



**THE IMPACT OF EXTRINSIC REWARDS ON EMPLOYEE
MOTIVATION AND ORGANISATIONAL EFFECTIVENESS: A CASE
STUDY OF ZFC LIMITED IN ZIMBABWE**

by

TATENDA CHIKUKWA

Submitted in fulfillment of the requirements for the Degree of

**MASTERS IN MANAGEMENT SCIENCES SPECIALISING IN
HUMAN RESOURCES MANAGEMENT**

in the

Department of Human Resources Management

Faculty of Management Sciences

at

DURBAN UNIVERSITY OF TECHNOLOGY

SUPERVISOR: PROFESSOR D.C. JINABHAI

AUGUST 2017



**THE IMPACT OF EXTRINSIC REWARDS ON EMPLOYEE MOTIVATION
AND ORGANISATIONAL EFFECTIVENESS: A CASE STUDY OF ZFC
LIMITED IN ZIMBABWE**

by

TATENDA CHIKUKWA

Submitted in fulfillment of the requirements for the Degree of

**MASTERS IN MANAGEMENT SCIENCES SPECIALISING IN
HUMAN RESOURCES MANAGEMENT**

in the

Department of Human Resources Management

Faculty of Management Sciences

at

DURBAN UNIVERSITY OF TECHNOLOGY

SUPERVISOR:
PROFESSOR D.C. JINABHAI
MBL (UNISA, 1990); DBA (UDW, 1998)

DATE

AUGUST 2017

ABSTRACT

This research project was aimed to investigate the impact of extrinsic rewards on employee motivation and organisational effectiveness at ZFC Limited in Zimbabwe. In the globalised environment, it is of important to ensure a motivated workforce because employees are the only asset that appreciates in value over time, thereby directly contributing to organisational outcomes. Employee motivation has been a major problem in manufacturing companies in Zimbabwe, due mainly to poor salaries and pecuniary benefits such as transport allowances and bonuses. The main objectives of the study were to determine employee perceptions of extrinsic rewards, ascertain the relationship between extrinsic rewards and employee motivation and determine the effect of extrinsic rewards on organisational effectiveness.

The study adopted a quantitative paradigm, which entailed a structured questionnaire being distributed to respondents. The structured questionnaire comprised Section A and Section B. The sample size was 140, which was derived from a target population of 280 employees through the systematic sampling technique. The researcher used the personal method in distributing and collecting questionnaires to sample respondents and 98 completed questionnaires were returned. This equated to a high response rate of 70%. Furthermore, the data collected was analysed using the Statistical Package for Social Sciences (SPSS) Version 24.0 for Windows. Upon completion, the entire dissertation was checked for plagiarism through the TURNITIN program. The study found that salaries, bonuses and transport allowances were amongst the top extrinsic rewards at ZFC Limited in Zimbabwe. Good financial rewards are vital in influencing the behaviour of employees, as well as in enhancing organisational outcomes. The researcher recommended that ZFC Limited should consider reviewing the reward system, offering competitive financial rewards and timeously rewarding employees. The research project concluded with directions for future research on the role of extrinsic rewards on employee behaviour.

ACKNOWLEDGEMENTS

My utmost gratitude to the National Research Foundation (NRF) for funding this study. The conclusions arrived at and the opinions expressed are those of the author and are not necessarily attributed to the NRF. I would like to express utmost gratitude to everyone who supported, encouraged and motivated me during this study. This study would not have been possible without your support. My deepest gratitude and appreciation to Professor D.C. Jinabhai and Dr M.E. Lourens for their expertise, patience and encouragement. Your feedback and constructive ideas are greatly appreciated. Furthermore, I would like to thank the management at ZFC Limited, especially the Managing Director: Dr R. Dafana; the Human Resources Manager: Mr R. Museva; and the Human Resource Department for their support during this study. Many thanks to Mrs M. Mathews for language editing the dissertation and Dr D. Singh for his expertise and services in statistically analysing the results. A special acknowledgement to my friends Shadreck, Stephen, Anos, Tinashe, Portia, Blessing, Lina, Sheila, Simbarashe and Evidence for all the support and encouragement.

I dedicate this dissertation to the late Joseph Takudzwa Chikukwa and Erica Chikukwa, may your souls rest in eternal peace.

Above all I would like to thank the Almighty Lord for his grace and divine intervention in my entire life. All glory and honour is yours forever and ever. To my family, Joseph, Patricia, Chinembiri, Anymore, Sidney, Pauline, Christine, Yeukai and Charity, I say Ebenezer:

“Thus far the Lord has helped us” 1 Samuel 7:12

DECLARATION

I Tatenda Chikukwa hereby declare that this dissertation submitted for the Degree of Masters in Management Sciences specialising in Human Resources Management in the Faculty of Management Sciences at Durban University of Technology is my own original work and has not previously been submitted at any institution of higher education. All the sources have been acknowledged, accurately cited and referred to in the bibliography list.

Signed.....

Date.....

Tatenda Chikukwa

21143356

TABLE OF CONTENTS

Abstract	i
Acknowledgement	ii
Declaration	iii
Table of contents	iv
List of figures	x
List of tables	xi
List of annexures	xiii

CHAPTER 1

OVERVIEW OF THE STUDY

1.1	Introduction	1
1.2	Problem statement	3
1.3	Terminology	4
1.4	Aim of the study	5
1.5	Objectives of the study	5
1.6	Research questions	6
1.7	Significance of the study	6
1.8	Scope of the study	7
1.9	Literature review	7
1.9.1	Extrinsic rewards	7
1.9.2	Direct and indirect monetary payments	8
1.9.3	The importance of employee rewards	9
1.9.4	The importance of employee motivation	9
1.9.5	Theories of motivation	10
1.9.6	The impact of extrinsic rewards on employee motivation	10
1.9.7	Organisational effectiveness	12
1.10	Research methodology and design	13
1.10.1	Secondary data	14

1.10.2 Primary data	14
1.10.3 Research design	14
1.10.4 Description of the target population	15
1.10.5 Sampling	15
1.10.6 Selection of sample	16
1.10.7 Measuring instrument	16
1.11 Pilot studying	17
1.12 Reliability and validity	17
1.13 Data collection methods	18
1.14 Analysis of results	18
1.15 Ethical considerations	18
1.16 Structure of chapters	19
1.17 Conclusion	20

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction	21
2.2 The concept of rewards	21
2.3 The concept of extrinsic rewards	23
2.4 The importance of the different types of extrinsic rewards	24
2.4.1 Direct monetary payments	25
2.4.1.1 Base pay	25
2.4.1.2 Bonus payments	26
2.4.1.3 Competency-based pay	27
2.4.1.4 Performance-based systems	28
2.4.1.4.1 Commission payments	28
2.4.1.4.2 Merit based pay	29
2.4.1.4.3 Piecework rates	30
2.4.1.4.4 Standard hour plans	30
2.4.2 Indirect monetary payments	31
2.4.2.1 Benefits required by the law	31

2.4.2.2	Discretionary or voluntary benefits	32
2.4.2.2.1	Insurance benefits	32
2.4.2.2.2	Paid time off	33
2.4.3.2.3	Pension fund	34
2.4.2.3	Employee services	35
2.4.2.3.1	Childcare programmes	35
2.4.2.3.2	Food services	36
2.4.2.3.3	Recreation facilities	36
2.4.2.3.4	Educational expenses	36
2.4.2.3.5	Transport services	37
2.4.2.4	Flexible benefits	37
2.5	The concept of employee motivation	38
2.6	Theories of motivation	40
2.6.1	Instrumentality theory	42
2.6.2	Content theories	42
2.6.2.1	Maslow's hierarchy of needs	43
2.6.2.1.1	Criticism of Maslow's hierarchy of needs	43
2.6.2.2	McClelland's achievement motivation theory	43
2.6.2.3	McGregor's Theory X and Y	44
2.6.2.4	Alderfer's ERG theory	45
2.6.2.5	Herzberg's two-factor model	46
2.6.2.5.1	Hygiene factors	47
2.6.2.5.2	Motivators	47
2.6.2.5.3	Criticism of Herzberg's two-factor theory	48
2.7	Process theories	48
2.7.1	Equity theory	49
2.7.1.1	Criticism of the Equity theory	54
2.7.2	The Expectancy theory	54
2.7.2.1	Application of the Expectancy theory	57
2.7.2.2	Criticism of the Expectancy theory	57
2.7.2.3	Porter and Lawler's Expectancy theory	57
2.8	The impact of extrinsic rewards on employee motivation	59
2.8.1	Instrumental value of money	60
2.8.2	Symbolic value of money	61

2.9 The concept of organisational effectiveness	63
2.9.1 Goal accomplishment model	64
2.9.2 Systems resource approach	65
2.9.3 Internal processes model	66
2.9.4 Multiple constituencies approach	66
2.10 The impact of employee motivation on organisational effectiveness	66
2.11 Conclusion	68

CHAPTER 3

RESEARCH METHODOLOGY AND DESIGN

3.1 Introduction	69
3.2 Principles of research design	69
3.3 Quantitative research	70
3.4 Primary data	72
3.5 Secondary data	72
3.6 Description of target population	73
3.7 Sampling procedure	73
3.7.1 Non-probability sampling	74
3.7.2 Probability sampling	74
3.8 Selection of sample	75
3.8.1 Advantages and disadvantages of systematic sampling	76
3.8.1.1 Advantages of systematic sampling	77
3.8.1.2 Disadvantages of systematic sampling	77
3.9 Measuring instrument	77
3.9.1 Questionnaire construction and administration	78
3.9.2 Advantages and disadvantages of questionnaires	78
3.10 Pilot testing	79
3.11 Validity and reliability of measuring instrument	80
3.11.1 Validity construct	81
3.11.2 Reliability construct	83
3.12 Hypothesis testing	84

3.13	Analysis of data	85
3.14	Ethical considerations	86
3.14.1	The concept of anonymity	87
3.14.2	The concept of confidentiality	87
3.15	Conclusion	88

CHAPTER 4

ANALYSIS OF DATA AND DISCUSSION OF FINDINGS

4.1	Introduction	89
4.2	Section A – Analysis of biographical data	90
4.2.1	Gender breakdown for sample respondents	91
4.2.2	Age breakdown for sample respondents	93
4.2.3	Age and gender cross tabulation	94
4.2.4	Education levels of respondents	94
4.2.5	Length of service	95
4.3	Analysis of section B	96
4.3.1	Descriptive and inferential statistics	96
4.3.2	Analysis of data pertaining to direct and indirect monetary rewards	97
4.3.3	Analysis of data pertaining to extrinsic rewards and employee motivation	101
4.3.4	Analysis of data pertaining to organisational effectiveness	104
4.4	Hypotheses testing	106
4.4.1	Hypothesis 1	107
4.4.2	Hypothesis 2	108
4.4.3	Hypothesis 3	110
4.4.4	Hypothesis 4	112
4.4.5	Hypothesis 5	113
4.4.6	Hypothesis 6	114
4.4.7	Hypothesis 7	115
4.4.8	Hypothesis 8	117
4.4.9	Hypothesis 9	118
4.4.10	Hypothesis 10	119

4.4.11 Hypothesis 11	121
4.4.12 Hypothesis 12	122
4.4.13 Hypothesis 13	123
4.5 Limitations of the study	125
4.6 Conclusion	125

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction	126
5.2 Conclusion	127
5.3 Recommendations	127
5.3.1 Offering competitive financial rewards	127
5.3.2 Timeously rewarding employees	128
5.3.3 Increasing financial rewards	128
5.3.4 Adopting pay for performance plans	129
5.3.5 Consideration of commission payments	129
5.3.6 Offering merit pay	129
5.3.7 Expanding the range of employee services	130
5.3.8 The use of flexible benefit plans	130
5.3.9 Regularly reviewing the reward system	131
5.3.10 Offering equitable financial rewards	131
5.3.11 Communicating the goals of the organisation	132
5.4 Directions for future research	132
 Bibliography	 133

LIST OF FIGURES

Figure 2.1	Types of rewards	23
Figure 2.2	The process of motivation	39
Figure 2.3	Evolution of the motivational theory	41
Figure 2.4	Herzberg's two-factor theory	46
Figure 2.5	Adam's Equity theory	50
Figure 2.6	The Expectancy theory	55
Figure 2.7	Porter's and Lawler's Expectancy model	58
Figure 3.1	Quantitative research design classification	71
Figure 4.1	Analysis of gender breakdown	90
Figure 4.2	Analysis per age group	92
Figure 4.3	Analysis of the level of education	94
Figure 4.4	Analysis of length of service	95
Figure 4.5	Frequencies expressed as percentage by the sample respondents in relation to employee motivation	98
Figure 4.6	Top 5 extrinsic rewards at ZFC Limited	99
Figure 4.7	Frequencies expressed as a percentage by sample respondents in relation to employee motivation	101

LIST OF TABLES

Table 2.1	Potential responses to inequity	53
Table 3.1	Reliability outputs	83
Table 4.1	Age of respondents	91
Table 4.2	Gender distribution of respondents by age group	93
Table 4.3	Frequencies expressed as a percentage by sample respondents in relation to organisational effectiveness	104
Table 4.4	Frequencies for paying salaries on time and the perception that ZFC Limited is interested in the feelings of its employees	107
Table 4.5	Timely salaries and a reward structure that enhances Employee motivation and organisational effectiveness	109
Table 4.6	Timely salaries and commitment to the achievement of organisational objectives	110
Table 4.7	Monetary rewards forming a significant part of the remuneration package and employee perception that ZFC Limited is a better place to work in the manufacturing sector	112
Table 4.8	Employee involvement in achieving organisational objectives and the perception that ZFC Limited is a better place to work in the manufacturing sector	113
Table 4.9	Positive employee morale and perceiving ZFC Limited as a better place to work in the manufacturing sector	114
Table 4.10	Being motivated by financial rewards and the perception that ZFC Limited is a better place to work in the manufacturing sector	116
Table 4.11	Being motivated by fringe benefits and overall satisfaction with financial rewards	117
Table 4.12	Satisfaction with financial rewards and the perception that ZFC Limited is interested in the feelings of its employees	118
Table 4.13	Fair financial reward increases and employee satisfaction with financial rewards	120

Table 4.14	Being motivated by fringe benefits and the perception that ZFC Limited is a better place to work in the manufacturing sector	121
Table 4.15	Competitive financial rewards and being motivated by financial rewards	122
Table 4.16	Employee involvement in the achievement of the vision, mission and objectives and being motivated by financial rewards	124

LIST OF ANNEXURES

Annexure A	Covering letter to respondents	167
Annexure B	Structured questionnaire	168
Annexure C	Request for permission to conduct research	172
Annexure D	Permission to conduct research	173

CHAPTER 1

OVERVIEW OF THE STUDY

1.1 INTRODUCTION

Zimbabwe Fertilizer Company (ZFC) Limited is the largest granular and soluble fertilizer manufacturer and supplier in Zimbabwe. ZFC Limited is a public company that is owned by Chemplex Corporation Limited, YZ Holdings Zimbabwe and TA Holdings Zimbabwe. It also focuses on distributing agrochemicals which include herbicides, insecticides, fungicides and fumigants (Zimbabwe Fertilizer Company Limited, 2016:2). In addition, ZFC Limited provides support to farmers (large and small-scale commercial, communal and resettlement) through agronomists and through an extensive network of stockists and depots. According to Mandizha (2015:6), the primary and secondary market of ZFC Limited is the local farming industry and the Southern African Development Community (SADC) region respectively.

According to Muzividzi, Matowanyika, Hosho, Nyakuwanika and Gutu (2013:83), the manufacturing sector to which ZFC Limited belongs is the most critical industry in Zimbabwe as it is the greatest contributor to the country's Gross Domestic Product (GDP). The manufacturing sector, which used to be the greatest contributor to Zimbabwe's GDP, is underperforming due to environmental constraints (Confederation of Zimbabwe Industries, 2012:22). The fertilizer industry has been greatly affected as farmers are struggling to purchase inputs (Majaka, 2014:00). Chiutsi (2014:12) highlights that in December 2014, the Zimbabwean Government owed fertilizer producers and seed houses more than US\$11 million. This has resulted in viability challenges for fertilizer produces in the country.

The challenging business environment in Zimbabwe has resulted in the beverages sector failing to operate to capacity. For instance, Mtomba (2015:8) highlights that the Zimbabwean manufacturing sector was operating at a low and unsustainable capacity utilisation rate of 39 percent. This has been fuelled by drought and persistent water and power shortages throughout the country. It is of paramount importance for organisations to value their workforce in order to reach their full capacity utilisation. Businesses in the 21st century need to realise that of all the factors that contribute to the effectiveness of the organisation, human resources are the most critical (Nel and de Beer, 2014:373). Manzoor (2012:4) concurs that the 21st century is highly competitive and organisations are facing challenges with respect to rewarding and motivating employees. Chiboiwa (2009:3) affirms that challenges in the country such as massive de-industrialisation and informalisation have resulted in organisations struggling to meet the needs of employees. For instance, according to the National Employee Engagement Report 2014 (Industrial Psychology Consultants, 2014:4), 52 percent of employees in Zimbabwe are unhappy with their remuneration. The inability to value employees has resulted in a demotivated workforce in the beverages sector (Trade and Manufacturing Strategic Plan for Statistics, 2011:14). Furthermore, valuing employees involves keeping them motivated since low employee morale impacts negatively on organisational effectiveness.

According to Deb (2009:344), extrinsic rewards remain the fundamental way of enhancing employee motivation and organisational effectiveness. This implies that employee motivation is indispensable as human resources are vital for enhancing organisational effectiveness. Furthermore, extrinsic rewards have been found to have a major influence on employee motivation (Seniwoliba and Nchorbono, 2013:246). However, Nel, Werner, Botha, du Plessis, Mey, Ngalo, Poisat and van Hoek (2014:284) argue that theorists differ on the impact of extrinsic rewards on employee motivation since some research has concluded that financial rewards do not motivate employees. This study aims to highlight how an organisation, through offering extrinsic rewards, can enhance organisational effectiveness. The purpose of this study is to determine the impact of extrinsic rewards on employee motivation and organisational effectiveness at Zimbabwe Fertilizer Company (ZFC) Limited in Zimbabwe.

1.2 PROBLEM STATEMENT

Zimbabwe has been experiencing an economic downturn for the past decade (Gweshe, 2015:1). The contracting and deteriorating Zimbabwean economy has resulted in organisations struggling to reward their employees appropriately. Mhlanga and Nyakazeya (2015:6) report that businesses are battling with declining profits, high costs, liquidity challenges and accumulating salary arrears. These challenges have resulted in employees being rewarded below the Poverty Datum Line (PDL) which stands at US\$512/6400. According to Kuwaza (2015:6), the 2014 Finscope Consumer Survey Zimbabwe found that nearly 60 percent of the country's potential workforce earns below US\$3.50 per day. This clearly shows that employees are not pleased with the monetary rewards in the fertilizer industry and various other sectors of the economy.

Furthermore, Government's failure to pay its debt to fertilizer producers has resulted in companies failing to reward employees (Majaka, 2014:3), which has dampened employee motivation in the Zimbabwean fertilizer industry as employees are paid a very low salary. In addition, concerns of poor salaries, benefits and allowances are some of the challenges that have negatively affected employee morale. A demotivated workforce is an impediment to organisational goals and effectiveness. Rewards have a substantial impact on employee motivation and organisational effectiveness. However, Nel and de Beer (2014:265) affirm that employee motivation is indispensable and it has been widely neglected and ignored. Neglecting employee motivation has severe repercussions which include inefficiency, poor performance, brain drain and a demoralised workforce.

1.3 TERMINOLOGY

1.3.1 Motivation – entails the strength and direction of human behaviour and the factors that influence employees to behave in certain ways. It involves a force that energises, directs and sustains the behaviour of employees (Armstrong, 2014:170).

1.3.2 Extrinsic rewards – relate to direct and indirect financial awards that are tangible or physical and which are given to employees for rendering their labour and for accomplishing organisational objectives (Warnich, Carell, Elbert and Hatfield, 2015:403).

1.3.3 Direct monetary payments – refer to all the forms of cash awards or pay that is given to an employee such as wages, salaries, skills based pay, commissions and bonuses (Mondy, 2008:276).

1.3.4 Indirect monetary payments – relate to non-cash awards such as mandatory or voluntary benefits offered to employees for their membership or participation in the organisation (Jackson, Schuler and Werner, 2009:436).

1.3.5 Organisational effectiveness – refers to a measure of how well an organisation is doing in terms of achieving its objectives and it also involves the quality of relationship of an organisation with its environment (Manzoor, 2012:10).

1.4 AIM OF THE STUDY

The main aim of this study is to explore the impact of extrinsic rewards on employee motivation and organisational effectiveness at ZFC Limited in Zimbabwe.

1.5 OBJECTIVES OF THE STUDY

In order to meet the above aim, this study addresses the following objectives:

- To determine the perceptions of extrinsic rewards by employees at ZFC Limited in Zimbabwe.
- To ascertain the impact of extrinsic rewards on employee motivation at ZFC Limited in Zimbabwe.
- To explore the relationship between employee motivation and organisational effectiveness at ZFC Limited in Zimbabwe.
- To explore the impact of extrinsic rewards on organisational effectiveness at ZFC Limited in Zimbabwe.

1.6 RESEARCH QUESTIONS

In order to meet the above objectives, the following research questions were formulated for the study:

- What are the perceptions of extrinsic rewards of employees at ZFC Limited in Zimbabwe?
- To what extent do extrinsic rewards impact on employee motivation at ZFC Limited in Zimbabwe?
- What is the relationship between employee motivation and organisational effectiveness at ZFC Limited in Zimbabwe?
- To what extent do extrinsic rewards impact on organisational effectiveness at ZFC Limited in Zimbabwe?

1.7 SIGNIFICANCE OF THE STUDY

The researcher contends that the findings of this investigation will make pertinent recommendations to ZFC Limited on how extrinsic/financial rewards may influence employee motivation and organisational effectiveness. The study will also highlight some areas of concern and strength regarding rewarding employees in the manufacturing and/or fertilizer industry. Furthermore, the study may assist top management and staff with how to motivate the workforce and achieve organisational objectives effectively and efficiently. The study may also be beneficial to future researchers willing to examine the impact of rewards on employee motivation and

organisational effectiveness in the dynamic and competitive manufacturing and/or beverages sector.

1.8 SCOPE OF THE STUDY

This research focuses on ZFC Limited, which belongs to the fertilizer industry and manufacturing sector. This is an in-house investigation and it does not include other companies in the fertilizer industry and manufacturing sector in Zimbabwe.

1.9 LITERATURE REVIEW

Dawidowicz (2010:5) states that a literature review involves the systematic examination of scholarly and research based information pertaining to a particular topic. This study examines the literature on three key variables, namely, extrinsic rewards, employee motivation and organisational effectiveness.

1.9.1 EXTRINSIC REWARDS

According to Aktar, Sachu and Ali (2012:9), extrinsic rewards are tangible or physical awards that are external to the job or task being performed by an employee. Gkorezis and Petridou (2012:3598) state that extrinsic rewards constitute the payment that employees receive as recognition for their input. Furthermore, Ozutku (2012:44) describes extrinsic rewards as financial inducements that are given to employees in exchange for their contribution to the firm. Gohari, Ahmadloo, Boroujeni (2013:547) warn that organisations should appropriately budget for employee remuneration and not substitute financial rewards with other rewards because extrinsic rewards have an impact on employee morale. Financial inducements are divided into direct payments and indirect payments (Ibrah, Ahmed, Naz and Shafique, 2015:167).

1.9.2 DIRECT AND INDIRECT MONETARY PAYMENTS

According to Hellreiegel, Jackson, Slocum, Staude, Amos, Klopper, Louw and Oosthuizen (2004:250), direct payments relate to monetary rewards which form an employee's base wage or salary or any other cash award such as merit pay, skills based pay, bonus and commission. Direct monetary payments are based on the principles of scientific management that were proposed by Frederick Taylor (Bloisi, 2007:186). Furthermore, indirect payments refer to benefits required by the law and those provided voluntarily to the employee for his/her membership or participation in the organisation, which includes insurance, paid leave, retirement fund, food services and transport allowances (Grobler, Warnich, Carell, Elbert and Hatfield, 2011:401). Martocchio (2014:43) posits that employee benefits are mainly offered because they have a cost advantage due to economies of scale and are non-taxable. Furthermore, Jackson, Schuler and Werner (2009:447) affirm that fringe benefits facilitate a work-life balance and enhance the lifestyles of employees through comfort and financial assistance.

Mondy (2008:279) emphasises that financial compensation is both an asset and an expense to the organisation. For instance, extrinsic rewards are an expense as they reflect the cost of labour to the organisation. Financial rewards are also regarded as strategic interventions as they are instrumental in attracting, motivating and retaining employees. Furthermore, direct and indirect monetary benefits are vital as they determine the type of lifestyle of employees (Boselie, 2014:118). In addition, Nujoo and Meyer (2012:4) note that employees perceive extrinsic rewards as a form of recognition and positive feedback for their performance and competence. Bloisi (2007:179) postulates that appropriate extrinsic rewards have the potential to ensure harmony in various organisational aspects such as attracting talented staff, increased performance and staff retention. Moreover, Ozutku (2012:33) highlights that the use of extrinsic rewards effectively motivates employees to perform at higher levels, thereby enhancing organisational competitiveness.

