>No</b>
4.3.55 Have you ever been nominated or received an Employee of the Quarter/Year Award?	30	70
4.3.56 What kinds of awards/incentives would you like to receive from Employee Recognition Programs?	26	74
4.3.57 What kinds of awards/incentives would you like to receive from Employee Recognition? Standard Glass/Crystal Awards	20	80
4.3.58 Kinds of Employee Awards you would like to receive from Employee Recognition: Functional Awards?	35	65
4.3.59 Kinds of Employee Awards you would like to receive from Employee Recognition: Novelty Items?	15	85
4.3.60 Kinds of Employee Awards you would like to receive from Employee Recognition: Certificates/Cash?	78	22

**4.3.21 Do you enjoy going to work every day and performing at your best?**

Results indicate that 54% of the respondents agreed that they enjoyed going to work every day and performing at their best. A significant 40% of the respondents however highlighted that they sometimes enjoy going to work every day and performing at their best. With the question. Only 6% of the respondents disagreed that they enjoyed going to work every day and performing at their best. This question was necessary because it was important to know if the employees were still happy with their jobs and if the jobs they were doing helped them, that is motivate them to perform at their best. This meant that the company should concentrate on what makes the 40% sometimes enjoy going to work while at the same time not enjoy doing so. Then they should aim at dealing with those hindrances for the success of the company.

#### **4.3.22 Motivation to assist the Department in Meeting its objectives**

Results indicate that 79% agreed that they were motivated in assisting their department in meeting its objectives whilst 18% of the respondents stated that they were somewhat motivated to assist their Department in meeting its objectives. Only 3% of the respondents remained neutral in this question. As Locke (1980, p 363) mentions that money is a motivator and in the world of OBR meeting and exceeding department objectives and targets will translate into higher earnings for employees. The reward is immediate and employees do not have to wait for annual performance reviews to receive increased incomes.

#### **4.3.23 Reasons for staying at your present job: Challenging job assignments**

The results indicate that 74% of the respondents disagreed that challenging assignments were the reason why they were staying in their present jobs while 26% agreed that challenging assignments were the reason why they had stayed in their present jobs. This section of the questionnaire concentrated on those aspects which made the respondents stay at their present jobs. The positive results from this question would help the company maintain these reasons so as to ensure the highest number of employees are retained. The respondents were asked if one of the reasons for staying at their present job was challenging job assignments. It has been indicated in the literature that companies amongst the employees that companies employ is a group falling under professionals. These individuals are highly educated in possession of College Diplomas to Doctoral degrees. Since these individuals usually receive exorbitant salaries, they are motivated mostly by

their profession than by their employers (Verma, 2011). It was noted that even though the company had the highest number of educated employees, 81% with Certificates/Diplomas/Degrees), only the smallest percentage of employees were motivated by challenging job assignments to stay in the company.

#### **4.3.24 Reason for staying at the present job: Personal Growth/promotional Opportunities**

Results indicates that 52% of the respondents disagreed that the reason for staying in their present job was personal growth/promotional opportunities while 48% of the respondents agreed that the reason for staying in the present job was personal growth/promotional opportunities. A positive response to the question would enable the company to know if awarding employees with personal growth or promotional opportunities was helping it retain more employees or not. The results from the survey showed that more than half, 52%, of the respondents disagreed that the reason for staying in their present job was personal growth/promotional opportunities. A significant 48% of the respondents agreed that the reason for staying in the present job was personal growth/promotional opportunities. This showed that close to half of the respondents were not motivated by these to stay in the company. In the event of OBR employees being promoted to the next level which is supervisory levels, they would then revert to being set salary earners receiving a set salary without the possibility of increasing or influencing their monthly income. The monthly income is not subject to performance related salaries.

#### **4.3.25 Reasons for staying at the current job: Salary/benefits**

Results indicate that 57% of the respondents agreed that salary/benefits was the reason why they were staying in their present job while 43% of the respondents disagreed that salary/benefits was the reason for their staying in the present job. A study by Yudhvir & Sunita (2012: 64) indicated that motivators, such as, pay raises, bonuses, stock options and profit sharing are examples of positive motivators which can boost job performance. These motivators were deemed to reward employees for not only doing their job, but doing it well and with enthusiasm (Yudhvir & Sunita, 2012: 64). In agreement to this, many early studies have highlighted the effectiveness that remuneration plays in employee productivity. For instance, after their first meta-analysis regarding motivational interventions, Locke, Feren, McCaleb, Shaw, and Denny (1980) concluded: "Money is the

crucial incentive . . . no other incentive or motivational technique comes even close to money with respect to its instrumental value” (p. 379). Locke et al, (1980) saw money or remuneration as an effective form of motivating employee productivity. They tested four methods of staff motivation; money, goal setting, participation in decision making, and redesigning jobs to give workers more challenge and responsibility. They found that the average improvement in performance from money was 30%, compared to an increase in performance by 16% for goal setting, less than one percent improvement from participation in decision making, and a 17% improvement from job redesign (Locke et al, 1980). In addition, Locke et al, (1980) reviewed numerous motivation studies and found that when money was used as a method of motivation it always resulted in some improvement in employee performance. It is clear that money is a motivator of employee productivity; however, the relationship is not straightforward.

The results from the current study indicated a 57% of the respondents who agreed that salary/benefits was the reason why they were staying in their present job while 43% of the respondents disagreed that salary/benefits was the reason for their staying in the present job. These findings prove that pay or salary plays a major role in motivating employees to stay in the companies they are working for. Research indicates that outcomes-based remuneration such as bonuses, merit and individual incentives, plays a significant role, not only for general employees, but also for high academic achievers, high performing employees and individuals with high self-efficacy and high needs for achievement (Hynes, et al, 2004). This means that companies should work at improving their remuneration system which could include outcomes-based remuneration system and benefits system.

#### **4.3.26 Reasons for staying at the current job: Profit Sharing**

Results indicate that 23% of the respondents agreed that the reason for staying at their present job was profit sharing. On the other hand, 77% of the respondents disagreed that profit sharing was the reason why they were staying at their present job. Motivators such as, pay raises, bonuses, stock options and profit sharing are examples of positive motivators which can boost job performance (Yudhvir & Sunita, 2012: 64). According to (Yudhvir & Sunita, 2012: 64), these motivators reward employees for not only doing their job, but doing it well and with enthusiasm. Most, 77%, of the respondents disagreed that profit sharing was the reason why they were staying at their present job. Only 23% of the

respondents agreed that the reason for staying at their present job was profit sharing. This meant that profit sharing motivated only a smallest number of employees to stay in the company. The majority of respondents in this study are a commissioned structure earners who do not participate in profit sharing as they generate their own income and can generate increased income if they outperform their expected production and the results of this question suggest that fewer respondents are eligible for profit sharing.