1.9.3 THE IMPORTANCE OF EXTRINSIC REWARDS

Extrinsic rewards are of great importance because they are the basic element of the employment relationship which aims at improving human resources outcomes (Banfield and Kay, 2008:296). According to Bustamam, Teng and Abdullar (2014:242), the importance of financial rewards was highlighted by the former CEO of Avon, Hicks Waldron when he said that “employees do what you pay them to do, not what you tell them to do”. This is because they recognise the contribution, worth, status and self-esteem of employees (Ozutku, 2012:31). Banfield and Kay (2008:296) warn that if employees are dissatisfied with their rewards, they will express it through their performance and behaviour. Failure to understand the importance of extrinsic rewards has damaging consequences for organisational competitiveness and success. Warnich, Carrell, Erbert and Hatfield (2015:406) concur that employees need to be rewarded equitably and fairly based on their level of performance in order for financial rewards to be effective. In addition, extrinsic rewards are important because they enhance employee motivation and performance (Nujoo and Meyer, 2012:4). Ledford (2014:169) also warns that keeping financial rewards low negatively impacts on the sustainable competitiveness of the firm because employees prefer financial rewards of high value over non-cash rewards (Snelgar, Renard and Venter, 2013:13). Gkorezis and Petridou (2012:3598) assert that financial rewards that are associated with performance have the potential to influence employee motivation and organisational effectiveness.

1.9.4 THE IMPORTANCE OF EMPLOYEE MOTIVATION

According to Kreitner and Kinicki (2008:17), employee motivation entails psychological processes that result in the arousal, direction and persistence of voluntary goal-directed actions. Hitt, Miller and Collella (2009:187) concur that the motivation process is goal directed and consists of three aspects, namely direction, intensity and persistence. In addition, Hodgetts and Hegar (2008:48) highlight that employee motivation is characterised by both physical and mental movement. It is vital to note

that employees have different needs or deficiencies which include physiological, psychological and sociological needs. Ivancevich, Konopaske and Matteson (2014:114) affirm that the existence of deficiencies in employees creates tension, thereby influencing employee behaviour. Motivational theories are vital in enhancing employee motivation as they assist in selecting appropriate rewards while predicting and influencing behaviour (Huffmire and Holmes, 200:117).

1.9.5 THEORIES OF EMPLOYEE MOTIVATION

Motivational theories are vital in addressing employee problems and in measuring observable manifestations of employee motivation (Warnich, Carrell, Erbert and Hatfield, 2015:247). According to Nel and Werner (2014:266), motivational theories are divided into content and process theories. Lundberg, Gudmundson and Anderson (2009:891) note that content theories of motivation state that people are motivated to work when their needs are identified and fulfilled. According to Armstrong (2014:171), content theories include Herzberg's two-factor theory, Maslow's hierarchy of needs theory and Alderfer's ERG theory. Nel and Werner (2014:249) state that process theories focus on the origin of human behaviour and the factors that impact on the strength and direction of behaviour. Process theories include the Expectancy theory and the Equity theory (Armstrong, 2014:179).

1.9.6 THE IMPACT OF EXTRINSIC REWARDS ON EMPLOYEE MOTIVATION

According to the United Nations Development Programme (2014:16), extrinsic rewards play a key role in motivating employees in developing countries where rewards are poor and below the Poverty Datum Line. Moreover, Haruvamwe and Kanengoni (2013:3932) note that an analysis of thirty-nine studies conducted over four decades by various researchers in different countries concluded that financial rewards motivate employees. However, Purohit and Bandyopadhyay (2014:13) note that evidence of the impact of tangible rewards on motivation is mixed and inconclusive. According to

Bustamam, Teng and Abdullar (2014:394), the presence of extrinsic rewards may not be a good motivator but their absence has a negative impact on motivation. The absence of rewards creates an unpleasant environment that leads to low employee morale because extrinsic rewards assist in meeting basic needs such as food and shelter and high-level needs such as respect and belonging (Aguinis, Joo and Gottfredson, 2013:243).

Ibrah, *et al.* (2015:168) affirm that financial rewards are important because of their instrumental value, which involves using money as a medium of exchange. Moreover, financial rewards have the potential of motivation because of its symbolic value. The symbolic value of money entails how money is viewed or perceived by the recipient and society (Armstrong, 2005:77). Employees view money as a symbol of self-worth, status and achievement. Schlechter, Hung and Bussin (2014:3) concur that monetary payments are a source of power and enable an individual to access resources. Money is vital and is a prerequisite in the employment relationship because of its instrumental and symbolic value. Aguinis, Joo and Gottfredson (2013:243) assert that empirical evidence suggests that financial rewards are amongst the most powerful factors impacting on employee motivation and that other rewards seem to have little impact.

Rehman and Ali (2013:514) contend that extrinsic rewards such as salary and wages motivate poorly performing employees and also motivate employees to come to work each and every day. According to Hong and Waheed (2011:50), satisfaction with direct and indirect monetary rewards inspire employees to exert more effort and achieve more. Islam and Ismail (2008:352) argue that financial rewards (e.g. higher wages) have a stronger impact on motivation than non-monetary rewards. In addition, Chandler, Chanya, Mtei, Reyburn and Whitty (2009:2085) state that financial rewards are a prerequisite for any other reward to motivate employees. Furthermore, Akintoye as cited by Akanbi (2011:5) concurs that financial rewards remain the most significant motivator, despite criticism. In addition, Seniwoliba and Nchorbono (2013:246) highlight that monetary rewards such as bonuses and allowances are the most preferred forms of motivation by employees.

1.9.7 ORGANISATIONAL EFFECTIVENESS

An organisation consists of structured and orderly systems aimed at serving specific objectives, whilst effectiveness involves the degree of congruence between goals and outcomes (Manzoor, 2012:3). Primary organisational goals are expressed in commercial terms such as profit levels and market share, whereas secondary goals focus on internal processes such as motivation and job satisfaction levels that assist the organisation in achieving primary goals (Robertson, Caliman and Bartram, 2002:2). Chang and Huang (2010:636) explain that organisational effectiveness involves successfully achieving the mission through developing unique capabilities and exploiting the environment. In order for an organisation to be effective, the goals or objectives of both the employees and the organisation need to be met. For instance, an effective organisation satisfies human needs and provides the required products and services through optimal resource utilisation (Burke and Cooper, 2008:22).

According to Ashraf and Kadir (2012:81), difficulties in defining organisational effectiveness resulted in the development of numerous models such as the goal attainment model; systems-resource approach; strategic constituency approach; and the internal processes model. Kreitner and Kinicki (2008:509) affirm that:

- The goal accomplishment model involves measuring organisational effectiveness based on the achievement of set goals.
- The systems-resource model evaluates organisational effectiveness by analysing the ability of an organisation to effectively acquire raw materials or inputs.
- The internal processes model suggests that an effective organisation is healthy when information flows smoothly, trust prevails and when there is employee loyalty and commitment.
- The strategic constituency model measures organisational effectiveness by evaluating the satisfaction of stakeholders.

Bowditch and Buono (2001:305) warn that there is no single accurate measure of organisational effectiveness. However, there are other models which measure organisational effectiveness, such as the competing values model and the ineffectiveness model.

Safriansyah (2010:1) proclaims that organisational effectiveness is vital as it enhances organisational competitiveness and survival in a turbulent business environment. In order to optimally utilise resources, rewarding and motivating human resources becomes a prerequisite. According to Ali and Ahmed (2009:272), it is vital to motivate employees so that they will ensure organisational effectiveness as they are responsible for the success or failure of an organisation. In addition, the survival and competitiveness of an organisation is determined by how employees are treated (Danish and Usman, 2010:159). A motivated and well rewarded workforce will create a favourable and conducive working environment.

According to Manzoor (2012:10), employee motivation and organisational effectiveness are directly related. Extrinsic rewards contribute to organisational effectiveness through influencing employee behaviour. Moreover, a failure to reward employees appropriately makes it hard to maintain a competitive advantage as it negatively impacts on organisational effectiveness (Torrington, Hall, Taylor and Atkinson, 2011:17). In addition, Singh (2015:10) concurs that there is a positive relationship between employee motivation and organisational effectiveness. A well rewarded and motivated employee is productive and contributes to the effectiveness of the organisation. This is because a motivated employee works hard, thereby enabling the organisation to achieve set goals and objectives.

1.10 RESEARCH METHODOLOGY AND DESIGN

This section addresses how research is conducted and how the data will be collected and analysed. It focuses on the research design, data collection, measuring instrument and data analysis.

1.10.1 SECONDARY DATA

According to Salkind (2010:4), secondary data refers to data already in existence which was originally gathered by any individual other than the researcher. In this study, secondary data will be sourced from journals, the internet, media articles, government publications, periodicals, dissertations and theses.

1.10.2 PRIMARY DATA

Brynard, Hanekom and Brynard (2014:38) define primary data as data collected by the researcher for a specific research project. For the purpose of this study, a closed-ended structured questionnaire is used as a data gathering instrument. According to Gray (2009:337), questionnaires are the most widely used research tool for the collection of primary data.

1.10.3 RESEARCH DESIGN

For the purpose of this study, a quantitative methodology will be adopted. According to Coghlan and Brydon-Miller (2014:3), a quantitative methodology involves a set of strategies, techniques and assumptions that are used to study various processes through exploring numeric patterns. A quantitative method is adopted for this study as it provides the researcher the ability to conduct sophisticated analysis and

systematically compare responses in a relatively inexpensive, fast and consistent way (Fink, 2008:152). In addition, this study is an in-house investigation at ZFC Limited in Zimbabwe.

1.10.4 DESCRIPTION OF THE TARGET POPULATION

Somekh and Lewin (2011:327) define a target population as all the elements from whom a sample will be selected. The source list was obtained from the Human Resources Department at ZFC Limited in Zimbabwe. The total population for this study equated to $N = 280$, which included all employees at ZFC Limited in Zimbabwe.

1.10.5 SAMPLING

For the purpose of this study, a systematic sampling technique will be adopted as a probability sampling method. David and Sutton (2011:227) postulate that probability sampling involves each member of the population having a known chance of being chosen. It is appropriate because it minimises bias as each element has an equal chance of being selected. According to Denscombe (2010:28), systematic sampling involves numbering all the members of the target population and picking every n th item from the source list, depending on the required sample size. Furthermore, Henn, Weinstein and Foard (2009:155) affirm that a systematic sampling technique is simpler, more cost effective and gives every element an equal chance of being selected to form the sample size.

1.10.6 SELECTION OF THE SAMPLE

Fox and Bayat (2007:23) notes that a sample population is a group of participants selected to make inferences about the population from which they are drawn. For the

purpose of this study, every second element on the list will be selected to form the sample size. Thus, a sample size of 140 was selected from the target population of 280 elements. The sample population is representative of the population since the respondents were selected using the systematic sampling technique as a probability sampling method.

1.10.7 MEASURING INSTRUMENT

A closed-ended structured questionnaire (Annexure B) will be used to collect data from the selected respondents. According to Gomm (2009:275), a questionnaire is an instrument consisting of a set of questions or request for information used in collecting and recording information on a particular issue or area of interest. Gray (2009:338) postulates that questionnaires provide a way of gathering data from respondents in a standardised manner. Questionnaires are cost effective in collecting data from widely dispersed respondents (Brynard, Hanekom and Brynard 2014:48). Furthermore, Wagner (2010:12) highlights that the data collected through quantitative questionnaires can be analysed using statistical techniques. The questionnaire will comprise of a five-point likert scale which requires respondents to indicate the degree to which they agree or disagree with statements (Best, 2012:212). In addition, the questionnaire will include a covering letter (Annexure A) assuring anonymity and confidentiality and will be designed taking into consideration the guidelines provided by Somekh and Lewin (2011:225). These include simplicity, anonymity and unambiguous phrasing of questions.

1.11 PILOT STUDY

According to David and Sutton (2011:272), piloting a questionnaire involves testing the questionnaire with a limited number of individuals who are similar to the sample. It is crucial because it reduces the incidence of non-responses since it highlights ambiguities and potential pitfalls in the questionnaire (Saunders, Lewis and Thornhill,

2009:394). For the purpose of this study, fifteen homogenous respondents will participate in pilot testing and will be randomly selected so that the necessary revisions can be made before the questionnaire is finally administered. These respondents will not form part of the sample selected.

1.12 RELIABILITY AND VALIDITY

According to Denscombe (2010:298), reliability refers to the stability or consistency of measurements, that is whether or not the same results would be attained if the test was repeated. According to Henn, Weinstein and Foard (2009:336), reliability involves the effectiveness of the questionnaire in taking accurate and consistent measurements. The questionnaire will ensure error limitation and consistency through pilot testing (David and Sutton, 2011:268).

Gomm (2009:376) attests that validity refers to the extent to which the measurement collects the data required to answer the research questions. Validity is divided into five sub-divisions, namely criterion validity, predictive validity, face validity, content validity and construct validity (David and Sutton, 2011:269). Validity will be ensured through a representative sample from which the findings of the study will be generalised (Somekh and Lewin, 2011:221).

1.13 DATA COLLECTION METHODS

The researcher used the personal method to deliver questionnaires with a covering letter (Annexure A) to respondents. The questionnaires are to be collected personally after ten working days. According to Allred and Ross-Davis (2010:306), personally distributing and collecting questionnaires ensures a high response rate from respondents. There is no personal interaction with the selected sample respondents for this study.

1.14 ANALYSIS OF RESULTS

The responses to the closed-ended questionnaire will be captured to form a data set. All responses will be analysed using the latest version of the Statistical Package for Social Sciences (SPSS) Version 24.0 for Windows (Wagner, 2010:11).

1.15 ETHICAL CONSIDERATIONS

According to Henn, Weinstein and Foard (2009:78), ethical principles and guidelines focus on empowering respondents and protecting them from harm. The covering letter (Annexure A) highlights that respondents are protected from any harm, either physical or mental, that may result from participation in the study (Denscombe, 2010:331). In addition, confidentiality and anonymity is upheld by omitting names in the questionnaire. Voluntary participation is ensured by clearly highlighting in the covering letter (Annexure A) that respondents can refuse to participate or withdraw at any time from participating in the study.

According to Somekh and Lewin (2011:26), anonymity refers to a procedure which offers some degree of protection of privacy in identifying the selected sample respondents. This study ensures anonymity through clear instructions, guidelines and an undertaking in the covering letter (Annexure A) of the questionnaire. The covering letter assures respondents that their information will not be divulged and also no names will be included in the questionnaire. David and Sutton (2011:610) define confidentiality as a principle that allows non-disclosure and publication of information that may be harmful to any other parties other than the research team. This study ensures confidentiality by not indicating any identification details of respondents on the questionnaire and by presenting data for statistical analysis only.

CHAPTER 1: Addresses the background and provides an overview of the study. It also includes the problem statement, research objectives and the methodological approach to the study.

CHAPTER 2: This chapter addresses the literature review of the study in detail.

CHAPTER 3: Discusses the research methodology and design in detail. It also includes a discussion on the selection of the sample size, the collection of data and the development of the measuring instrument.

CHAPTER 4: This chapter discusses the analysis of data and provides a detailed discussion of the findings.

CHAPTER 5: This chapter concludes the study and makes recommendations arising from the analysis. It also concludes with directions for future research.

The absence of extrinsic rewards impacts negatively on employee motivation, thereby making it harder for an organisation to attain a competitive edge. This study examines the impact of extrinsic rewards on employee motivation and organisational effectiveness. Employee morale can be maintained and enhanced through valuing and recognising the contribution of employees. Rewarding employees and ensuring a well-motivated workforce is vital as human resources are the only capital that creates a competitive advantage (Nel and de Beer, 2014:383). Moreover, a well-motivated workforce is a prerequisite for an organisation to be effective and successful in the 21st century.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The 21st century has been characterised by employers realising that the core asset of the organisation is not buildings, raw materials and investments but the knowledge, intelligence, skills and experience of motivated employees (Nienaber, Bussin and Henn, 2011:2). Nienaber, Bussin and Henn (2011:1) also highlight that financial rewards remain a means to achieve different needs for employees, although a lot of doubt has been cast over the effectiveness of financial rewards as a motivator. Neglecting extrinsic rewards may cause serious problems for organisational effectiveness. Martin and Whiting (2013:164) postulate that the role of employee rewards in the employment relationship should not be ignored because effectively managing extrinsic rewards has the potential to create a well-motivated and engaged workforce. This chapter critically reviews literature on extrinsic rewards and their impact on employee motivation and organisational effectiveness.

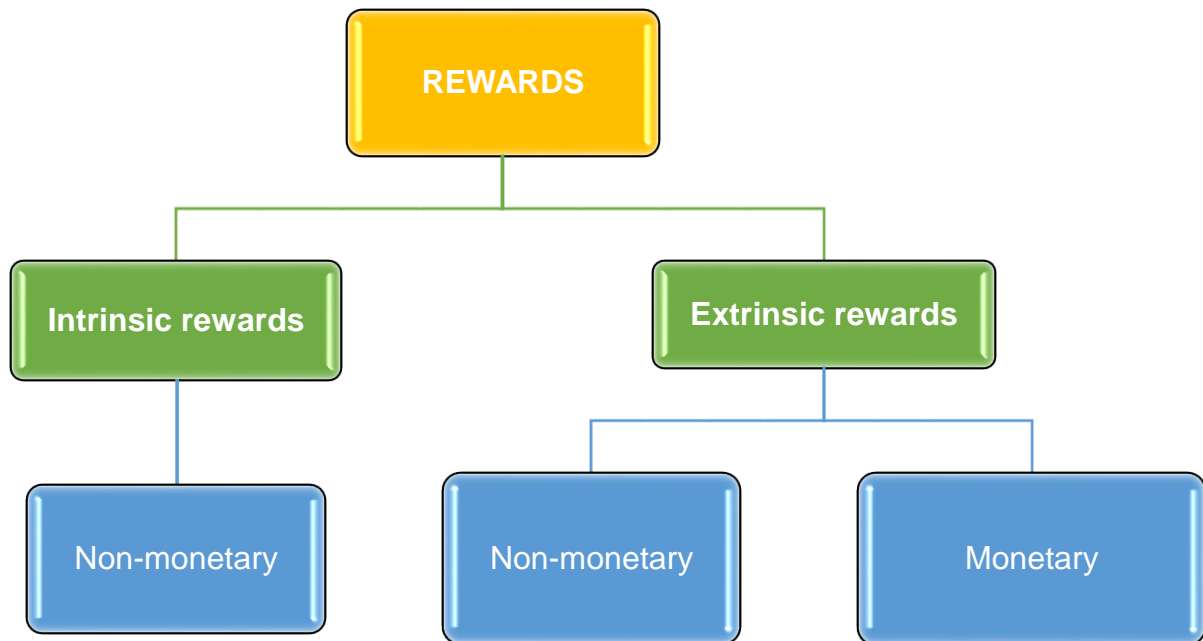
2.2 THE CONCEPT OF REWARDS

Among financial, human and economic resources, human resources are of paramount importance as they possess the capabilities to endow a company with a competitive advantage (Singh, 2015:58). Human resources can be retained and optimally used through motivation. Armstrong (2009:329) affirms that this can be done through different techniques, amongst which financial and non-financial rewards are of significant importance. Jahanzeb, Rasheed, Rasheed and Aamir (2012:273) define rewards as all the categories of monetary benefits, tangible services and fringe benefits

that employees receive as part of the employer-employee relationship. Bustaman, Teng and Abdullar (2014:393) concur that a reward is a construct that represents any tangibles or intangibles that may be valued by employees and which the employer is willing to offer in reciprocity to the employee's contribution. In addition, Saeed, Nayyab and Lodhi (2013:892) highlight that a reward is a consequence of services provided by an employee to an organisation.

According to Kwenin, Muathe and Nzulwa (2013:14), rewards are the most basic element of the employment relationship, which indicates what employees are offered for sacrificing and dedicating their time and effort towards the achievement of company objectives. Furthermore, Beardwell and Claydon (2010:497) assert that rewards are a means of recognising the pivotal role that employees play in the operation and ultimate success of the organisation. Employee rewards enable firms to direct, sustain and motivate desirable values and behaviours of employees if they are not essentially effectual in task execution (Sadq, 2015:282). In the context of this study, there are two basic types of rewards, namely extrinsic and intrinsic rewards as shown in Figure 2.1 (Nujjoo and Meyer, 2012:3). Newman and Sheikh (2012:351) describe intrinsic rewards as awards that result from the job itself such as autonomy, role clarity and advancement opportunities; whereas extrinsic rewards consist of a tangible benefits package that is provided by the organisation such as salary, bonus and fringe benefits.

FIGURE 2.1 TYPES OF REWARDS



Source: Nujjoo, A. and Meyer, I. (2012:3). Adapted.

2.3 THE CONCEPT OF EXTRINSIC REWARDS

Zhou (2009) cited by Nazir, Shah and Zaman (2012:3047) highlights that the philosophy of extrinsic rewards has its inception in utilitarianism which suggests that the behavior of employees is modifiable. This implies that the aim of extrinsic rewards is to modify employee behaviour towards the needs of the organisation. According to Hafiza, Shah and Jamsheed (2011:328), extrinsic rewards consist of tangible awards that are external to the attempts and performed tasks of an employee. In addition, Ivancevich and Konopaske (2013:298) define extrinsic rewards as financial compensation which is made up of direct and indirect financial compensation. Gohari, Ahmadloo, Boroujeni and Hosseinipur (2013:546) argue that extrinsic rewards are a traditional feature of the employment relationship which includes pay, promotions,

bonuses, job security and incentives. Saeed and Nayyab (2013:892) note that extrinsic rewards, which can also be referred to as financial rewards, involve paying for performance as employees need to be recognised for the work they perform. Extrinsic or financial rewards also relate to tangible, quantifiable, transactional rewards and benefits that are given to employees as part of the employment relationship (Obicci, 2015:47).

Chiang and Birtch (2012:540) affirm that extrinsic rewards are fixed, provided and administered by the organisation. Gupta (2014:759) concurs that extrinsic rewards are given to employees at regular intervals and at definite times during the employment relationship as an inducement to engage in positive behaviours. This is because extrinsic rewards are believed to have a tendency of influencing the behaviour and performance of employees. However, Nazir, Shah and Zaman (2012:3047) posit that extrinsic rewards are based on organisational participation and performance. In addition, Sasa, Ana, Julija and Srdan (2014:2) advise that the visibility and tangibility of extrinsic rewards makes a rational worker choose to improve performance if given these financial gains. Apart from their instrumental value as a medium of exchange, extrinsic rewards are visible and highly tangible in nature (Ibrah, Ahmed, Naz and Shafique, 2015:168).

2.4 THE IMPORTANCE OF THE DIFFERENT TYPES OF EXTRINSIC REWARDS

Hayes and Ninemeir (2009) as cited by Zainal, Radzi, Hashim, Chik and Abu (2012:106) highlight that extrinsic rewards consist of all forms of financial returns, tangible services and benefits that employees receive in return for services offered. Financial returns entail base salary, short and long-term incentives, whilst tangible services and benefits are made up of components such as insurance, paid vacation and sick leave, pension and employee discounts (Gupta, 2014:759). Ivancevich and Konopaske (2013:299) posit that extrinsic or financial rewards are further divided into two major categories, namely direct financial and indirect financial compensation.

2.4.1 DIRECT MONETARY PAYMENTS

According to Warnich, Carell, Elbert and Hatfield (2015:403), direct payments comprise monetary rewards such as hourly wages, equitable salaries, bonuses, commission and competency based pay. Direct monetary compensation consists of pay which employees receive in the form of wages, salaries, bonuses or commissions (Ivancevich and Konopaske, 2013:299). According to Gunawan and Febrianto (2012:61), direct financial rewards are critical in the employment relationship as they are viewed as a right by employees. Dessler (2004:275) suggests that direct monetary payments are a small token of appreciation which is given to employees.

2.4.1.1 BASE PAY (WAGES AND SALARIES)

Basic rate schemes are the most widely adopted traditional pay method, common in Zimbabwean industries (Schoorl, 2015:19). Wages and salaries are the starting point in the reward package which consists of hourly rates, weekly wages or monthly/annual salaries paid to employees in lieu of work performed and services rendered (Gupta, 2014:759). Yousaf, Latif, Aslam and Saddiqui (2014:1777) define pay as the compensation given to employees which is proportionate to their skills, knowledge and expectancy. Qureshi (2013:5) concurs that pay is a preset regular recompense that is based on some measure of job size, job structure or other aspects of the employee such as qualifications, skills or competencies. Furthermore, Medcof and Rumpel (2007:60) advise that pay is the most important category of rewards and is made up of base salary, variable pay, stock options and recognition programs.

Rafiq, Javed, Khan and Ahmed (2012:340) affirm that a salary is a form of feedback that shows the importance attached to employees in the organisation. Al-Nsour (2012:79) states that pay provides a quick and immediate form of feedback on the effort expended by employees. Beardwell and Claydon (2010:497) highlight that basic pay is the most critical component in the employment relationship as it is based on the

position or duties performed and is also used as a yardstick for all the other payments that an employee is entitled to, such as pension and other fringe benefits. Base pay is ever-present in the employment relationship, thereby significantly influencing the behaviour of employees. This is because salaries and wages satisfy both physical (clothing, houses and food) and psychological (status and self-esteem) objectives or needs of human beings (Luthans, 2005:133).