#### **4.3.27 Reasons for staying at the current job: Fringe benefits**

Results indicate that only 17% of the respondents agreed that profit sharing was the reason they were staying in their present jobs. Most of the respondents 83%, however, disagreed that profit sharing was the reason they were staying at their present jobs. It has been indicated, also, that fringe benefits, such as, holidays with pay, pensions play a significant role in motivating employees (Ghazanfar et al, 2011: 122). Most of the respondents, 83%, however, disagreed that profit sharing was the reason they were staying at their present jobs. Only 17% of the respondents agreed that profit sharing was the reason they were staying in their present jobs. This meant that most of the employees were not motivated by profit sharing to stay in the company

#### **4.3.28 Reasons for staying at the current job: Reimbursement for different expenses**

Results indicate that only 5% of the respondents agreed that reimbursement for different expenses was the reason they stayed at their present job. Most of the respondents, 95% Of the respondents disagreed that reimbursement for different expenses was the reason for them to stay at their present job. Most of the respondents, 95% of the respondents disagreed that reimbursement for different expenses was the reason for them to stay at their present job. Only 5% of the respondents agreed that reimbursement for different expenses was the reason they stayed at their present job. Again, this meant that most of the employees were not motivated by reimbursement for different expenses to stay in their current jobs.

#### **4.3.29 Reasons for staying at the present job: Stability/Security**

Results indicate that 52% agreed that job stability was the reason why they stayed at their present job. Only 48% of the respondents disagreed that job stability or security was the reason for staying at their present job. The results indicate that even though a little more

than half the respondents agree that stability or security was one of the reasons that motivated them to stay on the current jobs, almost half, again, disagreed that stability or security could make them want to stay in their current jobs.

#### **4.3.30 Reasons for staying at the present job: Pleasant Work Environment**

The results indicate that only 34% of the respondents agreed that a pleasant work environment was the reason for them to stay at their present work environment. Most of the respondents, 66%, however, disagreed that a pleasant work environment was the reason for staying at their present job. This question attempted to find out if non-monetary incentives, such as pleasant job environment other than monetary ones, motivated employees to stay in their current jobs. Previous studies have indicated that non-monetary incentives have been used by companies to reward employees for excellent work performance through opportunities. A study by Yudhvir & Sunita (2012: 58) indicated that non-monetary incentives which included flexible work hours, training, pleasant work environment, and sabbaticals played an excellent role in motivating employees to stay in their present jobs. This question was asked in order to determine if a similar situation existed in the company under study. The results indicated that most of the respondents, 66%, disagreed that a pleasant work environment was the reason for staying at their present job. It was only 34% that agreed that a pleasant work environment motivated them to stay at their present work environment. It was noted, therefore, that pleasant work environment did not motivate most employees to stay in their current jobs.

#### **4.3.31 Reasons for staying at the present job: Interesting Working Hours**

The results indicate that only 26% of the respondents agreed that interesting work hours were the reason for staying at their current job. Most of the respondents, 74%, however, disagreed that interesting work hours were the reason for staying at their present job. Recent studies indicate that flexible human resource policies such as flexible working hours, work from home (Chaudhary & Sharma, 2012). The results from the current study indicated that most of the respondents, 74% disagreed that interesting work hours were the reason for staying at their present job, while only 26% of the respondents agreed that interesting work hours were the reason for staying at their current job. This showed that interesting working hours do not play a significant role in motivating employees to stay at their present jobs.

#### **4.3.32 Reasons for staying at the present job: Good Manager/Leader**

The results indicate that only 32% of the respondents agreed that one of the reasons they stayed at their present job was because of a good manager or leader. Most of the respondents, 68%, however, disagreed that a good manager or leader was one of the reasons they stayed at their present job. This meant that having a good manager or leader did not play a critical role in motivating employees to stay at their current job.

#### **4.3.33 The Reasons for staying at the current job: Location is convenient**

Results from the study indicate that 51% of the respondents agreed that one of the reasons for staying at their present job was that the location was convenient. A significant 49% of the respondents, on the other hand, disagreed that convenience of location was the reason they stayed at their present job. This meant that a little more than half found convenience of location to be a motivational factor in their staying on the job, while a little less than half also found convenience of location not motivating enough for them to stay at their current job.

#### **4.3.34 Reasons for staying at the present job: Training Opportunities**

The results indicate that only 34% of the respondents agreed that training opportunities were one of the reasons they stayed at their present job. Most of the respondents, 66%, however, disagreed that training opportunities were one of the reasons why they stayed at their present job. Literature indicates that training and education facilities must be in place the performance of weaker employees may be improved and ambitious employees are enabled to widen their knowledge and skills and be able to hit targets (Wootton, 2011). If a company offered more training opportunities for its employees it would be able to retain them and also achieve its objectives. In this study, the respondents were asked if another reason for staying at the present job was training opportunities. This question was asked because this factor was considered to be one of the motivating factors in a company for employees because it awarded them opportunities for promotion and growing in the job they are doing. Only 34% of the respondents agreed that training opportunities were one of the reasons they stayed at their present job while most of the respondents, 66%, disagreed that training opportunities were one of the reasons why they stayed at their present job.

This indicated that training opportunities were not one of the most significant things to be considered by employees when making decisions about staying or not in the current job.