Moreover, Nazir, Shah and Zaman (2012:3047) postulate that salaries and wages are not only considered as motivators but also as a means of reinforcing employee retention because pay plays a significant role in fulfilling the basic necessities of life such as food, shelter, safety and security. According to Luthans (2005:132), the amount of pay acts as a driver for meeting human needs such as status and recognition. Pay is important to employees because it directly impacts on the purchasing power of money. For instance, the higher the level of pay, the greater the level of purchasing power (Schlechter, Hung and Bussin, 2014:3). This implies that a poor salary and an irregular mode of payment hampers employee performance as individuals will express their dissatisfaction through poor performance and non-commitment to their jobs (Wasiu, 2014:18). Furthermore, Prasetya and Kato (2011:21) warn that salaries and wages are vital as they can affect the relationships between employees if they are inequitable, not proportionate and not related to performance.

2.4.1.2 BONUS PAYMENT

Armstrong (2009:829) defines a bonus as a cash payment that is given to employees and that is related to individual, team or organisational performance. Agwu (2014:49) concurs that a bonus is performance related and is given to employees for individual or group achievements such as reaching set targets or quotas for a particular task or project. In addition, Aswegen (2012:197) highlights that a bonus refers to the 13th cheque that an employee receives at the end of the year and is usually equal to one month's salary. Gupta (2014:758) also states that a bonus is important as it is aimed at motivating and providing social security to employees. In addition, it is a form of

appreciation for the employee's effort and contribution to the success of the organisation. Robbins and Judge (2015:263) affirm that bonuses are paid separately from wages and salaries to employees for recent performance rather than historical performance. Armstrong (2009:313) proposes that a bonus is not consolidated into base pay and that it has to be re-earned. According to Schermerhorn, Hunt, Osborn and Uhl-Bien (2011:133), bonuses are no longer for managers only but also for employees who are influential in achieving measurable contributions.

2.4.1.3 COMPETENCY-BASED PAY

The main purpose of skills-based pay is to encourage employees to acquire additional skills or specific qualifications that add value and strength to the achievement of organisational goals (Beardwell and Claydon, 2010:522). Werner, Schuler and Jackson (2012:353) state that competency or skills-based pay involves the company paying for the range, depth and types of skills and knowledge of employees rather than the job that the employee holds. Skills-based pay is awarded to employees after demonstrating knowledge or mastery of specific additional skills (Deb, 2009:368). Furthermore, Torrington, Hall, Taylor and Atkinson (2011:563) advise that competency pay encourages multiskilling and flexibility, thereby enhancing responsiveness towards the needs of employees as well as the organisation. Bernardin and Russell (2013:369) highlight that there are three aspects involved in enhancing skills, namely skills depth, skills breadth and self-management skills.

Ledford and Heneman (2011:3) state that skills depth increases when employees learn and acquire knowledge about specialised areas, thereby enhancing their problem solving abilities. Skills breadth is enhanced when employees increase the range and variety of tasks. Self-management skills increase when employees improve their abilities such as organising and scheduling work (Bernardin and Russell, 2013:369). According to Deb (2009:368), financial rewards are directly linked to the proficiency in learning or to the acquisition of skills and knowledge because competency-based pay assumes that paying for employee input such as individual credentials will result in

improved performance in the long run. Werner, Jackson and Schuler (2012:353) suggest that skills-based pay is more suitable and effective in manufacturing companies.

2.4.1.4 PAY-FOR-PERFORMANCE (PERFORMANCE-BASED SYSTEMS)

According to Ozbilgin, Groutis and Harvey (2014:108), pay-for-performance refers to variable pay that is tied closely to individual or team behaviour or to the realisation of organisational goals. Schermerhorn, *et al.* (2011:132) highlight that pay-for-performance assumes that employees will grasp the opportunity to obtain rewards through behaving in ways that are linked to the achievement of rewards. Furthermore, Crawshaw, Budhwar and Davis (2014:225) note that pay-for-performance is based on the premise that “getting people to chase money results in nothing, but people chasing money produces results”. Deb (2009:368) concurs that pay-for-performance expects employees to perform well as they are rewarded based on the outcome of their work. However, Ozbilgin, Groutis and Harvey (2014:111) warn that variable pay threatens economic security, as the employee will become uncertain about his/her pay. In addition, variable pay encourages employees to regulate their behaviour, thus reducing the need for direct managerial control and supervision. Furthermore, Bhattacharyya (2006:348) affirms that variable pay has the potential to reduce labour costs while ensuring employee motivation. Variable pay includes commission, piece-rate systems, standard hour plans and merit pay as highlighted below:

2.4.1.4.1 COMMISSION PAYMENTS

Aswegen (2012:198) states that commission is widely given to sales people and involves employees being given a percentage total sales. However, the percentage for commission may change due to falling or rising piece rates. According to Werner, Jackson and Schuler (2012:405), commission is further categorised into straight commission and salary-plus-commission (combination plan). Straight commission

involves only paying for results and attracts high performing individuals who believe that effort leads to tangible rewards (Dessler, 2014:312). Furthermore, Dessler (2014:312) advises that the straight commission plan benefits the organisation through low fixed costs because the costs of sales are proportionate to total sales rather than being fixed.

Jackson, Schuler and Werner (2009:424) note that the combination plan or the salary-plus-commission plan involves combining the monthly salary with the commission payment. The combination plan protects employees from downward risk i.e. earning nothing (Dessler, 2014:312). In addition, the salary-plus-commission plan is vital as it caters for the employee's living expenses and provides security against factors that are beyond the control of employees such as seasonal swings, economic downturn and inventory shortages. Furthermore, Warnich, *et al.* (2015:421) argue that a higher commission percentage may result in higher motivational levels amongst employees.

2.4.1.4.2 MERIT BASED PAY

According to Bernardin and Russell (2013:410), merit pay refers to the distribution of pay based on an employee's performance appraisal. Merit pay links individual performance with desired or targeted outcomes and it becomes a permanent addition to the employee's salary (Torrington, *et al.*, 2011:558). Shields (2007:369) postulates that merit based increases are further divided into merit grid and straight increments. Straight increments entail paying all the employees in the same performance grade an equal amount or percentage of increase, whilst a merit grid specifies the actual link between the performance assessed, employee's level of pay and the percentage performance increment (Luthans, 2005:136). Furthermore, Shields (2007:371) highlights that the merit grid facilitates fairness and consistency in the organisation, thereby enhancing employee motivation. Mondy (2008:294) attests that merit pay increases are based on the assumption that employees will improve their performance in order to gain more merit increases in the future. Merit pay shows the employer's willingness to invest in human capital over the long term and also protects the

employee's economic security (Shields, 2007:376). This will positively impact on modifying the behaviour of employees towards the achievement of organisational goals.

2.4.1.4.3 PIECEWORK RATES

Noe, Hollenbeck, Gerhart and Wright (2014:373) note that piecework involves paying employees based on their total production units. Bernardin and Russell (2013:412) concur that a piece-rate system entails determining the appropriate amount of work to be accomplished in a standard set period and setting a fair rate. Piecework can either be a straight piecework plan or a piecework rate. A piecework rate involves a wage based on the amount an employee produces, whilst a straight piecework plan involves every worker being given a fixed or standard rate of pay no matter how much he/she produces (Mondy, 2008:295). Moreover, Carrell and Heavrin (2014:262) affirm that a piece-rate involves no base pay and is also used as a motivational technique in manufacturing industries.

2.4.1.4.4 STANDARD HOUR PLANS

According to Bohlander and Snell (2004:433), a standard hour plan involves paying an employee extra for tasks or work that has been done in less than the preset or standard time. Noe, *et al.* (2014:374) affirm that a standard hour plan is quantity oriented and is effective amongst production workers. However, this plan can only succeed if employees are motivated with extra monetary benefits.

2.4.2 INDIRECT MONETARY PAYMENTS (FRINGE BENEFITS)

Kshirsagar and Waghale (2014:63) define indirect financial compensation as everything that is related to benefits or perquisites. Crawshaw, Budhwar and Davis (2014:216) postulate that benefits consist of additional non-cash items or services that have a financial value. Ivancevich and Konopaske (2013:299) concur that fringe benefits consist of all monetary rewards excluding direct financial compensation such as insurance, paid leave, retirement, employee services, paid public holidays and medical services. Furthermore, Bhattacharyya (2006:350) affirms that benefits are supplementary forms of compensation which are paid based on the membership of the employee with the organisation. Phillips and Gully (2014:353) highlight that organisations offer benefits to employees in order to promote health, provide financial protection and improve the work-life balance. Nazir, Shah and Zaman (2012:349) concur that indirect monetary rewards facilitate financial security and better future prospects. Indirect payments are of great importance as they create fond memories amongst employees. Furthermore, the provision of benefits to employees results in employees perceiving the organisation as supporting and caring (Khan, Shahid, Nawab and Wali, 2013:285). This in turn assists the organisation in attracting, motivating and retaining employees through positive work experiences. According to Bohlander and Snell (2004:483), there are four main types of benefits, namely voluntary benefits, employee services, flexible benefits and mandatory benefits.

2.4.2.1 BENEFITS REQUIRED BY THE LAW

According to Amos, Ristow and Ristow (2004:169), compulsory or mandatory benefits consist of unemployment and compensation insurance that is given to employees. Carell and Heavrin (2014:303) proclaim that compulsory benefits are a perquisite and are non-negotiable. Furthermore, Phillips and Gully (2014:356) postulate that unemployment insurance is designed to provide compensation to employees during periods of involuntary unemployment. The Unemployment Insurance Fund (UIF) protects employees against the risk of loss of earnings resulting from not being

employed due to illness, pregnancy or the termination of the employment contract. In addition, workers' compensation is aimed at providing employees with assured payment for medical bills or lost income due to injury on the job (Carell and Heavrin, 2014:304). Mandatory benefits protect employees against the loss of earnings from partial, total or permanent disability or death caused by an accident or a disease contracted at workplace.

2.4.2.2 DISCRETIONARY OR VOLUNTARY BENEFITS

Voluntary or discretionary benefits refer to employee benefits that are not mandated by law (Markel, 2010:6). Condrey (2010:819) postulates that voluntary benefits are provided by organisations to counter competition and to fulfill the desires of the workforce, including time off, insurance, pension and employee services.

2.4.2.2.1 INSURANCE BENEFITS

Phillips and Gully (2014:357) note that employers provide life, health and disability insurance to employees in an effort to retain and keep them motivated. Insurance plans allow the organisation to benefit from lower rates (Aswegen, 2012:205). Life insurance involves covering the employee on a twenty-four basis and even when travelling abroad. In addition, life insurance involves providing employees with death benefits or accidental death and dismemberment benefits after the death of an insured member (Phillips and Gully, 2014:357). It also allows the employee to purchase additional amounts of insurance (Bohlander and Snell, 2004:481). In addition, group life insurance involves lower costs and covers all employees including new recruits regardless of their health or physical condition.

Furthermore, disability insurance supplements compensation insurance in order to provide continued income if an employee becomes disabled (Phillips and Gully,

2014:358). The perception by employees that services at state-run hospitals and clinics are not satisfactory and below the average standards has resulted in employees viewing medical aid schemes/health insurance as a vital aspect in the employment relationship. This implies that the provision of these have the potential of attracting, motivating and retaining employees. Aswegen (2012:205) highlights that medical aid schemes provide medical cover for both employees and their dependants. In addition, health insurance protects employees from financial disaster in the event of a serious illness. Moreover, through hospital, health and disability cover, employees are protected from loss of income arising from off-the-job accidents.

2.4.2.2.2 PAID TIME OFF

According to Ekermans, Moerdyk, Schoombee, Swanepoel and Aardt (2006:100), the law makes it compulsory for all organisations to grant employees a certain number of days for vacation leave. The law only prescribes and the employer may decide to increase the number of days freely. The firm is guided by legislation on determining whether the vacation or holiday is paid or unpaid (Dessler, 2014:318). In some instances, vacation/holidays accrue depending on the years of service. It is of paramount importance for employees to make sure that the dates of vacation and holidays do not negatively affect the flow of goods and services. For instance, manufacturing and production companies usually close between mid-December and mid-January for the festive season (Warnich, *et al.*, 2015:430).

Paid sick leave is generally accrued at a specific rate and provides income to employees during illness. However, Aswegen (2012:204) warns that employees abuse sick leave and use it for personal reasons. This can be countered by paying employees a sum for unused sick leave or by allowing employees to trade sick leave with other benefits. Maternity leave varies from country to country and involves absence from work given to female employees during child-birth. In addition, employees may be given paid family responsibility leave for issues such as the death of an immediate family member, hospitalisation of a family member or testifying in

court. Furthermore, Bohlander and Snell (2004:473) suggest that employees may be paid severance pay, which is a once-off payment when their employment contract is terminated. Severance pay is mainly based on the employee's years of service and is a means of lessening the negative effects of the termination of employment.

2.4.3.2.3 PENSION FUND

According to Yousaf, *et al.* (2014:1779), pension relates to deferred income that employees gather during their working lives and is entitled to them after a defined or specific duration. Beardwell and Claydon (2010:498) concur that pension is a deferred benefit which has a future rather than a present value. An employee is entitled to pension when he/she reaches a certain age and has at least one year of service with the organisation. It is a form of recognition to employees for staying with the organisation until retirement. Pension is usually paid on a monthly basis to a former employee (retiree) during or after retirement (Carell and Heavrin, 2014:305). Armstrong (2009:413) highlights that pension can either be a defined benefit plan or a non-contributory plan.

A contributory plan involves the retirement plan being funded by both parties in the employment relationship (Dessler, 2014:327). Moreover, a defined benefit plan specifies the amount of funds to be invested by the employer and the employee towards the retirement fund. The amount to be contributed is usually determined based on the employee's years of service, age and average earnings. In addition, a non-contributory plan refers to a retirement plan that is entirely funded by the employer through an investment account for each and every employee (Noe, *et al.*, 2014:414). Armstrong (2009:854) warns that the amount retirees receive will be based on the performance of the investment account. Employees are disqualified from the pension fund if they are either fired or if they leave the firm before the retirement age. Torrington, *et al.* (2011:571) note that in developing countries, there is a tradition of greater reliance on the state to provide pension income. Pension funds have the power and potential to motivate and retain employees.

2.4.2.3 EMPLOYEE SERVICES

Employee services include a variety of in-kind employee payments or benefits which aim to increase loyalty and continued employee motivation (Muchinsky, Kriek and Schreder, 2005:287). Aswegen (2012:205) postulates that employee services involve the provision of facilities that are not mandatory in the employment relationship. In addition, employee services allow employees to deal with a variety of problems that may affect their performance.

2.4.2.3.1 Childcare programmes

According to Bohlander and Snell (2004:489), the increased employment of women has resulted in an unprecedented demand for childcare arrangements. Childcare programmes involve the provision of supplementary care services such as on-site programmes, flexible benefiting, referral centres and consortiums for children (Aswegen, 2012:205). An on-site program entails offering facilities near or in the employer's premises, which allows bringing children to work. Although on-site programs are expensive, they are vital in motivating, attracting and recruiting employees (McKay, 2007:229). Flexible benefiting involves the employer giving employees money to reimburse childcare programmes and allowing employees who do not need childcare to trade their childcare benefit with other benefits. Aswegen (2007:206) states that referral centres entail the employer contracting childcare facilities, whilst a consortium of employees involves several firms within the same geographical location acquiring resources to purchase and manage a childcare centre. According to Anderson and Geldenhuys (2011:26), childcare facilities assist in alleviating work and family conflict through meeting the educational, emotional, social and physical needs of employees and their families.

2.4.2.3.2 Food services

According to Beardwell and Claydon (2010:498), food services or meals are an immediate benefit, whereby an employee derives the value instantaneously. Food facilities can assist in enhancing a sense of belonging and engagement as they can be seen as a social hub by employees (Gurchiek, 2013:1). The provision of food facilities such as vending machines, cafeteria services, coffee trucks or lunch wagons to employees minimises delays, time losses and enhances employee morale and happiness (Chenoweth, 2011:14). Furthermore, the employer may provide free food services at a low cost with the intention to enhance convenience within the workplace.

2.4.2.3.3 Recreation facilities

This involves the organisation establishing voluntary sports activities, providing memberships or discounts on membership fees at health and fitness clubs. Recreation facilities provide pleasure and enjoyment through meeting social needs and recognising employee achievements (Moyaka and Gitari, 2012:178). Sandhya and Kumar (2011:1782) affirm that recreation facilities assist in stress management and enhancing motivation. Moreover, social functions for employees and their families may be organised by the employer. This has the potential to improve teamwork and employee morale.

2.4.2.3.4 Educational expenses

The company can offer partial or total tuition reimbursement to employees (Aswegen, 2012:206). Educational support enables employees to prepare themselves for promotional opportunities within the company (Baldwin, 2007:43). In addition, the employer may require employees to undertake career-related courses to receive tuition reimbursement.

2.4.2.3.5 Transport services

The inability of governments to provide adequate transport to commuters in major cities has resulted in the need for employers to offer transport services to employees. Yousaf, *et al.* (2014:1779) concur that inefficient transport networks in developing nations has resulted in employees experiencing increased problems and mental stress. Transport services are vital to employees, especially in developing countries where transport is scarcely available, costly and unpleasant. Gupta (2014:758) suggests that providing cab facilities, vehicles and petrol allowances to employees is vital in enhancing an effective workforce. For instance, the provision of company cars and petrol is perceived as a symbol of power, status and prestige (Muchinsky, Kriek and Schreider, 2005:288). The availability of transport services enhances employee motivation as it reduces the financial burden, mental stress and absenteeism of employees.

2.4.2.4 FLEXIBLE BENEFITS

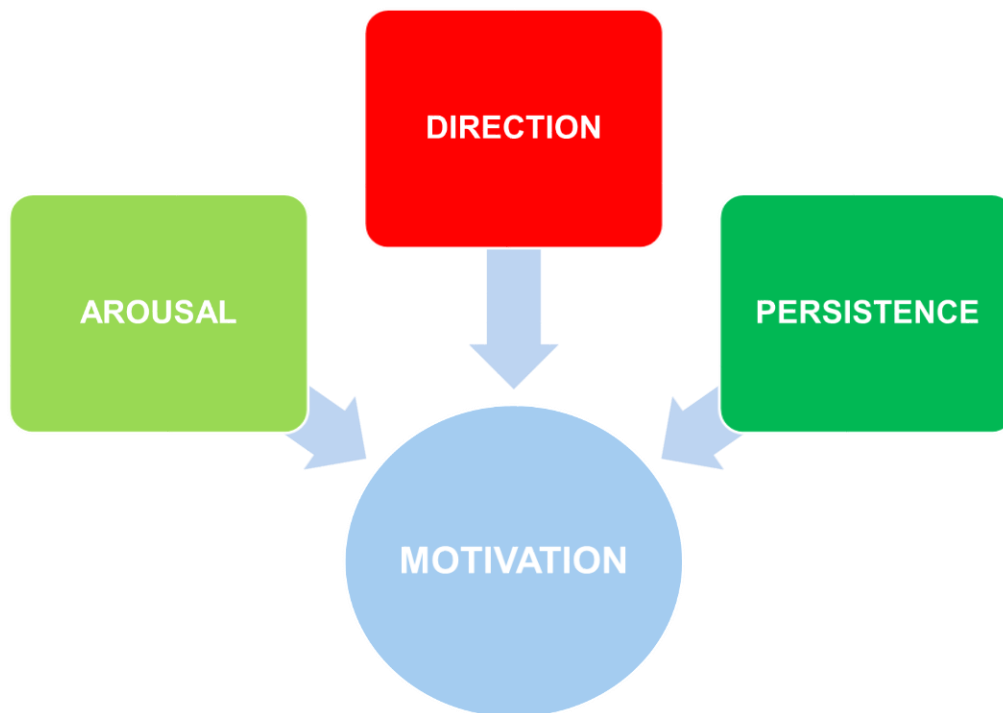
According to Meyer and Kirsten (2005:227), flexible benefits form the basis of cafeteria plans which allow employees to make choices and customise their benefits from a proffered menu, gaining control over their benefits. Flexible benefits are based on the notion that similar benefit packages are not appealing because the needs of employees vary due to age, family responsibilities, income level, culture, values and religion (Shields, 2007:336). The employer determines the amount and selects the range of benefits with the assistance of employees (Torrington, *et al.*, 2011:584). There are two categories of flexible benefits, namely core benefits and optional benefits. According to Bohlander and Snell (2004:465), core benefits are non-optional and ensure that employees are protected from unforeseen financial hardships. Optional benefits allow employees, based on their preferences, to choose either to broaden or increase their benefit coverage (Meyer and Kirsten, 2005:228). Employees receive their benefits packages either wholly in cash or as cash plus benefits. For example, benefits may include transport allowance, childcare and access to financial services. A cafeteria

benefit style saves resources, minimises resource wastage and results in a more motivated workforce (Bloisi, 2007:197).

2.5 THE CONCEPT OF EMPLOYEE MOTIVATION

Kreitner and Kinicki (2008:147) highlight that the term motivation was derived from the Latin word “movere” which means to move. Motivation involves a conscious decision to perform activities with enhanced effort (Bloisi, Cook and Hunsaker, 2007:196). According to Hitt, Miller and Colella (2009:187), motivation refers to the forces that come from within an employee that account for the wilful direction, intensity and persistence of effort towards achieving specific goals. Motivation consists of a set of forces that cause employees to engage in consistent behaviour (Moorhead and Griffin, 2007:83). Armstrong (2010:136) defines motivation as a force that energises, directs and sustains the behaviour of an employee. DeSimone and Werner (2009:45) warn that motivation involves voluntary actions and behavior. Therefore, employee behaviour reflects the perceived consequences of their actions. Kreitner and Kinicki (2008:210) highlight that motivation involves psychological processes that result in the arousal, direction and persistence of voluntary actions that are goal directed. Werner, Bagraim, Cunningham, Pieterse-Landman, Potgieter and Viedge (2011:82) concur that motivation arouses, directs and sustains employee behavior, as shown in Figure 2.3 below:

FIGURE 2.3 THE PROCESS OF MOTIVATION



Source: Werner, A., Bagraim, J., Cunningham, P., Pieterse-Landman, E. and Viedge, C. (2011:83). Adapted.

Arousal involves the need, motive or goal that triggers action (Bloisi, Cook and Hunsaker, 2007:196). In addition, arousal involves the energy that drives employee behaviour towards a particular action (Werner, *et al.*, 2011:82). Furthermore, Armstrong (2014:169) notes that an individual will exert effort to show his/her level of willingness. According to Robbins, Judge, Odendaal and Roodt (2009:144), direction involves an employee making choices between different behaviours to achieve a goal. DeSimone and Werner (2009:45) concur that direction involves applying effort to a particular behaviour over another. Moreover, Armstrong (2014:169) postulates that persistence involves the extent to which an employee is going to hold on to or keep trying to achieve the set targets. Schermerhorn, *et al.* (2011:110) concur that persistence is concerned with the period an individual is willing to sustain in attempting to meet his/her goals. Kreitner and Kinicki (2008:210) highlight that motivation is a function of several components that include individual needs; positive work environment; the relationship between performance and valued rewards; and the setting of specific goals. In addition, motivation involves the strength and direction and

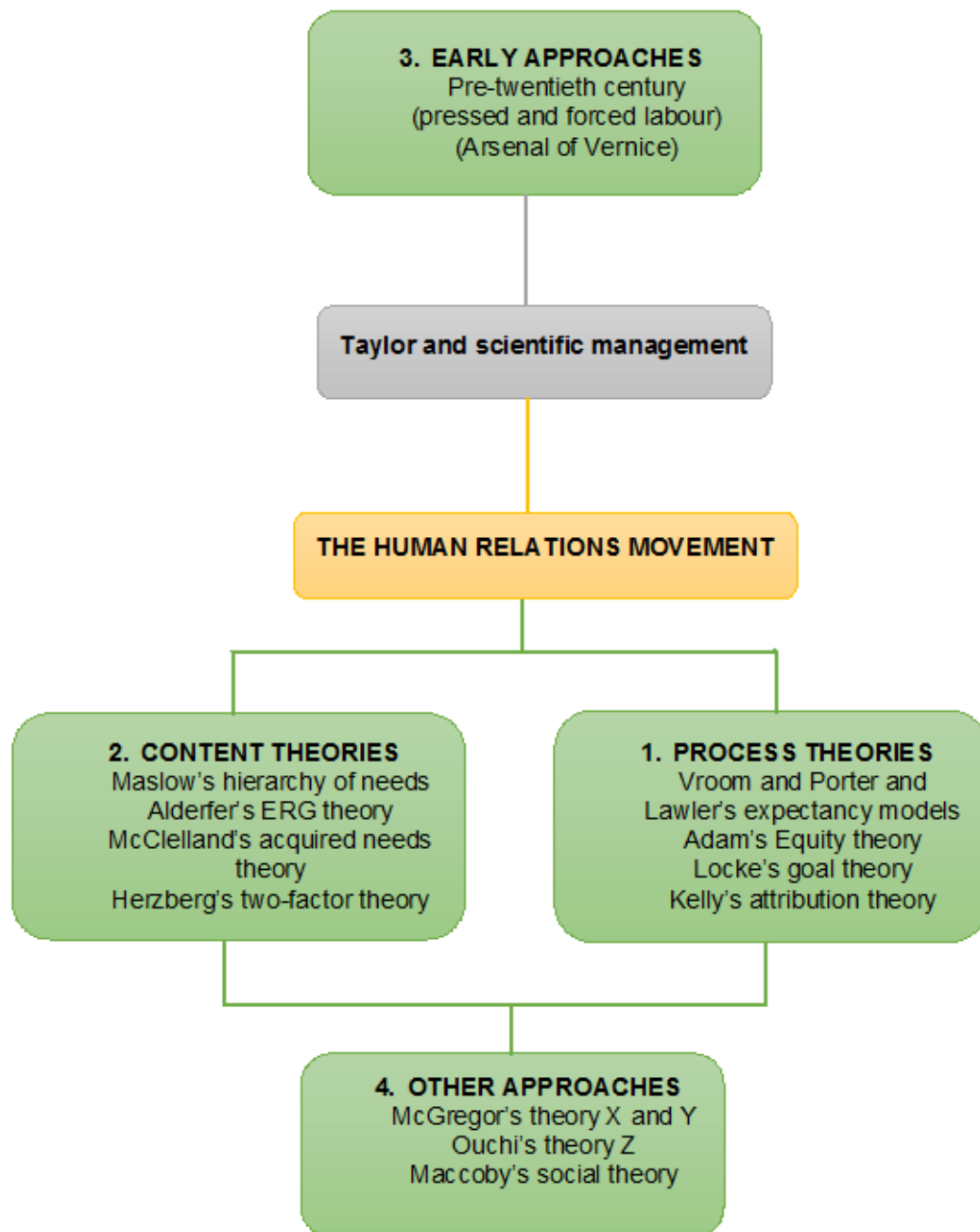
the aspects that drive employee behaviour (Armstrong and Stephens, 2005:70). Mullins (2007:250) concur that motivation governs behaviour selection, direction and level of effort.