#### **4.3.35 Reasons for staying at the present job: Pay-for-performance**

The results indicate that only 29% of the respondents agreed that pay-for-performance was one of the reasons for staying at their present job. Most of the respondents 71% disagreed that pay-for-performance was one of the reasons they stayed at their present job. Pay-for-performance or outcomes-based remuneration is one of the critical success factors considered by companies for the retention of employees. In his study, Rudman (2013) even lays down some principles for the outcomes-based remunerations model. He stipulates that a person should be rated on performance and then top performers should be awarded with more money. He notes that the traditional model over-rewarded and paid under-performers too much. This would make under-performers to hang around and never intending to move on. His argument is that companies should not be afraid of losing people. He maintains, "...the dead weight will fall out in an outcome-based model" (Schoeman, 2013:1). The results in the current indicated that most of the respondents 71% disagreed that pay-for-performance was one of the reasons they stayed at their present job. Only 29% of the respondents agreed that pay-for-performance was one of the reasons for staying at their present job. Although in this study respondents were found not to be motivated by pay-for-performance, studies indicate a positive correlation between effort and performance, and maintain that employee retention is enhanced as employees who perform best are rewarded for their efforts (Wootton, 2011). Other companies were found to be utilizing performance-based compensation not only to reward high achievers but also to weed out weakest performers (Wootton, 2011). However, this may be good for company performance but certainly not good for morale. Even though performance-based-remuneration may not be good for morale, it has been found to provide managers with the flexibility to attract and retain key staff. While so much has been said about the benefits for performance based remuneration, drawbacks to performance-based pay structures also exist (Wootton, 2011). For instance, in the first place, implementation can be problematic and, perhaps the supposedly motivating process can actually be damaging self-esteem, teamwork and creativity. Secondly, teams anxious to improve their performance may avoid working with colleagues they perceive to be less able, leading to some employees being excluded from the more rewarding projects (Wootton, 2011). Thirdly, keen competition for limited

rewards, while motivational, can also create a hostile working environment where trust and cooperation are sacrificed in the interests of self-promotion (Wootton, 2011). Lastly, projects can fail due to factors that are completely beyond an employee's control, such as delays in receiving supplies or a downturn in the economy (Wootton, 2011).

It has been indicated also in the studies that for performance-based-remuneration to be successful, reasonable, achievable and measurable goals that are potentially achievable by all employees must be set by companies. For achievements to be quantifiable, a comprehensive system must be put in place to monitor and assess whether or not employees have met designated targets (Wootton, 2011). Communication and transparency is significant; everyone must be aware of, and understand, the criteria (Wootton, 2011). Training and education facilities must be in place to improve the performance of weaker employees and enable ambitious employees to widen their knowledge and skills and be able to hit targets (Wootton, 2011). Furthermore, implementation must not become too cumbersome.

So, it is vital that companies see to it that the pay-for-performance system is well established and all the basic requirements for its success are in place or adhered to.

#### **4.3.36 Are efforts being made to retain qualified employees?**

Results indicate that most of the respondents, 46% of the respondents agreed that there were efforts they had observed which were made by their Branch to retain qualified employee. It is significant to note that 30% of the respondents disagreed that they had noticed any efforts made by their Branch to retain qualified employees. Only 24% of the respondents maintained that they sometimes noticed efforts made by their Branch to retain qualified employees. Literature has indicated that a positive correlation exists between effort and performance, in the sense that employee retention is enhanced when employees who perform best are rewarded for their efforts (Wootton, 2011). It also indicated that other companies would use performance-based compensation not only to reward high achievers but also to weed out weakest performers (Wootton, 2011). An earlier study by McPhie (2006: 2) indicates that a 'pay for performance' system may be presumed as functioning properly when the following are achieved:

- Outstanding performers will receive the greatest rewards, to acknowledge their superior contributions and to motivate them to continue high performance.

- Average performers will receive substantially smaller raises, which may encourage them to work harder to achieve larger raises in the future.
- Poor performers will receive no increase, which is intended to persuade them to improve their performance or leave.

The results from the study indicated that most of the respondents, 46% of the respondents agreed that there were efforts they had observed which were made by their Branch to retain qualified employee while 30% of the respondents disagreed that they had noticed any efforts made by their Branch to retain qualified employees. Only 24% of the respondents maintained that they sometimes noticed efforts made by their Branch to retain qualified employees. This was deemed as positive on the part of the employers that they were able to make means to retain qualified employees in the company.

#### **4.3.37 Are you applauded and encouraged by your supervisor when you perform a ‘good’ job?**

The results indicate that most of the respondents 58% agreed that they were applauded and encouraged by their supervisor when they perform a ‘good job’ while 31% of the respondents indicated that they were sometimes applauded and encouraged by their superior if they had performed a good job. Only 11% of the respondents disagreed that their superiors had applauded and encouraged them if they had performed a good job. Rudman’s (2013) study stipulates a person must be rated first on performance and then top performers be rewarded with more money. Results from previous studies have indicated that motivation of employees can be beneficial to both the employee and the organization, and has a tendency of increasing the faithfulness of employees to the maximum level (Chaudhary & Sharma, 2012; Yudhvir & Sunita, 2012). Trust amongst the organization, supervisor and top management is also generated. Results from the current study indicated more than half, 58%, of the respondents who agreed that they were applauded and encouraged by their supervisor when they perform a ‘good job’. The other 31% indicated that they were sometimes applauded and encouraged by their superior if they had performed a good job. Only 11% of the respondents disagreed that their superiors had applauded and encouraged them if they had performed a good job. This suggested that 89% of employees appreciated being applauded by their supervisors for good performance, and that the company should attempt to do this more often. An earlier study indicated that in other companies, in non-unionized and non-governmental situations, even though pay

incentives were offered, most companies pay systems showed little difference between average and superior performers (Hynes, 2004). This is deemed to be problematic when outstanding performers cannot be recognized and be duly compensated for their great performance

#### **4.3.38 How would you rate the management style of your current supervisor?**

It can be stated that the management style of a leader contributes a great deal in the motivation and thus production of the company. Therefore, the role of a leader is to arouse interest in presentation of employees in their jobs. Employees often give their maximum if they feel that their efforts are recognized and trusted by management (Aktari, Kamruzzaman & Ali, 2012). One of the most significant functions of management, therefore, is to create enthusiasm amongst employees so they can function at their optimum level. The arousal of interest amongst employees plays a significant role in this regard. As far back as 1911, compensation and performance based remuneration has been viewed as the most significant management tool companies needed to utilize in order to motivate employees, increase their productivity and reduce turnover rate (Taylor, 1911 in Dulebohn, Ferris, & Stodd (1995). Whatever the management style the manager or supervisor uses, it must be considered as good by employees. When the respondents in the current study were asked to rate the management style of their current supervisor, more than half, 52%, of them rated the management style of their supervisor as ‘Good’. This meant that they were happy with the management style of their supervisor. 29% of the respondents rated the management style of their supervisor as ‘Average’, while only 19% rated the management style of their current supervisor as ‘Poor’. This indicated that about 81% of the employees at least accepted the management style of their supervisor. Results indicate that most of the respondents, 57 (52%) rated the management style of their supervisor as ‘Good’. 32 (29%) of the respondents rated the management style of their supervisor as ‘Average’, while 21 (19%) rated the management style of their current supervisor as ‘Poor’.

#### **4.3.39 Does your Team Leader communicate your job performance expectations with you clearly?**

This is significant if a company intends meeting its objectives with regards to productivity. A study by Wootton (2011) indicates that communication and transparency is

significant in a company. The study maintains that everyone must be aware of and understand the criteria of doing things. It was interesting to note that 62% of the respondents agreed that their Team Leader communicated their job performance with them clearly. 25% of the respondents claimed that their Team Leader sometimes communicated their job performance with them clearly. It was only 14% of the respondents who disagreed that their Team Leader communicated their job performance with them clearly. This indicated that it is vital that Team Leaders improve in this area of job performance.

Results indicate that most of the respondents 62% agreed that their Team Leader communicated their job performance with them clearly while 25% of the respondents sometimes maintained that their Team Leader communicated their job performance with them clearly. Only 14% of the respondents disagreed that their Team Leader communicated their job performance with them clearly.

#### **4.3.40 Does your Team Leader take time to listen to your concerns and support reasonable suggestions?**

Results indicate that most of the respondents 57% agreed that their Team Leader took time to listen to their concerns and provide reasonable suggestions and support while 21% of the respondents stated that their Team Leader sometimes took time to listen to their concerns and provide reasonable suggestions and support. A concerning 22%, however, disagreed that their Team Leader took time to listen to their concerns and provided suggestions and support. Previous research has proven that organizations can live and succeed by taking care of their employees (Chaudhary & Sharma, 2012). In the current fast growing global market only organizations that carefully take care of their employees by focusing on their needs and satisfaction will succeed and secure a competitive advantage. Results in this study indicated that most of the respondents 57% agreed that their Team Leader took time to listen to their concerns and provide reasonable suggestions and support. 21% of the respondents stated that their Team Leader sometimes took time to listen to their concerns and provide reasonable suggestions and support. 22% disagreed that their Team Leader took time to listen to their concerns and provided suggestions and support

#### **4.3.41 Does your Team Leader assist you with planning essential training to help you perform your duties efficiently?**

Results indicate that most of the respondents 48% agreed that their Team Leader assisted them with planning the essential training to help them perform their duties efficiently while 29% of the respondents maintained that their Team Leader sometimes did this, and 23% disagreed that their Team Leader assisted them with planning the essential training to help them perform duties efficiently. This question asked the respondents if their Team Leader assisted them in planning the essential training to help them perform their duties efficiently. Literature indicates that in cases where money or bonuses do not motivate employees to work harder, companies should strive to provide essential training for their employees to enable them to do their jobs more effectively. In her study Clark (2005) emphasizes the fact that companies fail to effectively encourage their people to work hard, and they further not provide them with additional training to assist them to perform better. She further states that they never give their employees a reason that actually motivates them to work harder” (Clark 2005). When the respondents were asked if their team leader assisted them with planning the essential training to help them perform their duties efficiently most of the respondents 48% agreed that their Team Leader assisted them with planning the essential training so that they can be assisted to perform efficiently. Whilst 29% of the respondents maintained that their Team Leader sometimes did this, only 23% disagreed that their Team Leader assisted them with planning the essential training to help them perform duties efficiently. This meant that almost half of the respondents receive assistance from their Team Leader regarding the planning of this training. This signifies a great need for improvement on the side of Team Leaders.

#### **4.3.42 Does the Team leader have reasonable knowledge regarding all aspects of job responsibilities?**

The results indicate that most of the respondents 57% agreed that their Team Leader had reasonable knowledge regarding all aspects of their job responsibilities while 24% of the respondents maintained that their Team Leader sometimes had reasonable knowledge regarding all aspects of their job responsibilities. Only 19% of the respondents disagreed that their Team Leader had reasonable knowledge regarding all aspects of their job responsibilities. This next question asked the respondents if their Team Leader had reasonable knowledge regarding all aspects of their job responsibilities. The reason why

someone becomes a Team Leader is because of his or her skills and expertise regarding all aspects of the job being done in a company. Team leaders are, therefore, expected to provide training to their respective employees. Literature places a greater emphasis on the availability of training and education facilities in order to improve the performance of weaker employees and enable ambitious employees to widen their knowledge and skills and be able to hit targets (Wootton, 2011). This question was asked to find out if the Team Leaders in the company under investigation were knowledgeable in their areas of expertise. The findings indicated that most of the respondents, 57%, agreed that their Team Leader had reasonable knowledge regarding all aspects of their job responsibilities. 24% of the respondents maintained that their Team Leader sometimes had reasonable knowledge regarding all aspects of their job responsibilities. Only 19% of the respondents disagreed that their Team Leader had reasonable knowledge regarding all aspects of their job responsibilities. This indicates a greater need for improvement on the side of Team Leaders in this company.

#### **4.3.44 Were you provided with an accurate job description of your current responsibilities?**

In their study, Chaudhary & Sharma, 2012) highlight the significance for human resource manager to assist the general management to motivate staff since a company with demotivated staff often suffers through poor performance by employees, thus leading to dismal failure of the business. Literature further indicates that motivated employees are more inclined to be productive than non-motivated ones (Lindner, 1998; Chaudhary & Sharma, 2012). It is, therefore, suggested that some of the recommended way of motivating employees include; keeping employees happy and satisfied at all times, awarding them with a job description that will suit their personalities and skills allowing employees to perform at their best (Chaudhary & Sharma, 2012). It was interesting to note that in answering the question asked by the researcher, most, 61%, of the respondents agreed that they were provided with an accurate job description of their current responsibilities. Even though 21% disagreed with the statement, while only 18% stated that they were sometimes provided with an accurate job description of their current responsibilities, it was noted that the company did provide their employees with accurate job description.

Results indicate that most of the respondents, 61% of the respondents agreed that they were provided with an accurate job description of their current responsibilities while 21% of the respondents disagreed that they were provided with an accurate job description of their current responsibilities. Only 18% of the respondents stated that they were sometimes provide with an accurate job description of their current responsibilities.

#### **4.3.45 Do you work in a safe environment?**

Results from the survey indicate that most of the respondents 86% agreed that they worked I a safe environment. Only 14% of the respondents disagreed that they worked in a safe environment. Such a question was necessary since it has become vital for employees to feel safe in a working environment. It was interesting to note that most of the respondents 86% considered their work environment to be safe. Only 14% of the respondents disagreed that they worked in a safe environment. It was noted that the company under investigation was able to provide their employees with a safe environment.