2.6 THEORIES OF MOTIVATION

According to Prabakaran, Ispriya, Amsa and Angulakshmi (2014:24), general motivational theories were proposed in the 20th century, as shown in Figure 2.4. Quick and Nelson (2006:152) attest that motivation theories attempt to explain and predict observable human behaviour. Every individual has his/her needs or deficiencies and is attracted to a set of goals. According to Werner, *et al.* (2011:85), various motivational theories aim to assist managers to arouse, direct and sustain a particular cause of action or to terminate certain behaviours that may cause problems to the organisation. Furthermore, Martin (2001:403) warns that no one motivation theory can embrace the entire range of organisational and personal circumstances. According to Kreitner and Kinicki (2008:210), researchers have proposed two general categories of motivation theories that seek to explain the psychological processes underlying employee behaviour. Duggur (2014:86) affirms that both content and process theories as shown in Figure 2.4 acknowledge that motivated employees are consistent and willing to change their behaviour.

FIGURE 2.4

THE EVOLUTION OF MOTIVATIONAL THEORY



Source: Martin, J. (2001:402). Adapted.

2.6.1 INSTRUMENTALITY THEORY

The Scientific management methods (Figure 2.4) proposed by Frederick Taylor acknowledge the importance of pay increases in the success of the organisation and forms the basis of the instrumentality theory (Mullins, 2007:255). In addition, according to Armstrong (2014:171), the instrumentality theory states that rewards and punishments are vital in shaping employee behaviour and emphasises the need to rationalise work and economic outcomes. The instrumentality theory is also based on the assumption that the level of employee motivation is high when rewards and punishments are linked to performance. This is because the instrumentality theory does not recognise other human needs. Motivation using the instrumentality theory is widely adopted as it relies on external controls.

2.6.2 CONTENT THEORIES

According to Bloisi, Cook and Hunsaker (2007:196), content theories (Figure 2.4) identify specific human needs and outline the circumstances under which the motives activate employee behaviour. Content or need theories focus on identifying internal factors that energise employee motivation such as instincts, needs, satisfaction and job characteristics (Kreitner and Kinicki, 2008:210). Needs are either physiological or psychological deficiencies that arouse behaviour. Werner, *et al.* (2011:85) affirm that content theories emphasise on the specific needs or substance of what motivates an employee i.e. the factors that produce, direct and sustain employee behaviour. Content theories are heavily influenced by environmental factors and revolve around the notion that the needs of employees influence their motivation (Moorhead and Griffin, 2007:86). Furthermore, need theories are based on the idea that unmet needs motivate people to satisfy them. This is because an unsatisfied need creates tension and a state of disequilibrium (Armstrong, 2014:169). This study focuses on various content theories including Herzberg's two-factor model, Maslow's hierarchy of needs and Alderfer's ERG theory.

2.6.2.1 MASLOW'S HIERARCHY OF NEEDS

According to Abraham Maslow, human beings have to work in order for them to survive (Creed, 2011:97). This led to the development of the hierarchy of needs theory by Maslow. Knights and Willmott (2007:44) state that the hierarchy of needs is based on the notion that motivation is about fulfilling human needs. The theory assumes that individuals have innate needs or wants that they seek to satisfy and ungratified needs motivate behaviour (Martins, 2001:405). According to Moorhead and Griffin (2007:86), motivation is a hierarchy of five need categories, namely physiological needs, security needs, belongingness needs, esteems needs and self-actualisation needs. Physiological needs are the most prominent needs, which can be acquired through monetary rewards such as salaries. Basic needs such as food, air, water and sleep are vital for the survival and smooth functioning of the human body (Martin, 2001:405).

Kaur (2013:1062) states that safety needs include safety and protection from deprivation, physical and emotional harm. The interest for safety and security can be translated into the concern for security on a guaranteed salary. Werner, *et al.* (2011:87) warn that failure to meet physiological and safety needs may result in minimum or no opportunities to develop physically and psychologically. This is because survival needs are a powerful motivator for employees. Hosain, Alauddin, Tanvir and Sawda (2013:125) highlight that it is vital to note that in Less Economically Developed Countries (LEDCs), food is bought to satisfy lower order needs whilst in More Economically Developed Countries (MEDCs), food may be bought to meet higher order needs.

2.6.2.1.1 CRITICISM OF MASLOW'S HIERARCHY OF NEEDS

Various theorists have criticised Maslow's hierarchy of needs. Kaur (2013:1063) argues that higher level needs may be dominant at any time despite the fulfillment of lower level needs. Furthermore, an individual can have more than one need at a time

and the assumption by Maslow that an individual has one need at a particular time is impractical and unrealistic (Creed, 2011:98). However, it is vital to note that Maslow's hierarchy of needs is widely accepted as fundamental and new theorists adapt their models around similar kinds of needs.

2.6.2.2 McCLELLAND'S ACHIEVEMENT MOTIVATION THEORY

The achievement motivation theory is based on the notion that needs are acquired by the types of events that individuals experience (Mustafa, 2013:5). According to Du Toit, Erasmus and Strydom (2007:238), McClelland's theory of needs consists of three needs, namely, the need for achievement (nAch), power (nPower) and affiliation (nAff). Affiliation refers to the desire to develop and maintain interpersonal relationships, whilst achievement refers to the desire to execute challenging tasks (Reis and Geller, 2010:50). High levels of affiliation imply that decisions are motivated by social status rather than goal achievement, whilst those with high achievement levels worry about what others think (Aamodt, 2013:308). The need for power relates to the desire to strongly influence the behaviour of others. Reis and Geller (2010:51) highlight that employees with high power levels desire personal power which enables them to control and direct others and institutional power relates to the desire to achieve organisational objectives. Nel and Werner (2014:269) postulate that employees are motivated by executing challenging tasks, recognition and advancement opportunities rather than compensation or fringe benefits and high performers view money as an indication of their success.

2.6.2.3 MCGREGOR'S THEORY X AND Y

Theory X and Y was proposed by Douglas McGregor around 1960 and is based on unique managerial practices (Bloisi, Cook and Hunsaker, 2007:205). Theory X assumes that in the absence of management intervention, employees are passive and resistant to organisational needs as they are inherently self-centred and distasteful towards work (Robbins, *et al.*, 2009:146). The responsibility of managers is to direct

and modify human behaviour. According to Mustafa (2013:5), lower order needs motivate employees and a lack of opportunities results in employees preferring material goods and services. Theory Y emphasises self-control, self-direction and is based on the notion that employees' expenditure for effort is natural (Latham, 2007:33). According to Bloisi, Cook and Hunsaker (2007:205), Theory Y assumes that human behaviour is motivated by higher order needs. In addition, Latham (2007:33) states that Theory Y assumes that the motivation, readiness, potential and capacity to assume responsibility is present in employees. Moreover, employees need to be valued and respected in order for them to perform effectively.

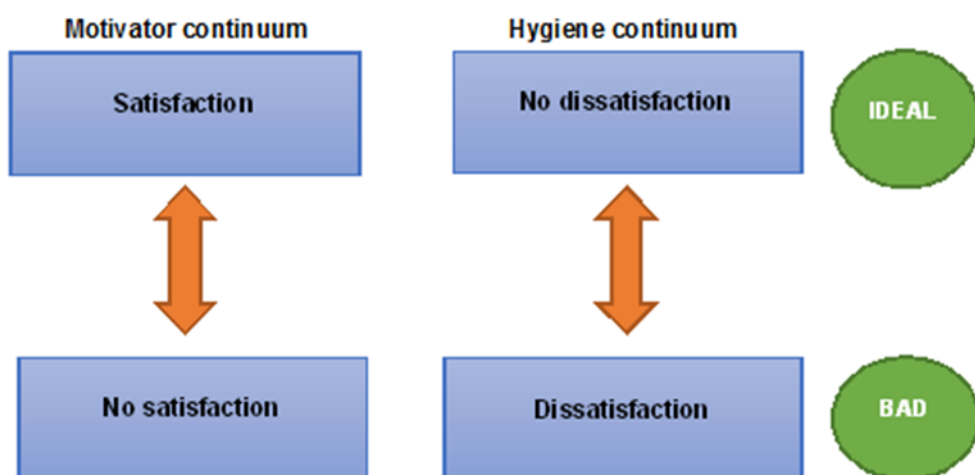
2.6.2.4 ALDERFER'S ERG THEORY

The ERG theory was developed by Clayton Alderfer and is based on three categories of motivation needs, namely Existence, Relatedness and Growth needs (Quick and Nelson, 2006:158). According to Hitt, Miller and Corella (2006:201), Maslow's physiological and physical safety needs are classified as existence needs; interpersonal security, love and interpersonal esteem needs as relatedness needs; and self-actualisation and self-esteem needs as growth needs. Furthermore, the ERG theory includes a frustration-regression principle which explains that individuals may move either upward or downward on the hierarchy (Erasmus, Strydom and Rudansky-Kloppers, 2013:330). This implies that individuals will revert to satisfying lower level needs if higher level needs are unfulfilled. This is because lower level needs appear to be easy to meet. According to the ERG theory, when an individual is frustrated he/she will move downwards towards lower order needs. According to Alderfer's ERG theory, when a person starts to satisfy high order needs, they can become addicted to some needs (Butler and Rose, 2011:90). In contrast to Maslow's hierarchy of needs, Alderfer's ERG theory acknowledges the presence of different levels of needs to be pursued simultaneously. Skills-based pay encourages employees to expand their skills and grow. This is consistent with the ERG theory, which states that the ability to meet lower order needs allows employees the opportunity to experience growth, thereby leading to employee motivation (Robbins, 2005:226).

2.6.2.5 HERZBERG'S TWO-FACTOR MODEL

The two-factor theory of motivation comprises two categories, namely, motivators and hygiene factors. Herzberg categorises higher order needs on the satisfaction/no satisfaction continuum and refers to the fulfillment of these needs as motivators. In addition, Herzberg places lower order needs on dissatisfaction/no dissatisfaction continuum and refers to their fulfillment as maintenance or hygiene. This is illustrated by Figure 2.5. Herzberg's model offers an insight into the relationship between motivation and job satisfaction (Nel and de Beer, 2014:73). In addition, factors that make employees feel good about their jobs are significantly different from the factors that make them feel bad about their jobs. This implies that the opposite of job satisfaction is no job satisfaction and that the opposite of job dissatisfaction is no job dissatisfaction. Furthermore, Werner, *et al.* (2011:96) postulate that the motivation-hygiene theory assumes that employees are motivated if they have a high level of job satisfaction, as shown in Figure 2.5 below:

FIGURE 2.5 HERZBERG'S TWO-FACTOR THEORY



Source: Aswegen, S.V. (2011:96). Adapted.

2.6.2.5.1 HYGIENE FACTORS

Hygiene or maintenance factors are predominantly concerned with the context within which the job is carried out and other extrinsic issues. The presence of hygiene factors will not motivate employees, whilst their absence creates job and organisation dissatisfaction. According to Hitt, Miller and Corella (2011:95), hygiene factors are external or extrinsic to the employee and include:

- Salary;
- Working conditions;
- Job security;
- Interpersonal relationships at work;
- Level and quality of supervision; and
- Company procedures and administrative procedures.

2.6.2.5.2 MOTIVATING FACTORS

Motivators are factors that motivate employees to improve their work performance. Furthermore, Erasmus, Strydom and Rudansky-Kloppers (2013:330) highlight that motivating factors are concerned with the content of the work and intrinsic factors. They include:

- Recognition;
- Sense of achievement;
- Responsibility;
- Nature of the work itself;
- Growth; and
- Advancement.

The two-factor theory does not claim a hierarchical relationship between motivators and hygiene factors. However, the motivation-hygiene theory suggests that intrinsic factors are related to job satisfaction whilst extrinsic factors are associated with dissatisfaction (Nel, Werner, Poisat, Sono, du Plessis and Ngalo, 2011:293). A lack of positive levels in hygiene factors does not lead to demotivation but to dissatisfaction. Butler and Rose (2011:91) highlight that eliminating factors that lead to dissatisfaction in the work environment may result in peace but not employee motivation. Furthermore, Nel and de Beer (2014:73) highlight that hygiene factors must be maintained if employee satisfaction is to be achieved. Although high levels of motivating factors result in increased motivation, low levels of motivators reduce the level of motivation and create feelings of non-satisfaction amongst employees (Wilton, 2013:43).

2.6.2.5.3 CRITICISM OF HERZBERG'S TWO-FACTOR THEORY

The two-factor theory is the most criticised content theory. Gibson, Ivancevich, Donnelly and Konopaske (2012:135) postulate that critics have argued that the technology, environment and background of the groups used by Herzberg are distinctively different from most of the other groups in the employment relationship. In addition, theorists have argued that Herzberg oversimplifies job satisfaction because in reality, ensuring employee motivation and satisfaction is a complex dynamic process (Saif, Nawaz, Jan and Khan, 2012:1386). Furthermore, the two-factor theory is criticised for directing little attention to the motivational role of lower-order needs, especially the role of money (Erasmus, Strydom and Rudansky-Kloppers, 2013:332)

2.7 PROCESS THEORIES

Quick and Nelson (2006:152) state that process theories focus on the nature of the interaction between an employee and the environment. Kreitner and Kinicki (2008:210) note that process theories are more dynamic and focus on explaining how

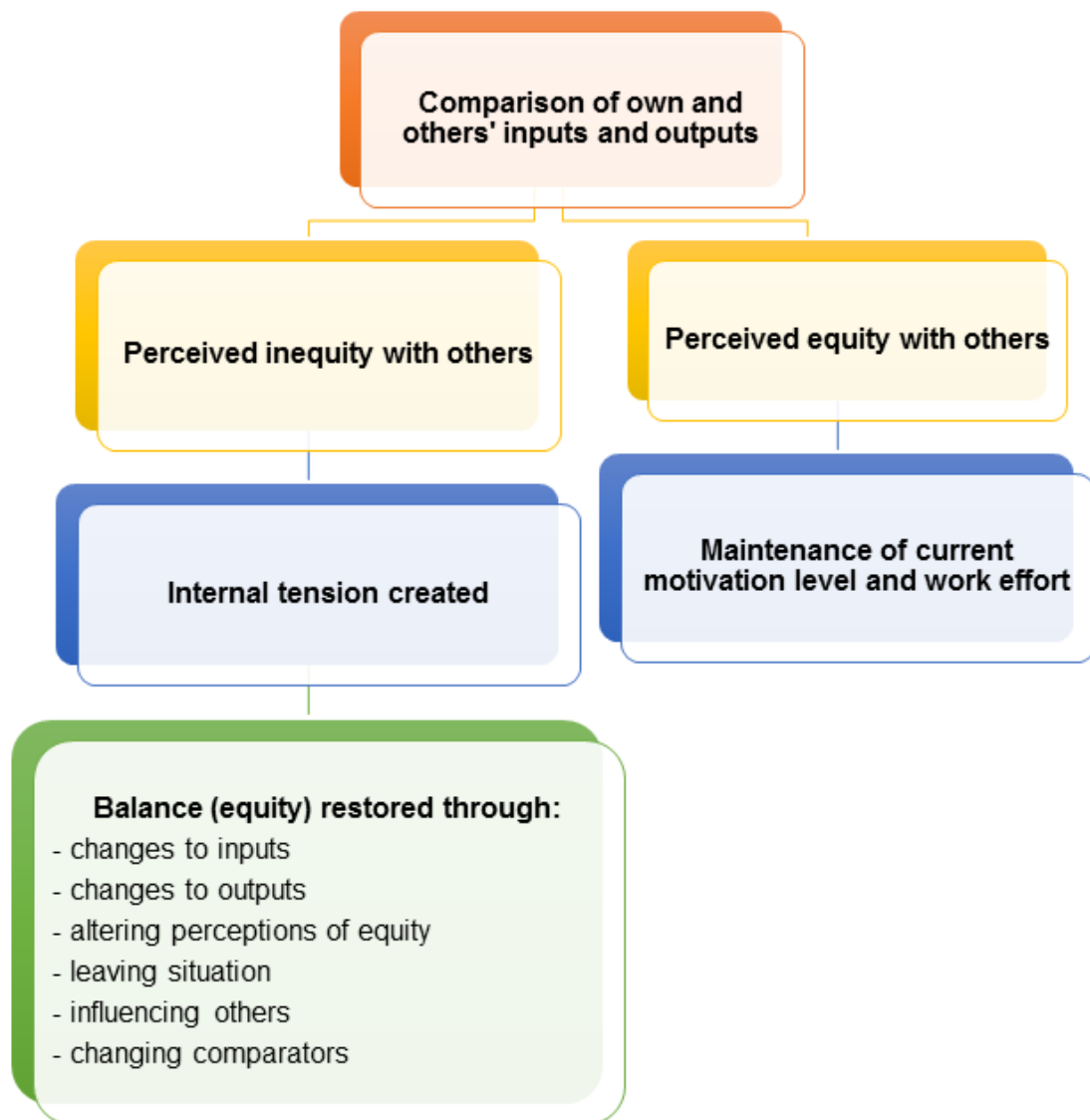
internal factors and cognitions influence employee motivation. They are based on the premise that motivation is a function of employee perceptions, thoughts and beliefs. According to Armstrong (2014:173), process theories emphasise psychological or mental processes and forces that affect employee motivation and their basic needs. Werner, *et al.* (2011:85) highlight that the process-based perspectives on motivation attempt to describe and analyse how people are aroused, directed and sustained. Moreover, Moorhead and Griffin (2007:94) affirm that process theories focus on why people choose certain behavioural options and how they evaluate their satisfaction after goal attainment. This study focuses on the various process theories, namely the Equity and Expectancy theories.

2.7.1 EQUITY THEORY

Kinicki and Kreitner (2008:178) highlight that the equity theory of motivation explains how employees strive for fairness and justice in social exchanges. Muchinsky, Kriek and Schreider (2005:287) affirm that the Equity model involves feelings and perceptions. The Equity theory also suggests that employees make choices based on the assessment of particular situations before exerting effort. The Equity model, as illustrated in Figure 2.6, acknowledges that although employees are concerned with the absolute amount of extrinsic rewards they receive, they are also concerned with the relationship of the amount of rewards others receive (Robbins, 2005:186). Werner, *et al.* (2011:100) concur that the Equity model discusses social comparisons that employees make when they compare their inputs which include effort exerted, experience, education and competencies with the outputs or outcomes such as salary, recognition, bonuses, job security, promotions and status symbols.

FIGURE 2.6

ADAM'S EQUITY THEORY



Source: Martin, J. (2001:417). Adapted.

Robbins (2005:187) highlights that there are four comparisons, as shown in Figure 2.6, that employees undertake, namely:

- Self-inside: involves an employee's experiences in a different position within the organisation.

- Self-outside: involves an employee's experiences in a situation or position outside the organisation.
- Other-inside: refers to another employee or group of employees inside the organisation.
- Other-outside: involves an external employee or group of employees who are not part of the organisation.

Furthermore, employees compare themselves to friends, workmates and individuals in other firms or with their past jobs (Schultz, 2003:64). This will involve the employee comparing his/her inputs against what he/she is paid from the job and also comparing the ratio or proportion of inputs to output with another employee's ratio of inputs and outputs (Muchinsky, Kriek and Schreider, 2005:265). These comparisons will result in three perceived outcomes, which are explained below:

- **Equitably rewarded**

This refers to a perceived balance between inputs and outputs by an employee (Hellriegel, Jackson, Slocum, Staude, Amos, Klopper, Louw and Oosthuizen, 2005:273). Equitability creates a state of justice and fairness in the organisation. The presence of equitability may create motivation and employees may believe that more experience and education will lead to greater outputs.

- **Under-rewarded**

When employees perceive that they are being underpaid, negative inequity will result (Greenberg, 2011:255). This creates tension (Figure 2.6), which in turn provides a basis for motivation. The employee is motivated to address the situation and will strive to restore fairness and justice.

- **Overpayment**

Hellriegel, *et al.* (2005:273) proclaim that overpayment involves employees perceiving that they are being paid too much. This also results in tension or an imbalance which forces employees to restore equity.

Feelings of inequity revolve around an employee's evaluation of whether he/she receives adequate rewards to compensate his/her input (Erasmus, Strydom and Rudansky-Kloppers, 2013:335). In a nutshell, based on the Equity theory model, motivation is a consequence of perceived inequity. Creed (2011:109) suggests that in restoring equity, employees will adopt behavioural options as shown in Table 2.1 below:

TABLE 2.1 POTENTIAL RESPONSES TO INEQUITY

REACTIONS TO INEQUITY	EXAMPLE
Distort perceptions	Change one's thinking to believe that the referent actually is more skilled than previously
Increase referent's inputs	Encouraging the referent to work harder
Reduce own input	Deliberately putting forth less effort at work. Reducing the quality of one's work
Increase own outcomes	Negotiating a raise for oneself or using unethical ways of increasing rewards such as stealing from the company
Change referent	Comparing oneself to someone who is worse off
Leave the situation	Quitting one's job
Seek legal action	Suing the company or filing a complaint if the unfairness in question is under legal protection

Source: Bauer, T. and Erdogan, B. (2012:214). Adapted.

Hellriegel, *et al.* (2005:250) argue that competency based pay may have equity implications. When employees make comparisons, skills may provide a fairer way of determining financial rewards than seniority. According to Sandhya and Kumar (2011:1780), unfairness and secrecy in pay issues result in mistrust, reduces employee motivation and organisational effectiveness. Furthermore, the flexibility of skills-based pay may increase the perception of fairness, thereby optimising employee motivation (Schermerhorn, *et al.*, 2011:134). Phillips and Gully (2012:234) affirm that competency-based pay impacts positively on employee attitudes.