#### **4.3.46 Do you work in a healthy environment?**

Results from the survey indicate that most of the respondents, 81% agreed that they worked in a healthy environment. Only 19% of the respondents disagreed that the environment they were working in was healthy. This question was asked to test if the respondents considered the working environment as healthy or not. The results from the survey indicated that most of the respondents, 81%, agreed that they worked in a healthy environment. Only 19% of the respondents disagreed that the environment they were working in was healthy. This was considered to be a positive attribute for the company under investigation.

#### **4.3.47 Do you work in a comfortable environment?**

. The results indicate that most of the respondents, 73% agreed that they worked in a comfortable environment. Only 27% of the respondents disagreed that the environment in which they were working was comfortable. This question was asked to determine the level of comfort the respondents felt they had in the organization they were working for. A study by Chaudhary and Sharma (2012) has reiterated the significance of creating a positive and employee-friendly company culture to enhance the level of motivation amongst employees (Chaudhary & Sharma, 2012). It was interesting to note that most of the respondents, 73%,

agreed that they worked in a comfortable environment. Only 27% of the respondents disagreed that the environment in which they were working was comfortable. This was again attributed to the company as positive.

#### **4.3.48 Do you have the necessary tools to perform your duties effectively?**

The results indicate that most of the respondents 81% agreed that they had the necessary tools to perform their duties effectively. Only 19% disagreed that they had the necessary tools to perform their duties. This question was asked to determine if the respondents felt they had the necessary tools to enable them to perform their duties effectively and efficiently. It was interesting to note that most of the respondents, 81%, agreed that they had the necessary tools to perform their duties effectively. Only 19% disagreed that they had the necessary tools to perform their duties. This was noted as a positive attribute to the company that they were able to provide the necessary tools for their employees to perform their duties effectively.

#### **4.3.49 Do you have adequate working space to perform your duties effectively?**

The results indicate that most 81% of the respondents agreed that they had adequate space to perform their duties effectively. Only 19% disagreed that the working space they had to perform their duties effectively was adequate. This question was asked in order to determine if the respondents felt they had adequate space to perform their duties effectively. A study by Chaudhary & Sharma (2012) indicates amongst the recommended ways of motivating employees that offering them a safe and non-threatening work environment, flexible human resource policies such as flexible working hours, work from home, offering childcare facilities and employee-friendly company culture allows them to perform their duties effectively. When the question was posed to the respondents in the current study, the results showed that most 81% of the respondents agreed that they were provided with adequate space to perform their duties effectively. Only 19% disagreed that the working space they had to perform their duties effectively was adequate. This was one of the positive attributes of the company under investigation.

#### **4.3.50 Do you have the Necessary Equipment to Perform Duties Effectively**

The results indicate that most of the respondents, 79% agreed that they had the necessary equipment to perform their duties effectively. Only 21% disagreed that they had the

necessary equipment to perform their duties effectively. This question was asked in order to determine if the respondents felt that they had the necessary equipment to perform their duties effectively. Most of the respondents, 79%, agreed that they had the necessary equipment to perform their duties effectively. Only 21% disagreed that they had the necessary equipment to perform their duties effectively. This was noted as one of the critical success factors of the company under investigation.

#### **4.3.51 Do you have Discussions with your Team Leader on ways to Improve your Work Environment?**

The results indicate that more than half, 50% of the respondents agreed that they had discussions with their Team Leaders on ways to improve their workplace environment while 3% of the respondents indicated that they sometimes had these discussions with their Team Leaders, and only 22 (20%) disagreed that they had such discussions with their Team Leaders. The question was asked to determine if Team Leaders involved employees in discussing ways that can improve their work environment. Half, 50%, of the respondents agreed that they had discussions with their Team Leaders on ways to improve their workplace environment. While only 3% of the respondents indicated that they sometimes had these discussions with their Team Leaders, and 20% disagreed that they had such discussions with their Team Leaders, it was noted that more than half of the respondents, 53%, had discussions with their Team Leaders regarding ways to improve their work environment. It was noted that the company still needed to make ways to involve the whole staff in similar discussions if they are to motivate and retain these employees. In previous research it has been proven but Chaudary (2012) that companies should be caring for their employees and discussions on assisting an employee to improve which will in turn pick up production resulting in greater income and or performance ratings will assist in having a satisfied workforce.

#### **4.3.52 Are you satisfied with your current salary?**

This question asked the respondents if they were satisfied with the current salary they were receiving from their employer. This question was asked in order to determine if the respondents were satisfied with their current salaries. The results indicate that only 22 (20%) agreed that they were satisfied with the current salary they were receiving. 28 (25%) of the respondents maintained that they were sometimes satisfied with the current salary

they were receiving. However, more than half, 61 (55%) of the respondents were dissatisfied with the current salary they were receiving from their employer. A study by Clarke (1996) done on the basis of salary satisfaction and age analysis demonstrated a correlation between the two. The study indicated that salary and job satisfaction grew as the employees aged and concluded this to the employee having less responsibility in their latter years. This sample chosen for this study shows younger workforce which could be attributed to these results on this question.

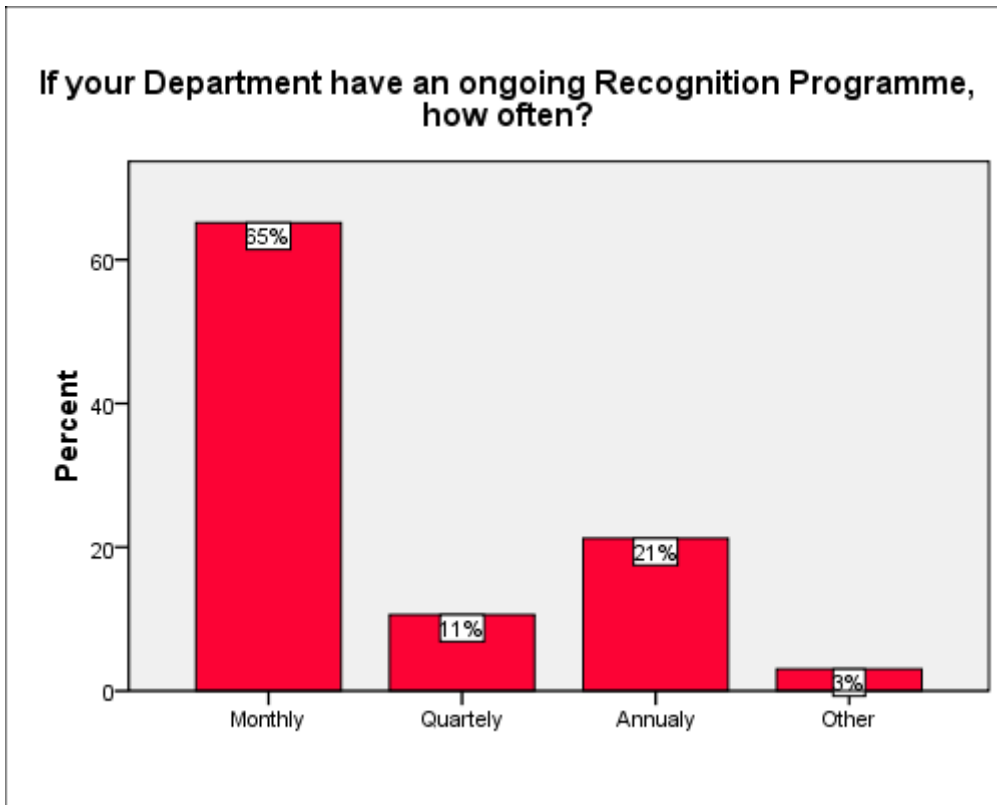
## **CRITERIA FOR RECOGNISING EMPLOYEES**

### **4.3.53 Does your Department have an ongoing Recognition Programmed?**

The results indicate that most respondents agreed 71% that there was an ongoing Recognition Programmed within their organization. However, 29% disagreed that there was an ongoing Recognition Programmed within the company. This question was asked in order to determine if such a programmed existed within the company. Interestingly, most, 71%, of the respondents agreed that there was an ongoing Recognition Programmed within their organization. Only 29% disagreed that there was an ongoing Recognition Programmed within the company. This was noted as a positive attribute for the company under investigation.

### **4.3.54 If your Department has an ongoing Recognition Programmed, how often?**

This question asked the respondents how often the ongoing Recognition Programmed was.



**Figure 4.1.57: Frequency of Ongoing Recognition Programmed**

Results indicate that most of the respondents, 65% indicated that it was implement on monthly basis while 21% of the respondents indicated it was implemented annually and 11% of the respondents indicated that it was done quarterly. Only 3 (3%) indicated otherwise. The question was asked in order to determine the frequency of the recognition programmed. Results indicated that most of the respondents, 65%, indicated that it was implemented on monthly basis. 21% of the respondents indicated it was implemented annually. 11% of the respondents indicated that it was done quarterly. Only 3% indicated otherwise. This meant that 97% of the employees agreed that an ongoing programmed for recognizing employees was in place. This was noted as a positive attribute for the company under investigation.

#### **4.3.55 Have you ever been nominated or received an Employee of the Quarter/Year Award?**

The results indicate that most of the respondents, 70% indicated that they had never been nominated for these awards. Only 30% indicated that they had been nominated for these awards. The question was asked to determine if any of the respondents had ever been

nominated to receive the Employee of the Quarter/Year Award in their company. The results indicated that most of the respondents, 70%, indicated that they had never been nominated for these awards. Only 30% indicated that they had been nominated for these awards. This was one aspect that was lacking in the company under investigation.

#### **4.3.56 What kinds of awards/incentives would you like to receive from Employee Recognition? Programs?**

The results indicate that only 26% agreed that they would like to receive Programs as an award or incentive from the Employee Recognition. Most of the respondents, 74% indicated that they wouldn't like to receive Programs as awards from Employee Recognition.

#### **4.3.57 What kinds of awards/incentives would you like to receive from Employee Recognition? Standard Glass/Crystal Awards**

Results indicate that most of the respondents, 80% indicated that they did not like to receive standard glass or crystal awards. Only 20% of the respondents agreed that they would like to receive standard glass or crystal awards from Employee Recognition. Respondents were then asked to indicate the kind or type of awards or incentives they would like to receive from Employee Recognition would be Programs. The first question asked was that they indicate if the type of kinds of award or incentive they would like to receive in the Employee Recognition were Programs. Only 26%) agreed that they would like to receive Programs as an award or incentive from the Employee Recognition. Most of the respondents, 74%, indicated that they wouldn't like to receive Programs as awards from Employee Recognition. This was noted to unfavorable amongst the employees.

#### **4.3.58 Kinds of Employee Awards you would like to receive from Employee Recognition: Functional Awards?**

Most of the respondents 65% indicated that they did not like to receive Functional Awards from Employee Recognition. Only 35% of the respondents indicated that they would like to receive Functional Awards from Employee Recognition. The third question asked the respondents to indicate if the kind of award they would like to receive from Employee Recognition would be Functional Awards. Only 35% of the respondents indicated that they would like to receive Functional Awards from Employee Recognition while most of the

respondents, 65%, did not like to receive Functional Awards from Employee Recognition. It was noted, again, that most of the employees did not favor these types of awards.

#### **4.3.59 Kinds of Employee Awards you would like to receive from Employee Recognition: Novelty Items?**

The results indicate that most of the respondents 85% of the respondents indicated their disagreement with this. Only 15% of the respondents agreed that they would like to receive Novelty items as awards or incentives from Employee recognition. The fourth question asked the respondents to indicate if the kind of award they would like to receive from Employee Recognition would be Novelty Items. Only 15% of the respondents agreed that they would like to receive Novelty items as awards or incentives from Employee recognition. The rest of the respondents, 85%, of the respondents indicated their disagreement with this. Rath (2004) mentions that recognition must be tailored to the receivers preference and not be done to satisfy the giver and in this case the company. The company should consider surveying the employees to gather what would suitable as a recognition program.

#### **4.3.60 Kinds of Employee Awards you would like to receive from Employee Recognition: Certificates/Cash?**

The results indicate that most of the respondents, 78% agreed that they would like to receive certificates and cash as awards or incentives from the Employee recognition. Only 22% disagreed that they would like to receive certificates and cash from Employee recognition. The final question asked the respondents to indicate if the kind of award or incentive they would like to receive from Employee recognition would be certificates and cash. The results indicate that most of the respondents, 78%, agreed that they would like to receive certificates and cash as awards or incentives from the Employee recognition. Only 22% disagreed that they would like to receive certificates and cash from Employee recognition. This was the only question where most of the respondents ever agreed to receive an award for recognition. This correlate with the findings in the previous studies discussed Ganta (2014:1) in this study that money played a substantial role in motivating employees to work at their optimum level. Locke (1980, p379) conclude “Money is the crucial incentive” and that nothing else can come close.