2.7.1.1 CRITICISM OF THE EQUITY THEORY

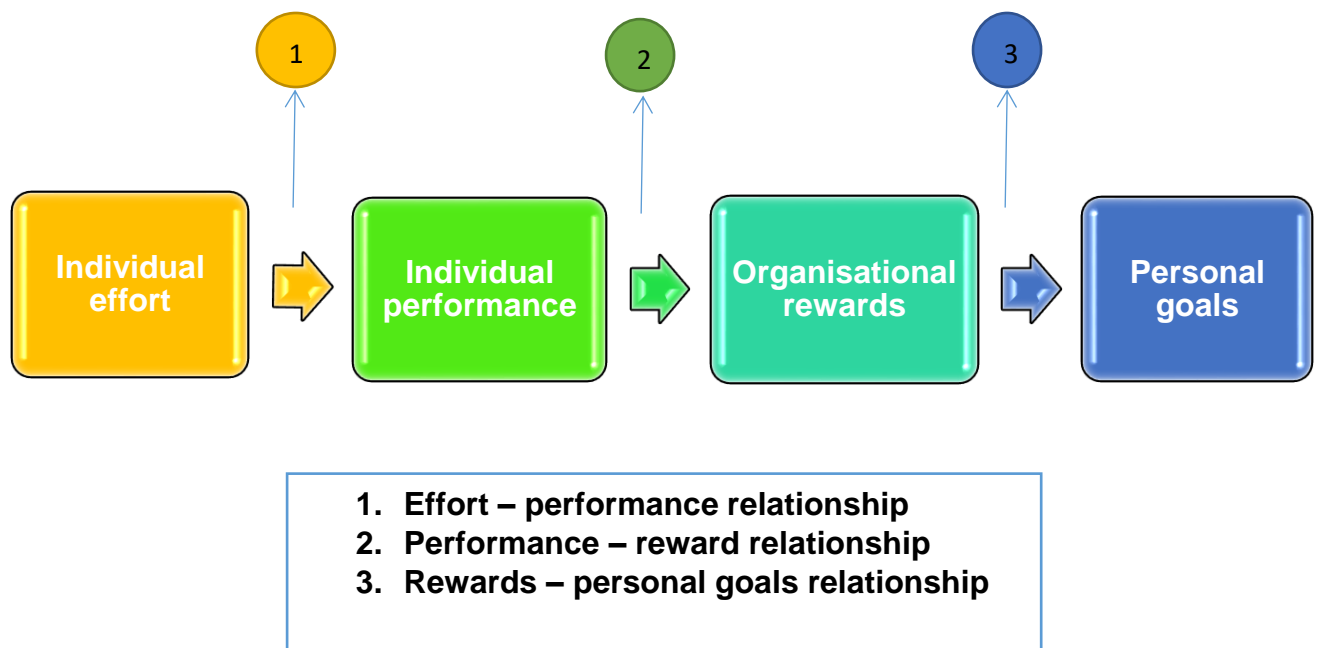
Theorists and researchers have argued that it is not only pay that is an outcome in the employment relationship, there are other outcomes such as organisational citizenship and attitudes towards tasks (Gibson, *et al.*, 2012:151). Erasmus, Strydom and Rudansky-Kloppers (2013:335) posit that certain aspects of the Equity theory remain unclear. For instance, the extent to which overpayment inequity leads to perceived inequity is debatable, as employees will justify their pay by adjusting their ideas and thoughts on equitable payment. Furthermore, most of the research on the Equity theory is based on short term comparisons, necessitating the need for longitudinal studies that examine inequity over a long period of time (Quick and Nelson, 2009:169). This will examine what will happen if inequity persists, is increased or is decreased.

2.7.2 THE EXPECTANCY THEORY

The Expectancy theory was proposed by Victor Vroom and assumes that motivation is a conscious choice process (DeSimone and Werner, 2009:48). The Expectancy theory views motivation and human behaviour as a function of beliefs, expectations, perceptions, values and other mental processes (Nel and Werner, 2014:273). Martin (2001:412) concurs that the basis of the Expectancy theory is that motivation is a function of the desirability of the outcome of behaviour. According to the Expectancy theory model as illustrated in Figure 2.7, employees select behaviours and effort levels after considering whether the behaviours and effort will improve their performance and lead to desired consequences (Hitt, Miller and Corella, 2006:207). Furthermore, individuals tend to choose behaviours they believe will assist in achieving valuable consequences and avoid behaviours that will lead to undesirable outcomes. According to the Expectancy theory, motivation depends on the extent to which individuals want something and how likely they are to get it (Laussier, 2005:295). The Expectancy theory is based on four factors, namely individual effort, individual performance, organisational rewards and personal goals. These four factors result in three relationships, namely the effort-performance relationship; performance-reward

relationship; and the rewards-personal goals relationship, as shown in Figure 2.7 below:

FIGURE 2.7 THE EXPECTANCY THEORY



Source: Robbins, S.P. and Judge, T.A. (2015:238). Adapted.

Figure 2.7 illustrates four factors and the relationship between the factors of the Expectancy theory. Wilton (2013:46) states that the decisions by employees concerning the selection of behaviours depend on three beliefs about expectancy, instrumentality and valence. Expectancy refers to the individual's belief that a certain amount of effort will result to a particular degree of performance. In general, expectancy refers to the effort – performance expectation. For example, employees are likely to expect that effort will result in performance if they are confident about their skills, knowledge and abilities. Furthermore, the higher the expectancy level, the better the chance of being motivated. Instrumentality refers to the performance – outcome

perception, which is linked to first and second level outcomes. According to Martin (2001:413), first level outcomes involve the output that emerges directly from employee behaviour and is work-related, such as productivity, labour turnover, absenteeism and quality. Second level outcomes refer to a function of additional output produced, for example a bonus. In addition, performance is instrumental when it leads to an outcome.

Valence can be explained as the value of the consequences to the employee (Laussier, 2005:288). In addition, valence involves the positive or negative value that employees place on outcomes such as pay, promotion or recognition. Greenberg (2011:261) proclaims that the value of an outcome depends on the needs of the employee and it mirrors the personal preferences of employees. For instance, getting a pay increase or recognition will create a positive valence. The higher the valence, the greater the level anticipated of motivation (Bergh and Theron, 2009:134). Furthermore, it is vital to note that organisations that effectively motivate employees continuously learn what the workforce values (Schultz, 2003:66).

Schermerhorn, *et al.* (2006:208) proclaim that according to the Expectancy theory, motivation is calculated by multiplying expectancy (E), instrumentality (I) and valence (V), thus $M = E \times I \times V$. It is vital to ensure that the expectancy, instrumentality and valence are functioning at the highest level possible in order to maximise the level of motivation in the organisation. In addition, Bergh and Theron (2009:134) postulate that according to the Expectancy theory, motivation is affected by role clarity and ability. A lack of role clarity and appropriate abilities may result in the employee failing to complete tasks, thereby negatively impacting on performance. Nahavandi, Denhart, Denhart and Aristigueta (2015:150) affirm that according to the Expectancy theory, motivation can be enhanced through:

- Offering rewards or outcomes that are valued by employees;
- Strengthening the link between work and rewards through altering the expectancy of existing outcomes; and
- Attempting to change the valence of existing outcomes.

2.7.2.1 APPLICATION OF THE EXPECTANCY THEORY

Greenberg (2011:263) states that flexible benefits or cafeteria-style benefit plans are characterised by giving employees fringe benefits they value. In addition, Robbins (2005:225) concurs that this is line with the Expectancy theory, which states that organisational rewards should be related to the goals of each employee. Flexible benefits involve individualising rewards by allowing each and every employee to select a package that best meets his/her needs. Furthermore, pay-for-performance is consistent with the Expectancy theory as employees are paid based on specific performance measures (Plunkett, Attner and Allen, 2013:415). For instance, merit pay enhances employee motivation by rewarding good performance with increased monetary payments.

2.7.2.2 CRITICISM OF THE EXPECTANCY THEORY

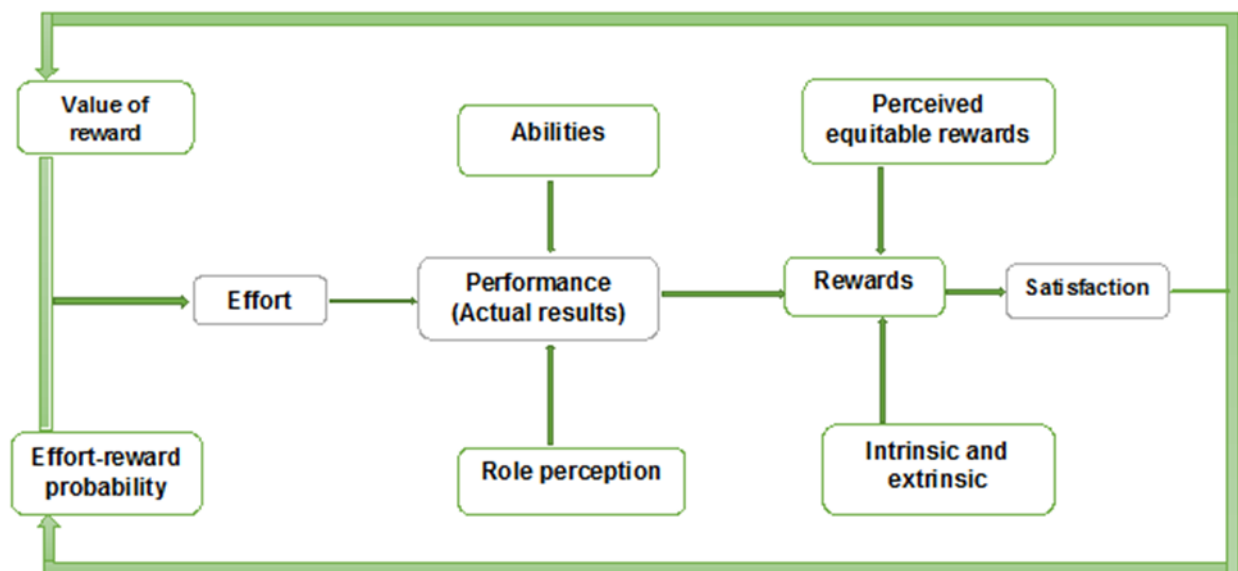
According to Gibson, *et al.* (2012:145), theorists and researchers have encountered difficulties in testing the Expectancy theory. The theory does not specify the outcomes relevant to a particular individual situation. This implies that there is no systematic approach to adopt in applying the Expectancy theory. Schultz (2003:66) argues that the Expectancy theory is complex. For instance, it only assumes the existence of conscious motivation and neglects subconscious motivation. Moreover, the concept of the Expectancy theory does not apply in cultures where the perception of individual control is minimal, as it is culturally bound (Parijat and Bagga, 2014:6).

2.7.2.3 PORTER AND LAWLER'S EXPECTANCY THEORY

Luthans (2005:269) states that Lyman Porter and Edward Lawler extended Vroom's Expectancy theory into a comprehensive multi-variate model of motivation as shown in Figure 2.8 below. Bergh and Theron (2009:134) highlight that although Lawler and

Porter's model is based on Vroom's theory, it incorporates effort, abilities and role perception in explaining the relationship between employee job attitudes and overall performance, as shown in Figure 2.8.

FIGURE 2.8 LAWLER AND PORTER'S MODEL OF THE EXPECTANCY THEORY



Source: Luthans, F. (2005:269). Adapted.

As illustrated in Figure 2.8, the effort that an employee exerts is dependent upon the value of the reward and the effort-reward probability, which is the perceived instrumentality (Bergh and Theron, 2009:134). De Simone (2015:20) affirms that according to Porter and Lawler's model, effort does not directly lead to performance as it is moderated by abilities, traits and role perception, as shown in Figure 2.8. It is also vital to assist employees to accomplish their performance goals (effort-performance expectation) because expectancy is a motivational factor in performance and occupational and organisational choice (Bergh and Theron, 2009:134). Omeihe (2013:2) affirms that employee performance results in outcomes in the form of extrinsic rewards and intrinsic rewards as shown in Figure 2.8. Furthermore, equitable extrinsic and intrinsic rewards are a prerequisite for the satisfaction of the workforce (Saif, *et al.*, 2012:1389). Porter and Lawler's model suggests that extrinsic rewards are viewed as

a consequence for performance and that intrinsic rewards, which are self-granted, influence the performance and behaviour of employees (Mullins, 2007:269). Although being conscientious in putting theory into practice and making a significant contribution to motivation, Lawler and Porter's Expectancy model remains complex and difficult to apply (Luthans, 2005:250).

2.8 THE IMPACT OF EXTRINSIC REWARDS ON EMPLOYEE MOTIVATION

The importance of money in the employment relationship was endorsed in 1911 by Frederick Taylor. Frederick Taylor described money as the most important reward to motivate employees in order to increase productivity (Muo, 2013:121). Luthans (2005:132) highlights that money provides a rich basis for studying employee behaviour as it offers explanations for why people behave and act as they do. Chanza, Snelgar and Louw (2013:2) proclaim that the first school of thought regarding rewards and motivation views financial rewards as a prime motivator. This implies that an organisation has an obligation to use extrinsic rewards to attract, motivate and retain employees. Akintoye as cited by Ghazanfar, Chuanmin, Khan and Bashir (2011:122) concurs that money remains the most significant tool for motivating employees. Luthans (2005:133) states that there is ample evidence that money positively reinforces employee behaviour and performance. Carell and Heavrin (2014:260) affirm that pay has been found to have a significant impact on employee motivation as it represents the organisation's goodwill. According to Velnampy (2005:5), money is a significant motivator as employees are driven by self-interest, thereby striving to maximise their income.

The Neo-classical theory supports the impact of extrinsic rewards on employee motivation when it asserts that employees are driven by the desire to maximise financial rewards and that employees will maximise output if they are offered surplus extrinsic rewards (Richard, 2012:668). The amount of pay employees receive and the way it is packaged and delivered to employees has the potential and ability to motivate and influence employee behaviour (Hitt, Miller and Corella, 2009:357). Furthermore,

Aamodt (2013:323) concurs that the use of bonuses after goal accomplishment or making variable pay integral to employee total remuneration has a significant impact on motivating employees to improve performance. According to Schlechter, Hung and Bussin (2014:3), money, which is a core component of extrinsic rewards, is made up of three components namely affective, symbolic and behavioral/instrumental perspectives. These perspectives highlight the importance of extrinsic or financial rewards in enhancing employee motivation.

2.8.1 INSTRUMENTAL VALUE OF MONEY

The instrumental value of money relates to the outcomes which employees can get for exchanging money. It is the use of money as a medium of exchange (Robbins, 2005:197). The exchange value of money allows individuals to meet or satisfy several needs. For instance, Mitchell and Mickel (1999:569) affirm that the behavioural perspective focuses on the actions of employees, such as saving or investing money. Nel and Werner (2014:278) postulate that according to Maslow's hierarchy of needs, money can serve as a motivator only if it is a way of satisfying a need. This is because the motivation of employees revolves around material needs (Mutambara and Mutambara, 2012:879). In addition, Robbins (2005:197) argues that for money to motivate, it has to be important, perceived as a direct reward for performance and the marginal amount of money should be perceived as significant. Furthermore, through money people can afford the provision of basic necessities (physiological needs) vital for survival such as food, clothes, shelter and education (Osa, 2014:68). Muo (2013:121) affirms that financial rewards are used to acquire desired outcomes. In addition, money satisfies the need for security as pay enhances emotional security, social capacity and individual status (Nel and Werner, 2014:278). Yousaf, *et al.* (2014:1785) concluded that financial rewards are the most motivating rewards because they play a pivotal role in meeting physiological needs and the needs of belonging and authority. According to Armstrong and Stephens (2005:76) money satisfies the need for self-esteem and status through the ability to purchase goods and services that others cannot afford. It is also possible to argue that money creates accessibility to more opportunities for personal realisation.

2.8.2 SYMBOLIC VALUE OF MONEY

Mitchell and Mickel (1999:569) state that the affective perspective indicates that some people see money as good, important, valuable and attractive whilst others view money as evil, shameful, useless and dishonest. This implies that employees who view money as valuable and attractive will be motivated by direct and indirect financial rewards. Juneman, Meinarno and Rahardjo (2012:107) concur that the symbolic value of money concerns how money is viewed by the recipient and surrounding people. The symbolic perspective suggests that money is associated with four vital attributes that employees strive for, namely status and respect; freedom and control; achievement and recognition; and power (Mitchell and Mickel, 1999:569). Armstrong (2005:77) concurs that the symbolic value of money is based on the notion that money signals the status and worth of an individual to society. For instance, according to Sloan (2002) as cited by Teck-Hong and Waheed (2011:78), human beings will never have enough money and want to acquire or earn more as having money is regarded to be the most important goal in life. Luthans (2005:132) concurs that nobody refuses or returns money and people do dreadful things to get more. Tella, Ayeni and Popoola (2007:3) affirm that financial rewards possess significant motivational power as they symbolise intangible goals such as security, power, prestige and a feeling of accomplishment and success. Schlechter, Hung and Bussin (2014:3) concur that money recognises accomplishment, provides luxury and autonomy and access to resources.

In addition, money acts as a scorecard. Therefore, employees measure their achievement, importance to the organisation and their standing amongst others in the organisation as well as in the community (Deeproose, 2007:21). According to Wardell, Gary, Tobler, Field, Kinni, McFarland, Case, Johnson, Donahwe, Reichheld and Jacobs (2005:180), the accumulation of money is an indication that an individual is making progress. The accumulation of money makes it possible to possess intangible goals such as security, power, prestige and feelings of accomplishment (Osa, 2014:63). The symbolic value of money highlights that extrinsic rewards also create intrinsic motivation, eagerness to help and self-esteem (Sasa, *et al.*, 2014:2). Sara, Gehart and Minette (2007:385) concur that the vast symbolic meanings are an

indication that extrinsic rewards play a pivotal role in enabling employees to meet any level on Maslow's hierarchy of needs.

The motivational power of money is also illustrated through job choices. Scott, McMullen and Royal (2012:8) note that the presence of opportunities to earn increased financial rewards are the major reason why employees quit their jobs. For instance, if an employee receives a new job offer that has similar job characteristics with his/her current job but with greater financial rewards, the employee will in all probability be motivated to take the new offer (Osa, 2014:63). Ghazanfar, *et al.* (2011:122) concur that the symbolic value of money carries drive or attracts an employee to accept a new offer that has greater financial rewards. Furthermore, employees will tend to do a better job when they are promised extrinsic rewards (Ghazanfar, *et al.*, 2011:122). The following list was derived by Martocchio 1998 as cited by Roberts (2005:36) and summarises the meaning and importance of money to different people:

- A company's obligation for work executed or completed.
- A means to support family.
- A status symbol – the more you make, the more the status you have in the organisation and in society.
- A trap – the more you make, the more you spend and the more you need.
- A symbol of professional development.
- A means of classifying people. For example, as low income, medium income or high income.

Laasko (2012:20) concurs that monetary payments motivate and matter most because of their symbolic and instrumental value. This is also because satisfaction with most aspects of life is consistently and positively related to the financial or extrinsic rewards an individual receives (Mitchell and Mickel, 1999:568). Osa (2014:65) argues that it has been realised that the category and status of an employee plays a role in being

motivated by money. For instance, money may motivate junior staff more than senior staff or a single worker more than a married worker due to high responsibility. However, despite all the arguments, Stringer, Didham and Theivananthahampillai (2011:162) affirm that there is no any other incentive or motivational technique that comes close to money.

Moreover, Sara, Gehart and Minette (2004:391) argue that there is overwhelming evidence that extrinsic rewards are more persuasive than any other reward. The 2014 Information Technology (IT) salary survey found that money still talks because employees value financial security and stability, which are satisfied through base pay and benefits (Wilkinson, 2014:24). Muo (2013:121) affirms that in Less Economically Developed Countries (LEDCs), money remains the prime motivating factor because of mass poverty, corruption and lack of basic amenities. Hosain, *et al.* (2013:126) concur that employees in LEDCs are mainly motivated by salaries and other economic benefits. Thumbran (2010:26) warns that insufficient extrinsic rewards should not be substituted by exceptional human relations. This is because appropriate monetary rewards positively nurture a flexible and motivated workforce (Sandhya and Kumar, 2011:1781).

2.9 THE CONCEPT OF ORGANISATIONAL EFFECTIVENESS

An organisation is a composition of people who formulate the identity of the firm for a specific purpose, while effectiveness involves the attainment of desired outcomes or results with defined resources (Manzoor, 2012:3). Upadhaya, Munir and Blount (2013:855) note that organisational theorists claim that the existence of conceptual complexities regarding organisational effectiveness makes a simple definition difficult to provide. According to Khan, Khan, Ahmed and Ali (2012:22), organisational effectiveness refers to the extent to which a firm as a social system fulfills its objectives without incapacitating its means, resources and exerting undue pressure or strain on its stakeholders and/or society. Furthermore, Muogbo (2013:72) affirms that organisational effectiveness is based on the success of the organisation, which is evidenced by increased productivity, job satisfaction, profit, the extent of accomplishing

the mission and the success of the organisation in maintaining and expanding its operations. This indicates that organisational effectiveness is made up of a range of variables which mainly focus on human resource outcomes. Grawitch and Barber (2009:1) concur that organisational effectiveness focuses on improving an organisation and its elements in an effort to increase organisational performance through increasingly employing motivation and satisfaction. Robertson, Callinan and Bartram (2002:2) affirm that from an employee perspective, organisational effectiveness concerns the extent to which the organisation can provide satisfaction of human needs. This implies integrating the goals of both the employee and the organisation.

Mullins (2007:755) posits that the success and survival of the organisation lies in the attainment of organisational aims and objectives. Alinatwe, Mwakali and Hansson (2009:282) postulate that the ability to fulfill the mission of the organisation through strong governance, management and a persistent re-dedication to achieve results represents the level of effectiveness. However, Upadhaya, Munir and Blount (2013:866) highlight that organisational effectiveness is primarily about measuring the performance of an organisation using different criteria. Moreover, Bowditch and Buono (2001:302) state that there have been many inconsistencies in defining organisational effectiveness and the criteria that identify the effectiveness of an organisation. Difficulties in measuring organisational effectiveness have resulted in the development of various models, which are explained below:

2.9.1 GOAL ACCOMPLISHMENT MODEL

According to Gibson, *et al.* (2012:20), the goal approach model is the oldest and the most widely adopted effectiveness criterion that reflects purposefulness, rationality and achievement. Jossy (2008:54) postulates that goal accomplishment is based on the following assumptions:

- Employees should be committed to fulfilling the agreed goals; and

- Certain resources are indispensable, goals are few and can be precisely defined.

The goal accomplishment model involves comparing key organisational results against previously set goals, targets or objectives (Kreitner and Kinicki, 2008:509). Bowditch and Buono (2001:303) concur that the goal approach model defines organisational effectiveness as the extent to which the organisation succeeded/succeeds in meeting its set goals. In addition, goals or objectives can be based on productivity improvement, and the relationship between inputs and outputs. However, it is of paramount importance to ensure that the goals are clear, consensual, time bound and measurable. For instance, Burton (2009:3) suggests that an organisation that is based on rational goal seeking activities is inclined to measure effectiveness using the goal accomplishment model.

2.9.2 SYSTEMS RESOURCE APPROACH

Ashraf and Kadir (2012:81) state that the systems resource approach gives attention to the input and therefore the organisation's ability to obtain necessary resources from the outside environment. Gibson, *et al.* (2012:21) concur that according to the systems resource approach, the organisation is viewed as one element that consists of several elements that interact interdependently. An organisation is believed to be an open system where inputs, transformation processes and outputs are considered part of the whole organisation (Henri, 2003:10). The effectiveness of the organisation is resembled by the ability of an organisation to acquire the necessary factors of production such as raw materials, labour and capital (Kreitner and Kinicki, 2008:510). Moreover, the effectiveness of an organisation is assessed by the ability of the organisation to function through economic, political, institutional and environmental means (Burton, 2009:31). This is because an organisation cannot produce goods or services to satisfy customers without producing actions and behaviours to satisfy the environment.

2.9.3 INTERNAL PROCESSES MODEL

According to Bowditch and Buono (2001:304), the internal processes model focuses on internal organisational dynamics such as the flow of information and the integration between employees within the organisation. An effective organisation is characterised by healthy internal systems which are evidenced by employee loyalty, commitment and trust (Kreitner and Kinicki, 2008:510). Hence, organisational effectiveness is signified by good relationships between employees and the optimal use of resources.

2.9.4 MULTIPLE CONSTITUENCIES APPROACH

Jossy (2009:61) highlights that the multiple constituencies approach broadens the goal and systems models by adding various powerful interest groups and viewing the organisation as a group of various stakeholders. It emphasises the importance of the divergent interests of the different groups and individuals in an organisation. According to Gibson, *et al.* (2012:23), the stakeholder approach to effectiveness acknowledges that the organisation depends on the people and affects the lives of people. Organisational effectiveness is epitomised by the satisfaction of the key parties as reflected by the nature of interaction amongst stakeholders such as employees, customers, suppliers, creditors, the community and government officials (Kreitner and Kinicki, 2008:510). Some of the aspects that are evaluated include corporate social responsibility, return on investment and satisfaction with compensation (Bowditch and Buono, 2001:304).

2.10 THE IMPACT OF EMPLOYEE MOTIVATION ON ORGANISATIONAL EFFECTIVENESS

According to Singh (2015:59), the motivation of employees towards work represents the prospects of employees and the necessary approaches following his/her service. This is because employees do not leave their minds or bodies at home when they come to the workplace. In addition, Shukla (2012:434) affirms that organisational effectiveness concerns locating and attaining targets in a spirited and energetic environment. Furthermore, Singh (2015:60) advises that an intrinsically satisfied, ecstatic and motivated employee is a productive employee who directly or indirectly contributes to the effectiveness of the organisation. Robertson, Calliman and Bartram (2002:163) postulate that employee motivation is crucial in enhancing organisational effectiveness because firstly, it concerns the choices an employee makes about tasks and secondly the extent to which work activities are engaged in by different individuals, which complement each other. This helps towards the achievement of goals and objectives. For example, the maximisation of profits, thereby directly contributing to organisational effectiveness. This implies that employees who are willing to exert a lot of effort are an asset to the organisation.

Lucio (2014:79) argues that at the heart of managing human behaviour is the need to direct the behaviour towards results or outcomes that will result in the realisation of organisational goals and objectives. Phillips and Gully (2014:292) concur that the extent to which an organisation treats and manages its employees directly impacts on the productivity and success of the organisation. Moreover, it is vital to note that regardless of how an organisation is automated, increased productivity and the realisation of set goals depend on the level of employee motivation and the effectiveness of employees. Manzoor (2012:10) suggests that motivated employees work towards achieving the interests of the organisation, thereby leading to growth, prosperity and productivity and hence organisational effectiveness. Robertson, Calliman and Bartram (2002:6) state that an effective organisation is characterised by a well-motivated workforce that has skills aligned to the goals of the organisation.

Chapter two has highlighted that if extrinsic rewards are properly administered, they may impact on employee motivation and organisational effectiveness. Extrinsic rewards are a form of appreciation or recognition for the different ways through which employees positively impact on organisational success. This implies that poor rewards may result in organisational problems, thereby negatively impacting on the effectiveness of the organisation. In addition, the presence of a justifiable and transparent reward structure has the potential to result in positive outcomes for both employees and the organisation. Money is a fundamental inducement and no other incentive or motivational technique has a similar influential value because money has the power to magnetise, maintain and motivate employees (Aarabi, Subramaniam and Akeel, 2013:302). Thus, a motivated workforce is a prerequisite to the overall effectiveness of an organisation. Chapter three outlines and explains the research methodology and design of the study.

CHAPTER 3

RESEARCH METHODOLOGY AND DESIGN

3.1 INTRODUCTION

Loseke (2013) as cited by Nishashiba, Jones and Kraner (2014:30) states that research is a systematic information gathering activity that assists in identifying and solving problems. Remenyi (2014:159) concurs that research is an intellectual activity that involves the researcher attempting to answer specific questions. According to Sekaran and Bougie (2013:7), basic or fundamental research entails generating knowledge, understanding a phenomena of interest and building theories based on the findings of the research. Wagner, Kawulich and Garner (2012:8) confirm that fundamental research forms the foundation of social knowledge through understanding the behaviour process. Furthermore, Ragin and Amoroso (2011:33) affirm that social research seeks to identify order and regularity in social life and to generate knowledge with the aim of transforming societies. However, there are other goals for research such as identifying patterns and relationships, testing and refining theories, advancing new theories and interpreting a phenomenon.

3.2 PRINCIPLES OF RESEARCH DESIGN

Ayiro (2012:61) defines research design as a blueprint or action plan that is aimed at fulfilling the objectives of the study. The research design clearly outlines the logical structure that links all the research activities and also involves different measures aimed at minimising bias (Kuada, 2012:57). Furthermore, Salkind (2010:1253) concurs that the research design is a vital aspect of the research methodology as it guides the researcher in addressing research questions and problems. According to Goering and Anton (2015:44), the main aim of the research design is to demonstrate

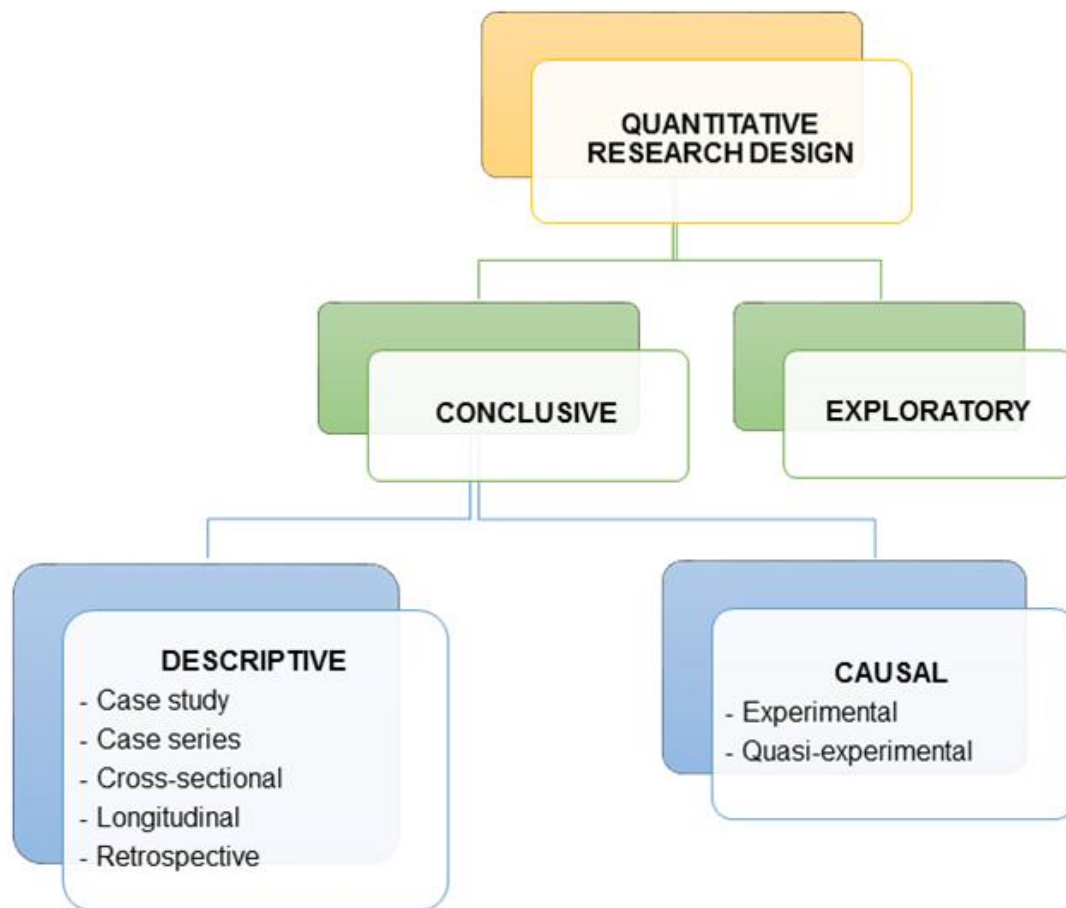
that the researcher will produce findings that are valid, relevant, reliable and credible. Jupp (2006:267) affirms that in order for the findings to be valid and trustworthy, the following elements are a prerequisite in the research design:

- A clear and researchable set of questions.
- An alignment between research questions, research methods and the sources of data.

According to Maggetti, Gilardi and Radaelli (2013:10), there are three major types of approaches to research design, namely mixed methods, qualitative and quantitative methods. Qualitative research is contextual and involves exploring meaning through interviews, observations or the analysis of documents and results in non-numerical data (Gilbert, 2008:35). Saunders, Lewis and Thornhill (2009:595) define mixed methods as a mixture of both qualitative and quantitative methods in a single study. Green and Browne (2005:95) state that quantitative research involves numerical data and is adopted when seeking to understand the behaviour of human beings or the meaning of human attributes to the social world. This study adopted the quantitative method, which aims to determine the relationship between extrinsic rewards, employee motivation and organisational effectiveness.

3.3 QUANTITATIVE RESEARCH

Ragin and Amoroso (2011:230) postulate that quantitative research focuses on variables, the relationship between variables and involves the analysis of the patterns of covariation. In addition, Wagner, Kawulich and Garner (2012:8) concur that the quantitative methodology entails a research design that collects numerical data and describes or explains a social phenomenon, causes and effects. According to Singh (2007:64), quantitative research design is further divided into exploratory and conclusive research, as shown in Figure 3.1 below.

FIGURE 3.1**QUANTITATIVE RESEARCH DESIGN CLASSIFICATION**

Source: Singh, K. (2007:64). Adapted.

Babbie (2008:97) notes that exploratory research involves examining a particular issue and is usually adopted when the scope is unclear or new. Moreover, exploratory research provides insights to problems and cannot provide conclusive findings as its results cannot be generalised. According to Singh (2007:63), conclusive research is specific and involves verifying facts and the selection of a proper course of action. Conclusive research is further divided into descriptive and causal research, as shown on Figure 3.1 above. Causal research concerns placing emphasis on determining the cause and effect of relationships, whilst descriptive research seeks to explain events in detail (Singh, 2007:65). After considering all the options shown in Figure 3.1, the

researcher adopted the descriptive research approach, which enumerates descriptive data and provides factual and accurate descriptions of responses by the sample respondents.

3.4 PRIMARY DATA

Primary data refers to all the data collected afresh by the researcher on the variables of interest for the purpose of the study (Sekaran and Bougie, 2013:113). O'Leary (2014:201) affirms that primary data is current and belongs to the researcher, targets specific issues and is dependent on the research process. Researchers can use either interviews, observations or questionnaires to collect primary data. According to Gray (2009:337), questionnaires are the most widely used primary data gathering technique. Primary data aims to generate new insights and allows the researcher to determine the context in which data will be collected (Farquhar, 2012:68). For the purpose of this study, the researcher used a structured closed-ended questionnaire (Annexure B) in collecting the primary data.

3.5 SECONDARY DATA

Walliman (2011:177) postulates that secondary data is of great importance as it forms the background to the study. Secondary data involves interpretations of events that are based on primary sources (Bell, 2010:128). O'Leary (2014:243) states that secondary data is situational and already exists. Thus, it has already passed through the statistical process. According to Walliman (2011:178), secondary data can either be documentary (written and non-written) or survey data (statistical information). The researcher collected secondary data through the use of both raw data and published summaries such as academic journals, textbooks, media articles and reports, government publications and unpublished dissertations (Saunders, Lewis and Thornhill, 2009:256). Sekaran and Bougie (2013:116) affirm that secondary data sources are effective in acquiring information as they save time and costs. However,

Kothari (2004:111) advises that the researcher must make sure that secondary data is reliable, suitable and adequate.

3.6 DESCRIPTION OF THE TARGET POPULATION

Denscombe (2010:23) states that a target population refers to all the items or elements in the category of aspects that are being researched. Gorard (2013:76) concurs that a target population consists of the units of interest to the study such as people, groups of people, families or businesses. Furthermore, Neuman (2011:246) highlights that the researcher draws the sample for the study from the target population to which the results will be generalised. The Human Resource Department at ZFC Limited in Zimbabwe confirmed that the organisation employs 280 employees. This formed the target population for this study.

3.7 SAMPLING PROCEDURE

Robson (2011:270) highlights that sampling is a vital aspect in social research as it pervades all the other aspects of research. A sample is a smaller category of items which the researcher selects from a larger pool and generalises to the target population. Sampling involves determining or selecting subjects that will participate in the study (Ross, 2012:52). In addition, Anderson (2013:274) notes that sampling involves determining a sample that is statistically representative of the target population. Payne and Payne (2004:210) concur that samples are designed to resemble the universe and its features on a small scale. Moreover, sampling allows the researcher the opportunity to gather data from a smaller group that can be generalised.

According to Ross (2012:53), representativeness and homogeneity are two key considerations when sampling in quantitative studies. Representativeness refers to the degree to which the sample reflects the characteristics of the target population

(Kumar, 2011:176). Kothari (2004:56) affirms that a representative sample is optimal. Therefore, it is neither excessively large nor too small, thus enabling the generalisation of findings. Homogeneity involves the extent to which the samples are similar in their characteristics. Sarantakos (2013:168) affirms that sampling can either be constructed through self-selection or through the researcher. Moreover, Sekaran and Bougie (2013:267) highlight that there are two types of sampling methods, namely probability and non-probability sampling.

3.7.1 NON-PROBABILITY SAMPLING

Ayiro (2012:218) highlights that non-probability sampling is mainly used in exploratory research and involves respondents or participants being selected in a subjective non-random manner. Non-probability sampling techniques are characterised by the researcher using his/her judgement in selecting the sample (Andres, 2012:97). Furthermore, non-probability sampling results in the elements having an unknown chance of being selected, resulting in non-representativeness. Somekh and Lewin (2005:219) state that there are various types of non-probability sampling techniques including:

- Snow-ball sampling;
- Convenience sampling;
- Quota sampling; and
- Purposive sampling.

3.7.2 PROBABILITY SAMPLING

Sirakaya-Turk, Uysal, Hammitt and Vaske (2011:95) postulate that probability sampling involves selecting a random sample where every member of the target population has an equal, non-zero and calculable chance of being selected. Random

samples result in samples that are representative and that allow the calculation of the sampling error (Lavrakas, 2008:783). Gray (2009:149) concurs that probability samples have a greater potential of being representative than non-probability samples. In addition, probability samples facilitate the generalisation of findings and have a limited or reduced risk of bias (Somekh and Lewin, 2011:223). Furthermore, Blaxter, Hughes and Tight (2010:170) affirm that there are five types of probability sampling methods, namely:

- Simple random sampling;
- Stratified cluster sampling;
- Cluster random sampling;
- Multi-stage sampling; and
- Systematic sampling.

After considering the above options, the researcher selected the systematic sampling technique for the purpose of this study.

3.8 SELECTION OF THE SAMPLE

According to Ayiro (2012:223), systematic sampling is also known as the n^{th} name selection technique. Kumar (2011:190) states that systematic sampling involves applying a random method of sampling that applies a regular constant interval (k) in selecting a sample (n) of elements from the target population (N). Lavrakas (2008:871) suggests that the target population (N) is used as a yardstick in determining the sampling interval (k) based on the desired sample size (n). In addition, in order to enhance randomness, evenness and minimise bias, the researcher ensured that the sampling frame was not in any particular order, cycle or pattern (Anderson, 2004:278). Salkind (2010:1296) highlights that the systematic sampling technique is characterised by four steps, as outlined below:

- The specification of the target population (N) by the researcher. For instance, for this study $N = 280$, which represents the total number of employees at ZFC Limited in Zimbabwe.
- The researcher specifying the desired sample size. For instance, according to Sekaran's table, a sample size of 140 respondents was selected for this study (Sekaran and Bougie, 2013:295).
- The researcher dividing the target population ($N = 280$) by the sample size ($n = 140$). This results in the sampling interval k , which is 2.
- The last step involves selecting every 2nd element on the sampling list until the required sample size of 140 is reached. This implies that every 2nd element on the sampling list was selected as a respondent for the purpose of this study.

3.8.1 ADVANTAGES AND DISADVANTAGES OF SYSTEMATIC SAMPLING

Agarwal (2006:161) highlights that systematic sampling has the following advantages and disadvantages:

3.8.1.1 ADVANTAGES OF SYSTEMATIC SAMPLING

- Ensures a high degree of representativeness as the sample is evenly distributed across the target population.
- The method of selection is simple and inexpensive.
- Allows the researcher to make valid statistical conclusions.
- Systematic sampling can be easily integrated with other sampling methods.

3.8.1.2 DISADVANTAGES OF SYSTEMATIC SAMPLING

- Periodicity may result in bias if variations are correlated or coincide.
- There is no single reliable formula for estimating the standard error of the sample mean.
- It is less random and precise.

3.9 MEASURING INSTRUMENT

This study aims to gain a deeper insight into the impact of extrinsic or financial rewards on employee motivation and organisational effectiveness at ZFC Limited in Zimbabwe. According to Curtis and Drennan (2013:295), the research instrument aims to accurately quantify the phenomenon under study through gathering information relevant to the achievement of the objectives of the study. A researcher can collect data through observations, interviews, questionnaires and other instruments. Drew, Hardman and Hosp (2008:19) highlight that measuring instruments are infinite and are limited by the nature of the study. For the purpose of this study, the researcher developed a closed-ended structured questionnaire (Annexure B) as the measuring instrument for collecting primary data from respondents.

A questionnaire is a structured schedule that evokes mainly numerical or quantitative data (Green and Browne, 2005:95). Cohen, Manion and Morrison (2011:248) suggest that questionnaires are the most conventional primary data collection tool given to respondents in a research study. Moreover, Denscombe (2010:150) affirms that questionnaires rely on either factual or opinionated information. Factual information involves revealing direct or straightforward information such as age, sex, level of education and length of service, whilst opinionated questions investigate attitudes, beliefs, views and personal preferences (Denscombe, 2010:150). The researcher adopted a closed-ended questionnaire (Annexure B) that allowed respondents to choose an answer that fits the established categories. Anderson (2004:280)

postulates that closed-ended questions are easy and quick to tackle and enables the research to be replicated.

3.9.1 QUESTIONNAIRE CONSTRUCTION AND ADMINISTRATION

Questionnaire construction is pivotal to the success of the research study (Drew, Hardman and Hosp, 2008:35). Proper questionnaire construction allows the researcher to solve problems prior to questionnaire administration. This is because proper questionnaire construction minimises bias and low response rates (Gray, 2009:354). The questionnaire for this study was made up of two sections Section A and Section B. Section A consists of biographical questions which focus on the respondent's sex, age, level of education and length of service, whilst Section B comprises dichotomous and likert-scale questions. The likert-scale questions are measured on a five-point ordinal scale, varying from strongly agree to strongly disagree. Guthrie (2010:131) affirms that Likert Scales enhance validity through providing a range of choices, thereby allowing respondents some degree of selecting an appropriate response.

3.9.2 ADVANTAGES AND DISADVANTAGES OF QUESTIONNAIRES

Durand and Chantler (2014:112) posit that a questionnaire has both disadvantages and advantages, as discussed below:

3.9.2.1 Advantages

- Questionnaires are familiar and non-threatening to human beings.

- They have the potential to minimise bias as each question is presented uniformly throughout the questionnaire.
- Economical: saves resources such as time and money as data can be analysed statistically.
- Respondents' anonymity can be assured.
- Questionnaires reach respondents conveniently.
- Low cost, even when the target population is large and geographically widespread.

3.9.2.2 Disadvantages

- A menu of responses is restrictive and makes the whole questionnaire inflexible in nature, thereby limiting a deeper analysis.
- Response rates can be very low if the questionnaire is poorly designed.
- The researcher has limited control over the questionnaire.
- Questionnaires can be used only when respondents are educated and cooperative.

3.10 PILOT TESTING

According to Walliman (2011:191), a pilot study involves testing the questionnaire with a small number of people with similar characteristics to the intended sample. Piloting the questionnaire assesses the feasibility of a large-scale study using a small population. Alasuutari, Bickman and Brannen (2008:316) state that piloting the measuring instrument assures that the questions communicated to the respondent are as intended and that the respondent is able to respond to the questions. Gilbert (2008:203) concurs that piloting evaluates the appropriateness of questions, thereby ensuring simplicity and clarity. Gray (2009:360) advises that instructions, the length of the questionnaire and the sequence of the questions should be piloted.

Moreover, Guthrie (2010:136) postulates that people who are not part of the target population, such as fellow colleagues, can be used to correct language issues and ambiguity in the questionnaire. Pilot testing the questionnaire plays a pivotal role in minimising and eliminating serious inaccuracies and inconsistencies (Drew, Hardman and Hosp, 2008:38). The researcher distributed the draft questionnaire to fifteen homogenous respondents who did not form part of the sample respondents. Feedback was obtained from the respondents and the researcher corrected the phrasing of questions where there was some degree of ambiguity. Thereafter, the questionnaire was administered to the selected sample of respondents.

3.11 VALIDITY AND RELIABILITY OF THE MEASURING INSTRUMENT

Drost (2011:105) asserts that the use of measuring instruments in observing human behaviour is vital in social science research. It is important to ascertain the meaningfulness of the measurements and the characteristics of the measure as social science research involves human perceptions, attitudes, behaviours, personalities and/or emotions (Wheeldon and Ahlberg, 2012:178). There are two main properties of empirical measurements in social science research, namely validity and reliability, as explained below.

3.11.1 VALIDITY CONSTRUCT

According to Singh (2007:410), validity relates to the extent of accuracy and truth of the data and findings that are produced. Wisker (2008:323) highlights that appropriate research methods, approaches and techniques are vital in enhancing findings or results that are valid. Furthermore, Gray (2009:155) affirms that the validity of quantitative research is ensured when the questionnaire measures what it is purported to measure. There are two main types of validity, namely external and internal validity.

Internal validity refers to the quality of data gathered in genuinely demonstrating the causal relationship between variables (Stausberg and Engler, 2011:177). According to Walliman (2011:204), external validity relates to the extent to which the results can be generalised to other settings, people and over time. In addition, Salkind (2010:461) postulates that generalisation can be done to a specific target population, setting and time frame or across a population, setting and time. Furthermore, the use of random sampling techniques in determining the sample increases the external validity of results. Durand and Chantler (2014:106) note that internal validity is further subdivided into four different categories, namely content validity, criterion validity, face validity and construct validity, which are discussed below:

- Content validity

Neuman (2011:212) states that content validity involves measuring techniques in consonance with literature and requires the measuring instrument to cover all the aspects of particular concepts and traits, such as attitude and knowledge. According to Drost (2011:118), content validity regards the representativeness of the content of the questionnaire and assesses the quality of the items on the test. The researcher ensured content validity through piloting the questionnaire, thus ensuring that all the questions covered all the elements or concepts which needed to be measured in the questionnaire (Roberts, Priest and Traynor, 2006:43).

- Criterion validity

Criterion validity refers to the degree to which the indicator selected, i.e. the questionnaire, correlates with another indicator of the concept (Bolarinwa, 2015:292). Furthermore, comparisons on how respondents have answered the new measure with the existing measure are conducted. According to Cohen, Manion and Morrison (2005:111), criterion validity is achieved when there is a correlation between the new and established measure/external criterion.

- Face validity

According to Kumar (2011:101), face validity involves the establishment of a logical link between the questions in the research instrument, the questionnaire, and the research objectives. Face validity involves a review of items on whether the indicator or test reaches the correct conclusions with the available data of the conceptual variable (Stangor, 2015:97). Stausberg and Engler (2011:74) concur that face validity involves measuring the legitimacy of the research, which is whether the test appears or seems to measure what it claims to. In addition, face validity is an intuitive process (Bryman, 2012:171).

- Construct validity

Construct validity refers to the logical correlations amongst variables and involves measuring whether the indicator performs in the manner that underlying theories suggest (Babbie, 2011:133). Roberts, Priest and Traynor (2006:43) highlight that construct validity concerns the degree to which the test captures specific theoretical traits. For instance, consistency with existing theoretical frameworks. Construct validity encourages the researcher to formulate hypotheses from a theory that is relevant to the concept (Bryman, 2012:172).

3.11.2 RELIABILITY CONSTRUCT

TABLE 3.1 RELIABILITY OUTPUTS OF THE QUESTIONNAIRE

Section		Number of Items	Cronbach's Alpha
B5	Extrinsic Rewards	12 of 12	0.674
B6	Employee Motivation	13 of 13	0.853
B7	Organisational Effectiveness	11 of 11	0.865
Overall		24	0.914

According to Table 3.1, the overall Cronbach's Coefficient Alpha test result shows a high reliability score of 0.914. A score above 0.70 is considered acceptable and reliable (Loewenthal and Lewis, 2015:12). Reliability entails the extent to which the same measurement technique or strategy produces the same result on different occasions (Babbie, Halley, Wagner III and Zaino, 2013:16). Kuada (2012:114) concurs that reliability concerns the dependability, stability and consistency of the measuring instrument over time. In order for results to be replicable, the questionnaire (Annexure B) should be free from any bias or errors. The questionnaire ensured reliability by reducing and eliminating differences in the questions asked and the manner in which they are presented. Neuman (2011:209) concurs that piloting the questionnaire and conceptualising the constructs improve reliability. Gray (2009:159) highlights that reliability can be indicated or estimated in five ways, namely stability, internal consistency, inter-judge reliability, equivalence and intra-judge reliability.

Drost (2011:108) affirms that stability is also known as the test-retest estimate of reliability. Stability assesses the degree to which the variables produce consistent results at different points in time or occasions (Bryman, 2012:169). In addition, stability is enhanced by upholding neutrality throughout the study, administering the questionnaire to the same group on different occasions (Neuman, 2011:208). Bolarinwa (2015:199) postulates that internal consistency reliability involves the degree to which items on the measuring instrument measure the same thing. Babbie

(2011:131) advises that it is of paramount consideration to use measures that have already proved their reliability. According to Anderson, Ones, Sinangil and Viswesvaran (2001:33), equivalence assesses the degree to which the measurement of the variables results in consistency among various groups of respondents. Furthermore, Billings and Halstead (2012:434) concur that equivalence reliability entails the measuring instruments having the same number of items and the same level of difficulty. Inter-judge reliability involves deducing a correlation through comparing the consistency of results after several people evaluate whilst intra-judge reliability involves checking for consistency through repetition (Gray, 2009:160).

3.12 HYPOTHESIS TESTING

A hypothesis is an imprecise statement that expects a relationship between two or more variables (Payne and Payne, 2004:113). Salkind (2010:4) affirms that a hypothesis is developed when there is literature or an existing theory that provides some availability of evidence about the relationship between the variables. According to Payne and Payne (2004:114), a hypothesis has four main characteristics, as stated below:

- It is empirically testable;
- It is expressed as a statement, not a question;
- It addresses a single phenomenon or single relationship between phenomena;
and
- It is clearly stated and logically consistent.

Furthermore, Fox and Bayat (2007:17) highlight that the benefits of hypothesis testing includes, providing a framework for reporting results and supplying readers with the researcher's anticipation of the research results. In order to test for the significance of the study, it is of paramount importance to formulate hypotheses. For the purpose of

this study, each of the hypotheses formulated was tested and discussed in Chapter 4 in the analysis of results and discussion of findings.

3.13 ANALYSIS OF DATA

Cowan (2009:97) defines data analysis as the process of editing and minimising mass data to a manageable size. Data analysis also involves developing summaries and patterns, as well as the application of statistical techniques such as the Statistical Package for Social Sciences (SPSS). According to Ayiro (2012:460), the process of data analysis in social research consists of three steps, namely data preparation, data description and the testing of hypotheses, as explained below:

- Data preparation

Data preparation involves the researcher checking the data for accuracy, entering it into the computer, data transformation and documenting a database structure that integrates the storing of data.