#### **4.4 Summary**

This chapter presented data that was obtained from the survey. Data was thus presented as determined by questionnaires that were administered to 110 respondents. Data presentation followed the chronological order in the questionnaire. It was, therefore, divided into demographic information (namely; gender, age group, education, marital status, position in the company as well as number of years working for the company), motivation and satisfaction of respondents in their workplace, as well as their involvement in various components within the organization. The chapter presented the results from the data collected, and interpreted both descriptive and inferential statistics that had been used to produce detailed analysis.

Each question in the questionnaire was presented as well as the reasoning behind it, where possible. Findings were presented through the implementation of tables, pie charts and bar graphs where applicable in order to clearly illustrate the relations and trends that could assist in the analysis of data.

## **CHAPTER 6**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **6.1 Introduction**

The previous chapter in this study discussed the findings in Chapter 4. In this chapter, conclusions and recommendations for further studies are made. This study originated from the positive results perceived in the company under investigation where a new concept termed Outcomes Based Remuneration (OBR) was introduced to Branch Managers and the concept aimed to empower Branch Managers so that they could be entrepreneurial in the running of their branches and therefore run branches as they would their own businesses. The aim of this study, therefore, was to investigate if the same concept would reap similar benefits if it was applied to the front end operating sales staff.

The results and findings from this study will greatly benefit other companies that look to retain their employees.

From the findings and discussion of the results the following conclusions have been drawn:

#### **6.2 Level of Job Satisfaction**

With the highest attainment of 81% of the respondents felt that they were satisfied with the working culture of their organization and this is in agreement with previous studies which maintained that physiological needs, such as, good working conditions led to employee satisfaction and therefore productivity. The fact that so many respondents were satisfied meant that the company under investigation does its level best to ensure that its employees are satisfied. Satisfaction with appreciation letters being received from the organization ranked second (65%) while satisfaction with the promotion being obtained from the workplace ranked third (63%). This also meant that the utilization of appreciation letters as a mode of increasing the level of job satisfaction had been a success for the company.

The company should therefore maintain the criterion they use in creating a good working culture. However, it also shows that the management is not doing enough with regards to promoting their employees, as well as, in the use of appreciation letters to motivate their employees. The results indicate a great need to improve on these two criteria so that all employees are satisfied in the workplace. According to Folkman (2013) a company must create opportunities for development for the employee. Folkman also mentions that

companies should create a challenging environment for the employees so that they may be ready for development opportunities.

### **6.3 Level of Motivation**

Previous studies have proven beyond doubt how salient it is to maintain the employees' level of motivation in the workplace. The findings in this study have ranked good relationship with other staff members the highest (95%). This proves to be the most significant criterion in motivating employees. Recognition of their work and being acknowledged in the organization ranked second (84%). Other things such as leave, job security, assisting the department in meeting its objectives followed. It was however, noted that periodical increase in salary ranked last (68%). This tallied with most of the literature in this study which found that money is not such a great motivator. Its motivation is short-lived. Perry (2006) argued that financial rewards are not the most motivating. These types of rewards according to Shrivasta (2001) have a demotivating effect on employees.

### **6.4 Performance Influences**

The company under investigation was found to be using some criteria to enhance performance of their employees. The following conclusions were made with regards to the following rankings: Motivating employees to achieve company's objectives through Organizational Policies ranked highest (83%). The company appeared to be lacking where empowering of employees by the Departmental Head or Supervisor to pursue opportunities for their professional development (66%), involvement of staff by top management in decision making connected to their department (65%), employees receiving sufficient and appropriate on-the-job performance recognition (62%) and employees contemplating transfer from the Department in the last twelve months (49%). This showed that the management is not doing enough to enhance performance in the workplace.

Companies need to realise that they have to motivate their management to do whatever it takes to retain employees as well as motivating them to attain the company's objectives.

### **6.5 Reasons for staying at the current job**

It may be concluded from the study that respondents were inclined to stay at their present jobs.

In terms of rankings, job stability (52%) ranked highest, while convenience of location (51%) ranked second. Personal growth or promotional opportunities, pleasant work environment and training opportunities ranked from 48% and below. Challenging job assignments ranked lowest (26%). This meant that the company has a lot to do to improve these conditions in order to make their employees stay at their present jobs. Marr (2016) mentions these two aspects namely stability and growth opportunities amongst his seven reasons for staying at the present job. Marr goes on to mention that time at a company reveals growth and leadership opportunities and he further mentions that it's easier to lead a team that you have been with for a while than to be newly appointed into a company.

In addition to the above findings the following results indicated that the management is not doing enough to retain staff. 74% disagreed that interesting work hours were the reason for staying at their present job, while also, 68% disagreed that a good manager or leader was one of the reasons they stayed at their present job.

## **6.6 efforts to retain employees**

With regards to efforts to retain employees, the following rankings indicate the management's great attempts at doing this. In terms of results, employees appreciated being applauded by their supervisors for good performance ranked highest (89%). Safe work environment (86%) ranked second, while healthy environment, having necessary tools to perform duties, provision of adequate space for employees to perform their duties, and acceptance of management style of supervisor by employees ranked third (81%). Management seemed to be lacking with regards to Team Leader taking time to listen to employee concerns and provide reasonable suggestions and support (57%), having reasonable knowledge regarding all aspects of their job responsibilities (57%), employees rated the management style of their supervisor as 'Good' (52%), employees had discussions with their Team Leaders on ways to improve their workplace environment (50%), and Team Leader assists employees with planning the essential training so that they can be assisted to perform efficiently (48%). Employees have observed efforts made by their Branch to retain qualified employee ranked lowest (46%). This showed that management is not doing adequate means to retain its employees.

## **6.7 Criteria for recognizing employees**

The company under investigation was found to be in possession of criteria for recognizing employees. This was proved by the fact that 97% of the employees agreed that an ongoing program for recognizing employees was in place. Only 30% indicated that they had been nominated for these awards. In terms of the types of awards that employees would like to receive, Functional awards ranked first with 35% of the respondents indicating that they would like to receive Functional Awards from Employee Recognition. Programs ranked second with 26% of respondents indicating that they would like to receive Programs as an award or incentive from the Employee Recognition. Standard glass or crystal awards ranked third with 20% of the respondents agreeing that they would like to receive these awards from Employee Recognition. Novelty items ranked last with 15% of the respondents agreeing that they would like to receive Novelty items as awards or incentives from Employee recognition.