- Descriptive statistics

According to Ross (2012:71), descriptive statistics involve outlining the characteristics of the sample and mainly focuses on the extent to which a homogenous sample can be obtained. Descriptive statistics provide summarised information about data relating to sex and the average age of respondents (Greasley, 2008:7). Moreover, Ross (2012:75) highlights that the most important types of data for statistical analysis include ratio, interval, ordinal and nominal data. The researcher used the Statistical Package for Social Sciences (SPSS) Version 22 to produce base descriptive statistics from the captured primary data (Greasley, 2008:33).

- Inferential statistics

Inferential statistics involve analysing the statistical significance of testing hypotheses and generalising the findings (Guthrie, 2010:168). Through inferential statistics, the researcher was able to deduce similarities and differences between the sample and the target population. Furthermore, Ross (2012:28) affirms that inferential statistics require two variables, namely a test and data. There are two major types of tests, namely parametric and non-parametric tests. Parametric tests are used to analyse data at an interval level, whilst non-parametric tests are adopted when analysing data at nominal and ordinal levels (Cowan, 2009:97).

3.14 ETHICAL CONSIDERATIONS

Ethical practices are of paramount consideration when conducting research and should permeate during the entire research process (Hamilton and Corbett-Whittier, 2013:71). Fouka and Mantzorou (2011:4) concur that ethics refer to the standards of professional behaviour that guide the researcher in acting with integrity, particularly towards the respondents. Ethical practices enable the researcher to respect respondents and all the processes involved in the research process. The covering letter (Annexure A) highlighted that no harm, physical discomfort, personal embarrassment, undue pressure or respondent being made to feel obliged to participate in the research study would occur (Lavrakas, 2008:865). In addition, Hamilton and Corbett-Whittier (2013:71) concur that potential respondents have the right of refusal and retain the right to withdraw from the research at any time during the research study, as highlighted in the covering letter (Annexure A). Upholding ethics is of paramount importance as social science research involves the beliefs, opinions, behaviours, emotions and attitudes of human beings. For the purpose of this study, the researcher obtained permission from ZFC Limited (Annexure D) and ensured that the study was conducted in an ethical manner as it involved the participation of human beings.

3.14.1 THE CONCEPT OF ANONYMITY

Corti, Eynden, Bishop and Woollard (2014:118) postulate that redacting data involves direct identifiers from the data set, thus removing or aggregating variables or reducing precision or the detailed textual meaning of a variable. Anonymity ensures that the researcher and/or readers of the research findings do not identify a given response with a particular respondent. The researcher ensured anonymity through clear instructions and guidelines in the covering letter (Annexure A) of the questionnaire. According to Oliver (2010:78), the advantages of anonymity are:

- Encouraging objectivity throughout the researcher process;
- Making it easier for the researcher to explore sensitive issues; and
- Protecting the people who may be mentioned by respondents.

3.14.2 THE CONCEPT OF CONFIDENTIALITY

Confidentiality is another vital aspect of ethics that concerns the concept of privacy and respect for autonomy. According to Dhingra and Dhingra (2012:230), confidentiality involves the treatment identifiable and private information that respondents disclosed with the expectation that the information will not be divulged without permission. Remenyi (2014:29) postulates that confidentiality provides the assurance of protection of respondents, removes any trace of identity from the data and minimises or eliminates their risk of participation, as indicated in the covering letter (Annexure A). Furthermore, confidentiality restricts access to the data and only ensures that the data is used for statistical purposes only. Confidentiality ensures that the information that has been provided cannot be attributed to the respondent.

Confidentiality is covered by the researcher through the informed consent process which clearly highlights the risks, benefits, implications and procedures involved (Curtis

and Drennan, 2013:80). The informed consent or the gate keeper's letter (Annexure D) protects the respondent's autonomy and, thus the respondent's liberty and veracity (Fouka and Mantzorou, 2011:4). Moreover, maintaining confidentiality assists the researcher in protecting respondents from potential harm, such as psychological and social harm. Nather (2015:155) posits that the benefits of maintaining confidentiality are:

- Establishing trust between researchers and respondents;
- Minimising anxiety amongst respondents;
- Preserving the dignity of respondents; and
- Granting respondents control and autonomy.

3.15 CONCLUSION

Chapter three explained in detail the research methodology and design. The researcher adopted a quantitative approach which involved the collection of primary data by a closed-ended structured questionnaire (Annexure B) that was administered to respondents. In addition, the researcher adopted the systematic sampling technique in selecting the sample size. Moreover, the chapter highlights how the researcher ensured validity and reliability, how the data was statistically analysed and how the ethical standards were upheld throughout the research. The analysis of data and the research results/findings are discussed in the next chapter, Chapter Four.

CHAPTER 4

ANALYSIS OF DATA AND DISCUSSION OF FINDINGS

4.1 INTRODUCTION

Asthana and Brushan (2016:2) highlight that in social sciences, statistics entails the collection, summarisation, classification and analytical analysis of data. Data analysis involves complex specialised research procedures which convert or turn data into information (Ayiro, 2012:460). The four main roles of data analysis are distillation, classification, identification and communication of the research findings (Lancaster, 2005:155). This research adopted a quantitative paradigm which assumes the primacy of methods and the ability to measure relationships (Rovai, Baker and Ponton, 2014:4). Sarantakos (2013:404) affirms that quantitative analysis is objective, follows a systematic process and starts at the end of data collection. However, Lancaster (2005:161) warns that despite allowing the interpretation of large amounts of data, quantitative data analysis is sophisticated and characterised by information overload.

This chapter presents the results and a discussion of the findings of the study. A structured questionnaire was used as the primary data collection tool. The questionnaire was made up of Section A which comprised biographical questions and Section B which had three questions with themes related to the topic. The researcher used the systematic sampling technique in selecting the sample respondents. The target population was 280 employees and every 2nd element on the sampling list was selected for the sample. A total of 140 questionnaires were dispatched and 105 questionnaires were collected. Seven questionnaires were discarded as 4 were spoilt and 3 were incomplete. The personal method of delivering and collecting questionnaires was successful in ensuring a 70% response rate. After collecting the data, the researcher captured the responses, which were analysed with the Statistical Package for Social Sciences (SPSS) Version 24.0 for Windows. Davies (2007:118)

affirms that SPSS is regarded as a standard analytical tool for effectively managing quantitative data. The detailed analysis for Sections A and B involved the use of statistical processing techniques, namely descriptive and inferential analysis (Sarantakos, 2013:472).

4.2 SECTION A - ANALYSIS OF THE BIOGRAPHICAL DATA

4.2.1 GENDER BREAKDOWN FOR SAMPLE RESPONDENTS

FIGURE 4.1 ANALYSIS OF GENDER BREAKDOWN (n= 98)

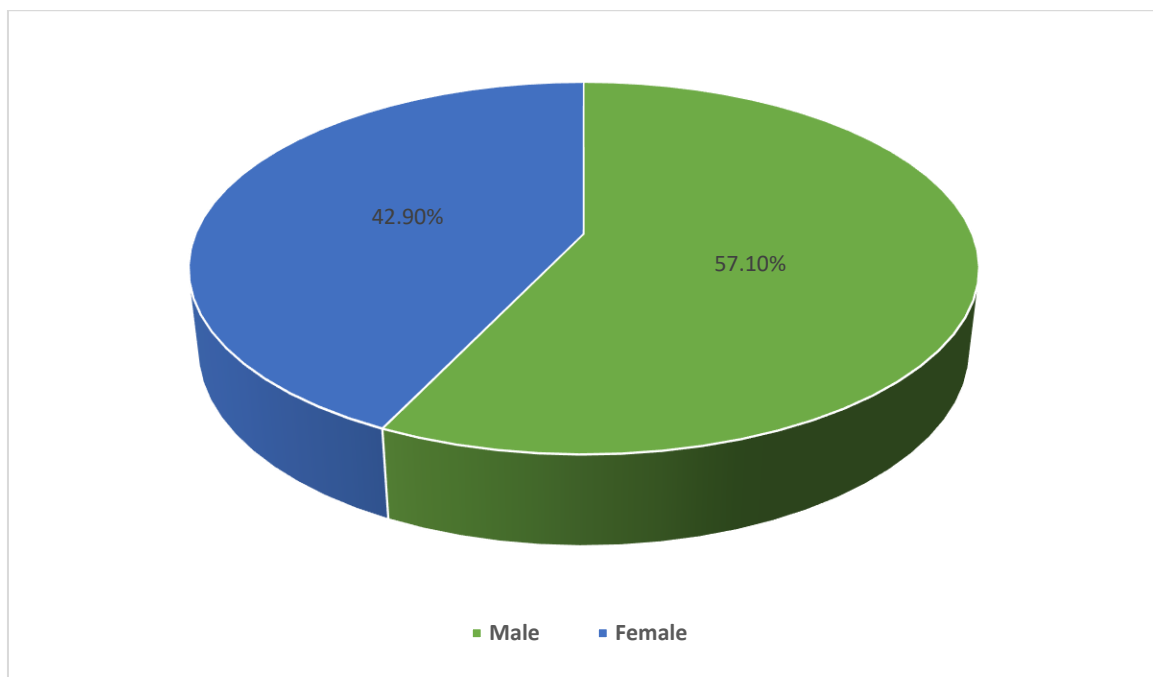


Figure 4.1 depicts the gender breakdown of the overall sample respondents of the study. Males dominated females in the study as they constituted 57.10%, whilst females constituted 42.90%. This implies that the ratio of males to females is 3:2 respectively. According to the Zim-Stats Labour Force Survey report (2015:56), males

are greater than females mainly those between 15 and 34 years of age. Furthermore, the labour force participation rates for females are lower than those for males across all age groups in Zimbabwe (Labour Force Survey, 2015:43).

4.2.2 AGE BREAKDOWN FOR SAMPLE RESPONDENTS

TABLE 4.1 AGE OF RESPONDENTS (n=98)

Age	Respondents	Percentage
Less than 25	15	15.30%
26 – 35	52	53.10%
36 – 45	25	25.50%
46 and above	6	6.10%
Total	98	100%

Table 4.1 indicates the overall response rate according to age groups. The data above is also presented graphically in Figure 4.2 below:

FIGURE 4.2 **ANALYSIS PER AGE GROUP (n=98)**

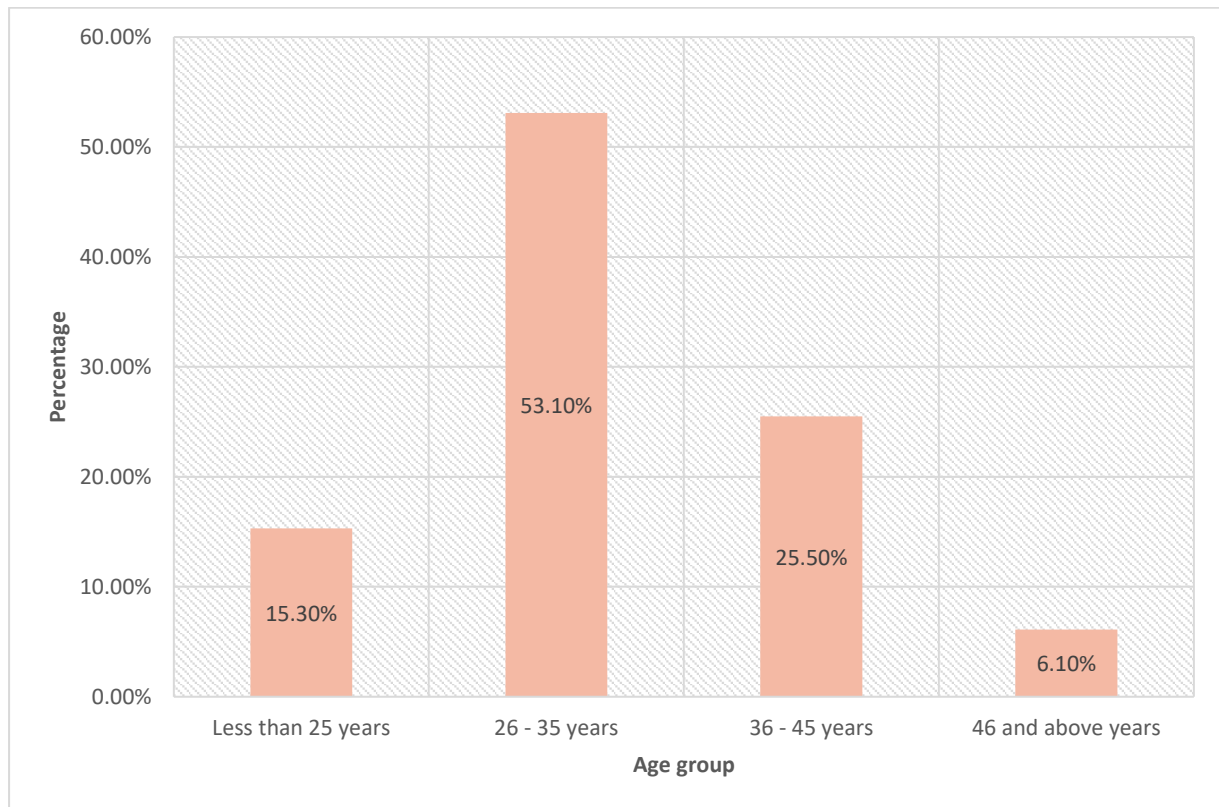


Table 4.1 and Figure 4.2 illustrate the percentage response rate by the sample respondents per age category. The majority of respondents were aged between 26 and 35 years of age, whilst those aged from 46 years and above only constituted 6.10%. A study conducted by Boumans, Janssen and de Jong (2011:21) on age differences and motivation revealed that age differences had an impact on rewards and employee motivation. Furthermore, a study on age differences and motivation by Inceoglu, Segers and Bartram (2012:31) concluded that there was a shift in motivation as an employee gets older. Catania (2013:40) found that younger employees amongst managerial and clerical staff in a financial services organisation in Maltese were motivated by extrinsic rewards due to their increasing financial burden. Moreover, Snelgar, Renard and Venter (2013:11) concluded that South African Generation Y (18-29 years) employees placed less emphasis on extrinsic rewards than older employees because of their value for freedom and flexibility.

4.2.3 AGE AND GENDER CROSS-TABULATION (n=98)

TABLE 4.2 GENDER DISTRIBUTION OF RESPONDENTS BY AGE GROUP (n=98)

AGE GROUP		GENDER		TOTAL
		MALE	FEMALE	
Younger than 25 years (≤ 25)	Count	6	9	15
	Percentage total	6.10%	9.20%	15.30%
26 to 35 years	Count	28	24	52
	Percentage total	28.60%	24.50%	53.10%
36 to 45 years	Count	16	9	25
	Percentage total	16.30%	9.20%	25.50%
46 years and older (≥ 46)	Count	6	0	6
	Percentage total	6.10%	0%	6.10%
TOTAL	COUNT	56	42	98
	Percentage total	57.10%	42.90%	100%

Table 4.2 above depicts a comparison between the gender and age of sample respondents. The cross-tabulation above affirms that males dominated the sample respondents. This is consistent with the Zimbabwe National Statistics Agency literature which states that women's share in the labour force has increased over the years despite the continued existence of males dominating the industry (Women and Men in Zimbabwe Report, 2013:37). According to World Bank (2016) statistics, the percentage of women in employment is 49.5% in Zimbabwe, below that of males

across all age groups. Furthermore, the relatively low percentage (15.3%) for those below 25 years of age may be attributed to high unemployment levels in Zimbabwe.

4.2.4 EDUCATION LEVELS OF RESPONDENTS

FIGURE 4.3 ANALYSIS OF THE LEVEL OF EDUCATION (n=98)

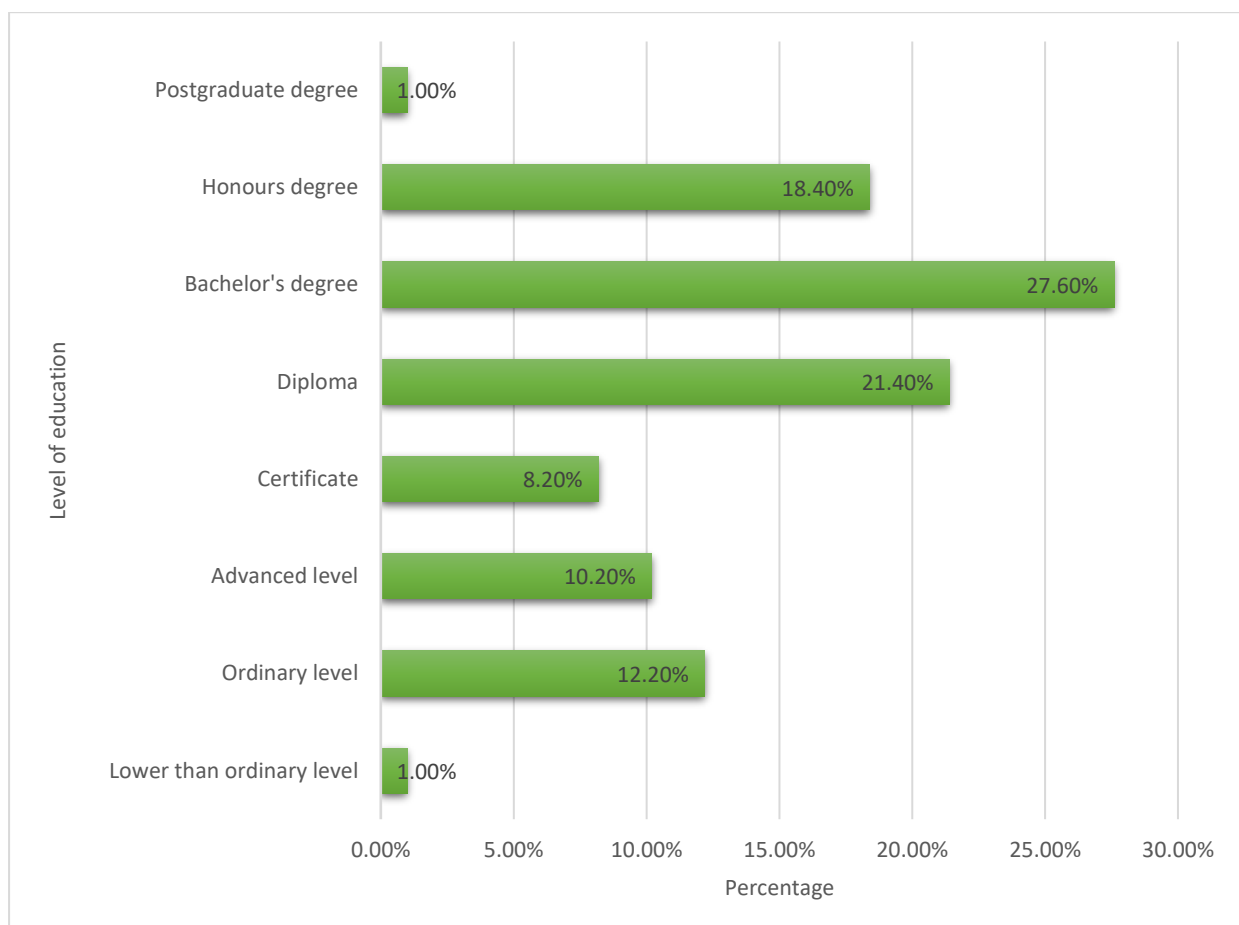
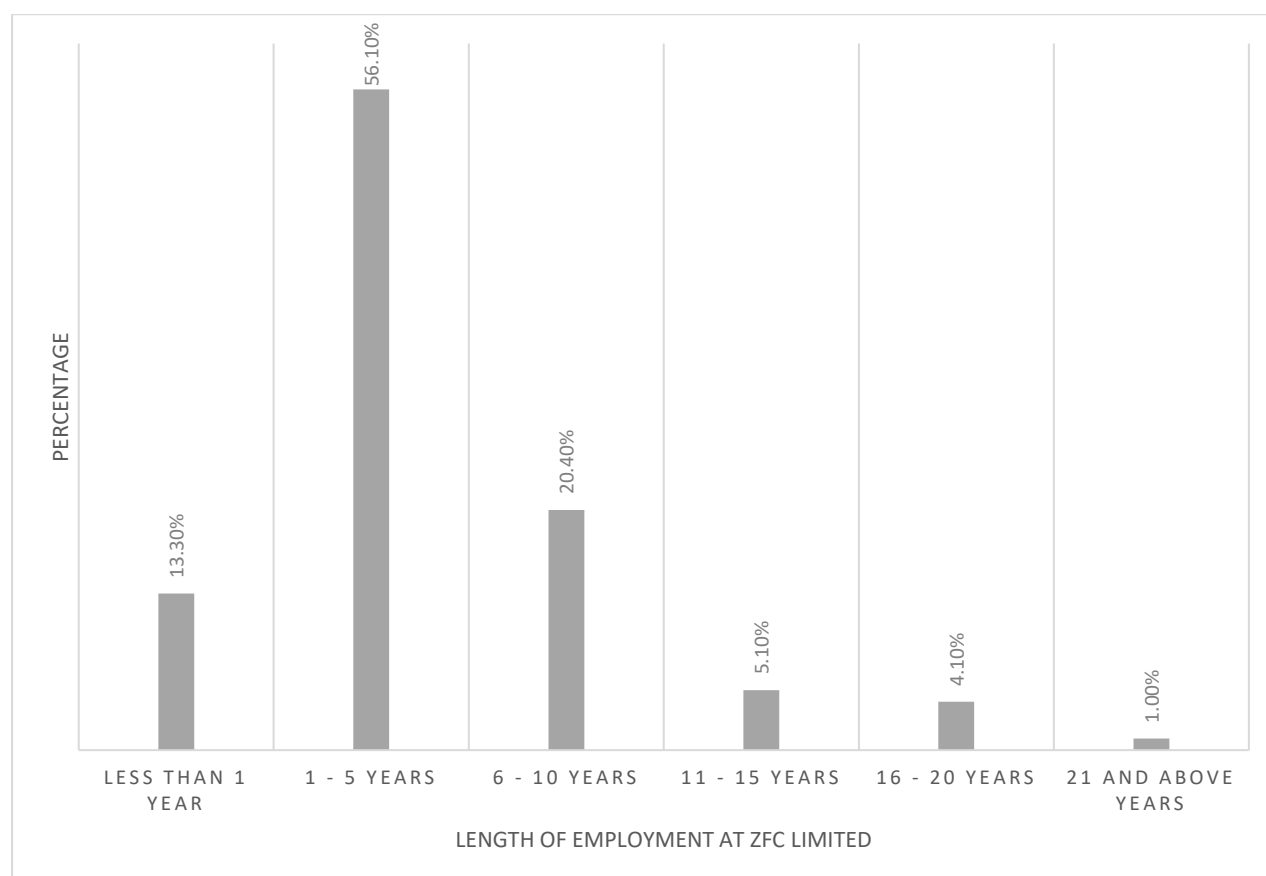


Figure 4.3 shows the sample respondents' education levels. The majority of respondents (>75%) had a post-school qualification. In addition, $\frac{1}{5}$ of the sample respondents had a post-graduate degree. For the purpose of this study, the level of education is useful as it indicates that the responses gathered are from a well-informed or educated source. A study in Slovakia by Hitka and Balazova (2015:116) found that basic salary and extra financial rewards were major motivators for employees with

secondary, primary and lower education. Nienaber, Bussin and Henn (2011:11) in their study on reward preferences in various companies in South Africa found that the higher the qualification, the lower the preference for remuneration and benefits. However, it is vital to note that some studies did not find a relationship between educational levels and rewards. For instance, a study in medium and large sized organisations in South Africa by Snelgar, Renard and Venter (2013:19) concluded that the level of education had no relationship with the importance of rewards to employees.

4.2.5 LENGTH OF SERVICE

FIGURE 4.4 ANALYSIS OF THE LENGTH OF SERVICE (n=98)



The length of service is shown in Figure 4.4 above. According to Figure 4.4, nearly 86% of the sample respondents had been employed for more than 12 months, with

30% having worked for at least six years. This implies that the sample respondents had been employed for a reasonable period. Thus, responses are from experienced employees. Hussain and Hussain (2011:26) concluded that employees who had a long length of service were more motivated than those with a short length of service in the fast food industry in United Kingdom. A study conducted by Hitka and Balazova (2015:116) in the wood processing industry in Slovakia found that employees who had been employed for an average of less than ten years were motivated by basic salary and extra financial rewards, whilst those who had more than ten years ranked salary as their primary motivator.