## **6.8 Benefits from the Research**

The main purpose of the study was to determine whether an Outcomes-Based-Remuneration system previously used for Branch Managers could be cascaded down to sales staff, that is, the front end operation of the Branches, and to see if it would benefit staff as well as increase productivity and motivate staff to work hard to attain the company's objectives. The results of the study provided valuable insights for the researcher to be able to outline recommendations with regards to areas which need more improvement as identified in the research are concerned. The research findings will be shared and disseminated with other banks so that they can work hard to motivate their employees as well as retain them. Below, is an outline of how other banks and companies will benefit from the study?

The results have shown that Outcomes-Based Remuneration is favoured by staff in the company under investigation. In order to attract certain exceptional candidates, it may be appropriate from time to time to pay a 'Sign on' or 'Attraction' allowance. Such allowance will generally be paid by way of performance rights. This means assessing performance of employees with an aim of compensating them for the excellent work done. Outcomes/Performance Based Remuneration has been defined as a system of payment offered as a result of an outstanding performance by an employee. If companies ensure that

they compensate their employees for any outstanding work performance, they will be able to motivate employees to achieve company objectives as well as retain them for future growth of the company. "Pay for Performance" refers to a pay strategy where evaluations of individual and/or organizational performance have significant influence on the amount of pay increases or bonuses given to each employee". When companies use this strategy, they should ensure that it is very effective.

With regards to the Objectives of Study, which aimed to study if a similar OBR style could be cascaded down to sales staff, the results from the study confirmed what literature reiterated with regards to Outcomes Based Remuneration, that it plays a huge role, in motivating employees to work at their utmost level. The results related to OBR, indicated a huge role that is played by OBR in enhancing employee performance. For instance, 80% of the respondents agreed that they were motivated by the effective appraisal system the organization was using.

With regards to salary increase, most, 73%, of the respondents agreed that they were highly motivated by salary increase. 29% of the respondents agreed that pay-for-performance was one of the reasons for staying at their present job.

The results indicated that OBR would benefit the sales staff and increase production and profitability of the Branches. Whenever money is used as a method of motivation it always results in some improvement in employee performance.

Lastly, the other objective was to see if a correlation existed between the responses received and the productivity and or assessment of sales employees. The results have shown a correlation that exists between the responses from the respondents, and the productivity and or assessment of sales employees. 88% of the respondents in the current study agreed that commission/incentives would influence their performance. 78%, agreed that they would like to receive certificates and cash as awards or incentives from the Employee recognition.

In conclusion, the results from the study have proven beyond doubt that a correlation exists between the responses the sales employees were giving during the survey and their productivity. Most of the employees have shown to be highly satisfied with things such as, the working culture of their organization (81%), promotion (63%), as well as appreciation letters they received from the organization (65%).

## **6.9 Recommendations arising from this study**

Since it has been perceived from the results of this study that OBR does play a role in motivating employees The results also indicate that OBR can be cascaded down to sales employees in the company under investigation for purposes of retaining talented employees, motivating employees to perform better, to make employees aim for ensuring that company objectives are achieved, as well as, for the company to produce at its optimum level.

However, with regards to the company under investigation, the following recommendations would be made:

- Even though employees are satisfied with the working culture of the organization, it is recommended that the company considers the following: Increasing the level of satisfaction with appreciation letters received from the organization, promotion obtained from the workplace ranked third and improving on the utilization of appreciation letters as a mode of increasing the level of job satisfaction.
- The company should also ensure that its Team Leaders take time to listen to employee concerns and provide reasonable suggestions and support. They should be in possession of reasonable knowledge regarding all aspects of their job responsibilities. Supervisors should ensure that they improve their management style. The company needs to consider training interventions with supervisors, Team Leaders and Management so that they can engage effectively with their teams. It would also be prudent to provide soft skills training for their leadership. Team Leaders should discuss with their employees ways of improving the workplace environment. Team Leaders should assist employees with planning the essential training so that they can be assisted to perform efficiently. The FNB Branch should improve their method of retaining qualified employees. There is a significant number of qualified staff members who could be considered for promotion into management and leadership programs and leadership pipelines must be created to demonstrate their commitment to growing these individuals.

- With regards to employee recognition, the company should consider the following recommendations: Ensuring that more employees are nominated for awards. The company should also be innovative when it comes to awards, and also maximize giving out the following types of awards; Functional awards, Programs as an award or incentive, Standard glass or crystal and Novelty items. In other words, more employees should be recognized instead of only a few.
- The company would benefit a lot if its employee Departmental Heads or Supervisors could motivate staff to pursue opportunities for their professional development. Top management must involve staff in decision making connected to their department. They need to also ensure that employees receive sufficient and appropriate on-the-job performance recognition. This would decrease the number of employees who may contemplate transfer from the Department in the future.
- Even though the study was conducted in one bank, it is recommended that other banks utilize a similar strategy to achieve the same or better results. It is recommended that all banks and other companies take heed in ensuring that the OBR system they have is well planned and will indeed benefit the whole staff. High performers should be recognized and paid for their performance. OBR should be used also to weed out poor performers as OBR would decrease the remuneration of underperformers.

## **6.10 Limitations of this study**

### **Time Constraints:**

- The study constituted six months. The results cannot be generalizable to all financial institutions in KwaZulu-Natal since the study was conducted in one bank.

## **6.11 Recommendations for further study**

- This study was conducted in one financial institution. It would be for the benefit of many institutions if a similar study would be conducted on a wider scale, to include more institutions. It therefore recommended that the study future research be conducted to cover all financial institutions in KwaZulu-Natal, as well as, other

Provinces of South Africa. Additionally, the study could incorporate other countries as well.

- The study constituted on 110 respondents. It would be beneficial if a larger number of respondents would be included in the study in order to incorporate a more conclusive study.

## **6.12 Summary**

The study objective which specifically looked at whether Outcomes Based Remuneration plays a huge role in motivating employees to work hard for their benefit as well as the benefit of their company was achieved. The study confirmed findings in other studies that employees are indeed motivated by physiological needs, such as, good working conditions, salary increase, pay-for-performance, good relationship with other staff members, recognition, job security, being appreciated or being applauded by their supervisors for good performance, safe work environment and healthy environment led to employee satisfaction and therefore productivity. The study also brought forward an understanding of what OBR and motivation entail. It was conclude that OBR carries a range of components or criteria that can be used by a company to motivate and retain employees. The study also confirmed that employees are not only motivated by money but by other things which have nothing to do with money. Motivation is mostly intrinsic rather than extrinsic. The recommendation arising from the study was that a full scale study incorporating all financial institutions from Kwazulu-Natal and other Provinces be conducted to achieve conclusive results.

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