4.3 ANALYSIS OF SECTION B

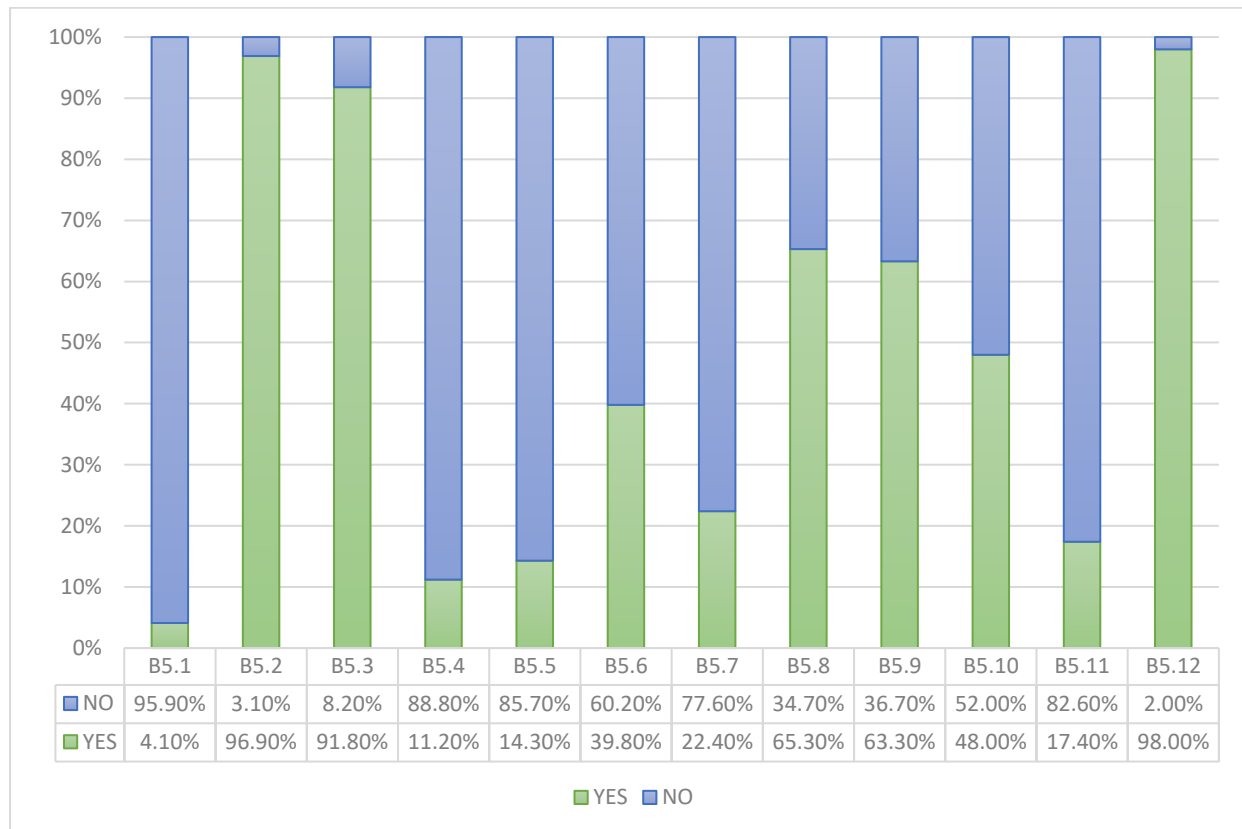
4.3.1 DESCRIPTIVE AND INFERENTIAL STATISTICS

According to Keller (2009:2), statistics entails getting information from data and is used to give a detailed account (descriptive statistics) or to infer measurements (inferential statistics). Descriptive statistics numerically explain events, concepts and the basic features of data concerning a specific sample in a convenient and informative manner (Neuman, 2011:386). Saunders, Lewis and Thornhill (2009:444) affirm that descriptive statistics enable the description and comparison of variables, thus allowing the researcher to identify patterns amongst the data. Furthermore, Keller (2009:2) concurs that descriptive statistics present data through graphical techniques, thereby making data easy to understand. The purpose of descriptive statistics is to provide a coherent and focused view of a large amount of data. In this study, in Section A, pie charts, bar graphs and cross-tabulation tables were used to present the findings. Furthermore, in Section B (B5, B6 and B7), frequency tables were used to present the findings. Gray (2014:566) concurs that the frequency distribution is the foundation of descriptive statistics and the most common way of analysing data.

Mendenhall, Beaver and Beaver (2006:4) highlight that inferential statistics are made up of procedures that summarise and describe the characteristics of a set of measurements. Inferential statistics are based on probability and assist the researcher in generalising the research findings to a larger population. McNabb (2013:138) states that there are three purposes of inferential statistics, namely enabling generalisations, estimations or drawing conclusions and making future predictions. There are two types of inferential statistics, namely parametric tests and non-parametric tests (Rubin, 2010:155). David and Sutton (2011:531) highlight that parametric tests entail making assumptions concerning estimates of the population characteristic and are based on interval or ratio data. Non-parametric tests exclude population parameters and certain requirements, such as homogeneity and normality (Jackson, 2014:132). For the purpose of this study, non-parametric tests were used to test the significance of relationships between the variables.

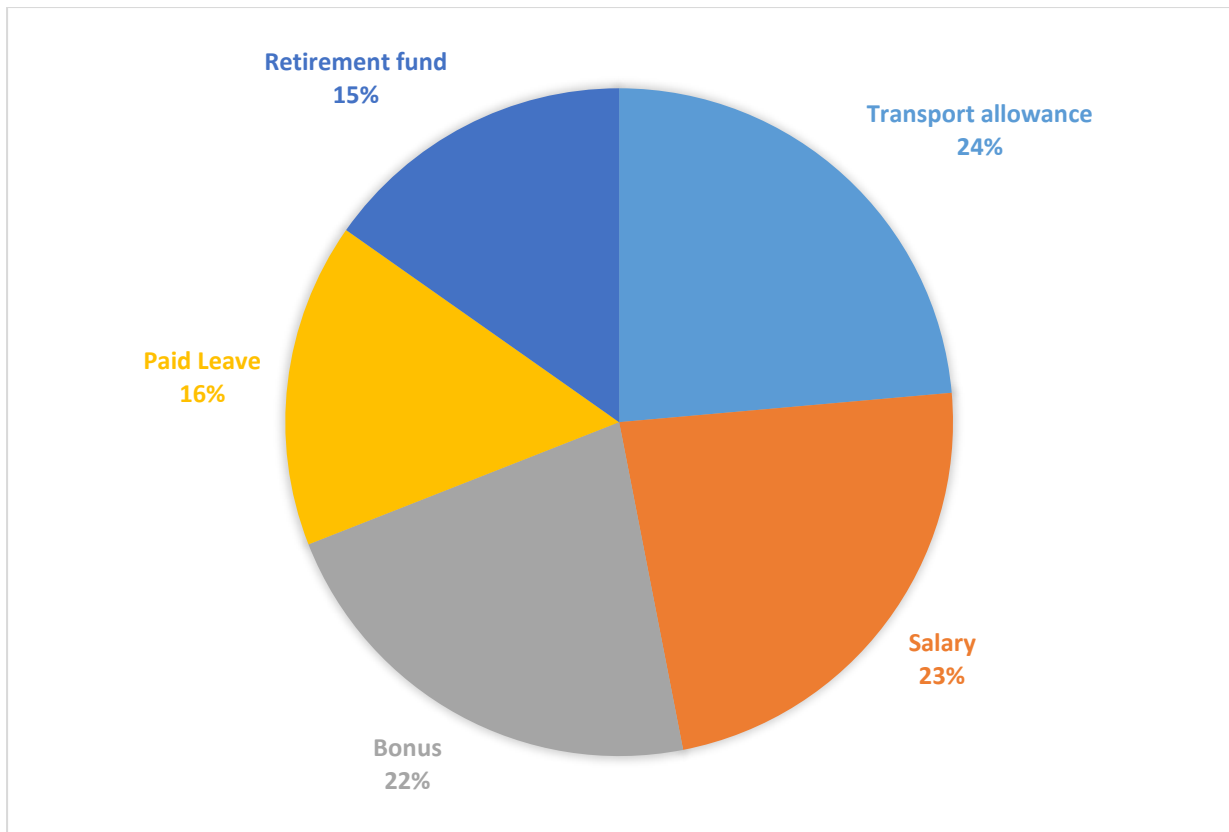
4.3.2 ANALYSIS OF DATA PERTAINING TO DIRECT AND INDIRECT MONETARY REWARDS (SECTION B)

FIGURE 4.5 FREQUENCIES EXPRESSED AS A PERCENTAGE BY SAMPLE RESPONDENTS IN RELATION TO EMPLOYEE MOTIVATION (n=98)



The bar graph in Figure 4.5 illustrates the responses of sample respondents pertaining to the various direct and indirect monetary rewards they received at ZFC Limited. Direct monetary rewards (B5.1 - B5.5) included wages, salaries, commission, competency-based pay and bonuses, whilst indirect monetary rewards (B5.6 - B5.12) included paid leave, transport allowance, recreation facilities, food services, insurance and medical aid (Warnich, Carell, Elbert and Hatfield, 2015:403). The results in Figure 4.5 show that multiple statements indicated significant levels of agreement, whereas other levels of agreement were lower despite being greater than the levels of disagreement. Six categories, namely wages (B5.1); commission (B5.4); competency-based pay (B5.5); medical aid (B5.6); insurance (B5.7) and recreation facilities (B5.11) indicated higher levels of disagreement. This implies that the majority of employees at ZFC Limited received these rewards sparingly or in limited quantity. The top five 5 extrinsic rewards at ZFC Limited are illustrated in Figure 4.6 below:

FIGURE 4.6 **TOP 5 EXTRINSIC REWARDS AT ZFC LIMITED (n=98)**



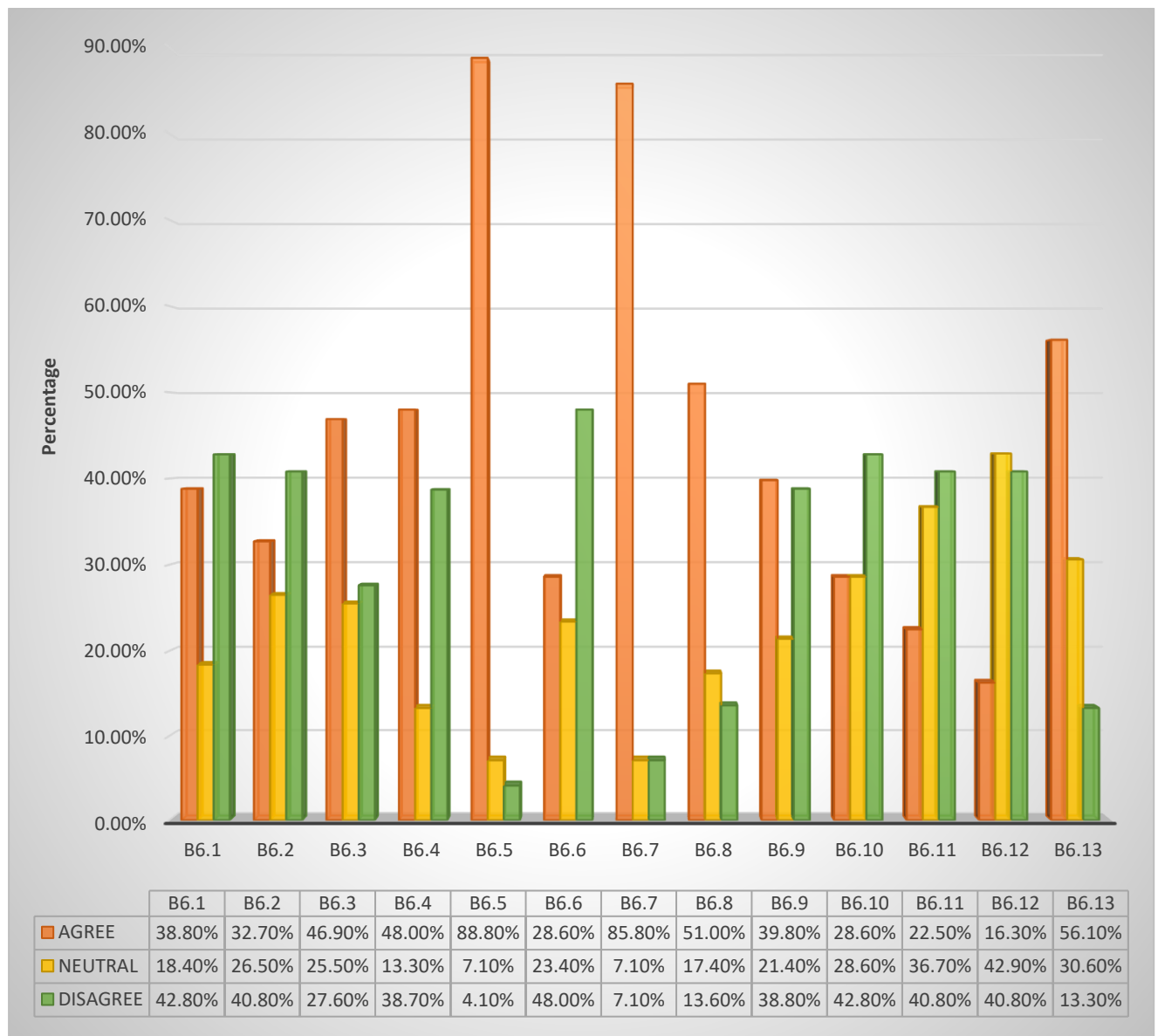
According to Figure 4.6, bonus payments, transport allowance, paid leave, salary and retirement benefits were received more than any other financial reward at ZFC Limited. Transport facilities, bonus and salary made up 69% of the top five financial rewards. Existing literature highlights that employees in Africa are more interested in financial rewards due to high poverty levels (Anku-Tsedde, 2013:178). Salary is a source of assurance, satisfies immediate needs and enhances the quality of life. Thus, it is the most basic motivator for the workforce (Wei and Yazdanifard, 2014:10). Money has an exchange value and is also a basis for gaining social power and position (Rudani, 2013:585). Moreover, Wei and Yazdanifard (2014:10) report that Huawei significantly increased its productivity by paying way above the industry average.

According to Figure 4.6, transport allowance constitutes 24% of the top five extrinsic rewards. The provision of transport services reduces financial burden and stress since public transport is expensive, scarce and unpleasant (Yousaf, Latif, Aslam and Saddiqui, 2014:1779). A study conducted in Nigeria on the impact of motivation on job performance by Olalere (2013:56) found that transport facilities had a significant impact on employee motivation, as well as motivation amongst community development workers. Islam (2012:23) affirms that transport facilities directly impact on employee motivation and the quality of life. Furthermore, a study by Khan and Ajmal (2015:182) in the Karachi building construction sites in Pakistan found that amongst facility factors, transport facilities were vital in motivating employees.

Figure 4.6 shows that bonus payments constitute 22% of the top five extrinsic rewards. Armstrong and Murlis (2004:326) highlight that a bonus is a form of tangible recognition and can be a significant motivator if it is clearly linked to the employee's contribution and in accordance with the Expectancy theory. A study conducted by Uzonna (2013:207) on motivation in a bank in Cyprus found that salary had a higher impact on motivation and employee performance than bonuses. Furthermore, Figure 4.6 illustrates that a retirement fund (15%) and paid leave (16%) were the two least top five extrinsic rewards. Kasenga and Hurtig (2014:5) found that pension acts as a long term assistance benefit for employees in health facilities in Malawi. The objective of retirement benefits is to motivate and reward employees for being part of the organisation (Yousaf, *et al.*, 2014:1779). Moreover, Turabik and Baskan (2015:1057) affirm that retirement benefits and paid leave assist in meeting security needs.

4.3.3 ANALYSIS OF DATA PERTAINING TO EXTRINSIC REWARDS AND EMPLOYEE MOTIVATION

FIGURE 4.7 FREQUENCIES EXPRESSED AS A PERCENTAGE BY SAMPLE RESPONDENTS IN RELATION TO EMPLOYEE MOTIVATION (n=98)



As shown in Figure 4.7 above, at least 50% and above agree with only four statements, namely B6.5; B6.7; B6.8 and B6.13. A majority of 56.10% of the sample respondents

stated that monetary/financial rewards formed a significant part of their remuneration package at ZFC Limited (Statement B6.13). According to 88.80% of the respondents, an increase in financial rewards will result in an increase in their performance (Statement B6.5). A large number of employees stated that money had a significant impact on performance as they expected to be rewarded for hard work (Gohari, Kamkar and Zohoori, 2013:589). Fareed, Abidan, Shahzad, Amen and Lodhi (2013:435) conducted a study in Pakistan on the impact of rewards on performance and job satisfaction in the Telecommunication sector and found that there was a direct correlation between extrinsic rewards and employee performance. Furthermore, a study in two Universities in Pakistan by Idrees, Xingping, Shafi, Hua and Nazeer (2015:58) found that salary influenced job performance more than anything else. A similar study on the impact of compensation on employee performance in the banking sector in Pakistan concluded that salary was directly related to job performance and an increase in salary resulted in an increase in indirect compensation (Hameed, Ramzan, Zubair, Ali and Arslan, 2014:308). However, only 28.60% of the respondents stated that financial rewards were competitive (Statement B6.6).

The results (Figure 4.6) also show that 85.70% of the respondents indicated that financial rewards had an effect on the working environment (Statement B6.7). Only 16.30% of the respondents indicated that the reward structure at ZFC Limited was balanced (Statement 6.12). Fair or balanced rewards are a prerequisite in the creation of a conducive working environment as employees will perceive the organisation as trustworthy and caring (Mutjaba and Shuaib, 2010:116). According to the Equity theory, demotivation results when employees perceive an imbalance between inputs and outputs and has a negative impact on employee motivation (Tudor, 2011:100). Inequity has severe repercussions, which include reduced commitment, increased absence and labour turnover (Galanou, Georgakopoulos, Sotiropoulos and Dimitris, 2010:106). Moreover, Armstrong (2009:129) affirms that trust and transparency exist when the workforce has a voice and when it understands the reward processes.

Despite only 46.90% stating that they are motivated by financial rewards (Statement B6.3), 51.0% of the respondents stated that they were motivated by the fringe benefits at ZFC Limited (Statement B6.8). Wei and Yazdanifard (2014:10) report that fringe

benefits are vital in positively reinforcing the behaviour of employees. In addition, Yousaf, *et al.* (2014:1778) affirm that the provision of benefits results in increased productivity and creates optimism in the working environment. Eshak, Jidi and Zakirai (2015:90) found that there was a correlation between indirect monetary rewards and employee performance in the Private Health-Care Industry.

Furthermore, only 28.60% of the respondents indicated that they get rewarded for reaching or exceeding targets (Statement B6.6), whilst only 39.80% felt that they were appreciated for their contribution and achievements at ZFC Limited (Statement B6.9). The Social Exchange Theory (SET) explains the importance for organisations to appreciate the contribution that is made by employees. According to the social exchange relationship, interactions between parties are guided and strengthened by the principle of reciprocal exchange (Wikhamn and Hall, 2013:57). Moreover, Bradler, Dur, Neckmann and Non (2013:2) affirm that appreciating the services of employees will make them feel inclined to reciprocate through balancing inputs and outputs, thus increasing effort.

4.3.4 ANALYSIS OF DATA PERTAINING TO ORGANISATIONAL EFFECTIVENESS (SECTION B7)

TABLE 4.3 FREQUENCIES EXPRESSED AS A PERCENTAGE BY SAMPLE RESPONDENTS IN RELATION TO ORGANISATIONAL EFFECTIVENESS (n=98)

STATEMENT	RESPONSE OPTIONS				
	RESPONSES	AGREE	NEUTRAL	DISAGREE	TOTAL
B7.1	Count	31	30	37	98
	Percentage	31.60%	30.60%	37.80%	100%
B7.2	Count	49	15	34	98
	Percentage	50.00%	15.30%	34.70%	100%
B7.3	Count	30	26	42	98
	Percentage	30.60%	26.50%	42.90%	100%
B7.4	Count	32	34	32	98
	Percentage	32.70%	34.70%	32.70%	100%
B7.5	Count	35	21	42	98
	Percentage	35.70%	21.40%	42.90%	100%
B7.6	Count	21	34	43	98
	Percentage	21.40%	34.70%	43.90%	100%
B7.7	Count	26	35	37	98
	Percentage	26.50%	35.70%	37.80%	100%
B7.8	Count	22	26	50	98
	Percentage	22.40%	26.50%	51.00%	100%
B7.9	Count	46	25	27	98
	Percentage	46.90%	25.50%	27.60%	100%
B7.10	Count	87	8	3	98
	Percentage	88.80%	8.20%	3.10%	100%
B7.11	Count	47	32	19	98
	Percentage	48.00%	32.70%	19.40%	100%

Table 4.3 above depicts the sample respondents' responses in relation to organisational effectiveness. This section is concerned with the extent to which how employees viewed organisational effectiveness at ZFC Limited. Results show that 50% of respondents agreed that they were involved in working towards the achievement of the mission, vision and objectives at ZFC Limited (Statement B7.2). Amah and Ahiauzu (2011:662) highlight that employee involvement entails investing in the human capacity, ownership and responsibility necessary to achieve the vision, values and purpose. The organisation must value and appreciate the contribution made by employees. According to Judeh (2011:202), the involvement of employees is vital in increasing organisational effectiveness as it positively enhances organisational outcomes such as absenteeism and performance. Studies conducted by Khattak, Iqbal and Khattak (2013:227) and by Riordan, Vanberg and Richardson (2005:477) found that employee involvement had a significant impact on organisational effectiveness.

According to Table 4.3, 51% of the respondents stated that ZFC Limited does not care about their feelings (Statement B7.8). This is further supported by only 31.60% of the sample respondents who indicated that financial/extrinsic rewards at ZFC Limited were directly related to the achievement of objectives (Statement B7.1). In an effort to encourage employees to work towards objectives, businesses are attempting to harness the influence of pay on employee motivation (Stredwick, 2014:222). Dobre (2013:53) states that it is vital for organisations to develop strategies, for example reward strategies, that will assist in goal attainment. Extrinsic rewards are utilised in exchange for time, skills and effort and are powerful in influencing work behaviour that is aimed at the achievement of organisational objectives (Nieuwenhuizen and Rossouw, 2008:225). Moreover, there is ample evidence suggesting that financial based compensation has a direct impact on performance. For instance, Ogedegbe (2014:21) found that compensation and other human resource management practices had a significant impact on the achievement of objectives. Furthermore, Jansen and Samuel (2014:57) concluded that salary packages had a significant relationship with goal attainment for middle level managers in the private sector.

As shown in Table 4.3, 43.90% of the respondents stated that the reward structure at ZFC Limited did not enhance employee motivation and organisational effectiveness (Statement B7.6). However, a greater number of respondents (48%) stated that ZFC Limited was a better place to work in the Zimbabwean manufacturing sector (Statement B7.11). A motivated worker is productive and positively contributes to the efficiency and effectiveness of the organisation (Shukla, 2012:434). A study by Emeka, Amaka and Ejim (2015:7) found that increases in motivational tools such as financial rewards had a significant impact on the effectiveness of the organisation in manufacturing firms in Nigeria. Employees want to work for an organisation that does not only extract their value but also adds value to human resources (Goffee and Jones, 2013:2).

Furthermore, for a company to be the best, aligned human resource practices, inspired leadership, a unique company culture and accountability are prerequisites (Hewitt, 2009:5). Although 35,70% of the respondents in Table 4.3 stated that ZFC Limited recognises their contribution to organisational effectiveness (Statement B7.5), 88,80% stated that their job was important in ensuring the success and effectiveness of ZFC Limited (Statement B7.10). Shields (2007:366) affirms that it is proper to relate extrinsic rewards to employee contribution towards the achievement of organisational objectives.

4.4 HYPOTHESES TESTING

Hypotheses testing assists in highlighting the significance of the study and its computed findings. A statement of statistical significance is a prerequisite when reporting a result using the traditional approach. Tests of significance are conducted when the researcher seeks to know the extent to which the findings of the study can be generalised to the target population (Sarantakos, 2013:472). For the purpose of this study, the following non-parametric tests were conducted in testing the relationship between the variables:

- Pearson's Chi-Square test

- Pearson's Product-moment Correlation Co-efficient
- Spearman's Rank Order Correlation Co-efficient.
- Fisher's Exact test
- Mann-Whitney and Wilcoxon Rank Sum test

In addition to the descriptive analysis above, the following hypotheses were tested to determine the relationships among the variables related to the study.

4.4.1 HYPOTHESIS 1

H₁ There is a significant relationship between paying salaries on time and the perception that ZFC Limited is interested in the feelings of its employees.

TABLE 4.4 Frequency of paying salaries on time and the perception that ZFC Limited is interested in the feelings of its employees (n = 98)

Statement 6.4 and 7.8	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	33.071 ^a	16	.007
Likelihood Ratio	37.726	16	.002
Fisher's Exact Test	. ^b		
Linear-by-Linear Association	21.279	1	.000
Number of Valid Cases	98		
Spearman's Rank Order Correlation Co-efficient	0.70292		

*Pearson Chi-Square = 33.071^a, df = 16, Cut-off parameter: Pearson's significance ($p < 0.05$); Spearman = 0.70292, Cut-off parameter: Spearman's significance ($r_s > 0.7$).

According to Table 4.4, the Pearson's Chi-Square test result ($p < 0.05$) showed a significant relationship between paying salaries on time and the perception that ZFC Limited was interested in the feelings of its workforce. Furthermore, the Spearman's Rank Order Correlation Co-efficient ($r_s > 0.7$) also revealed a strong correlation between timely salaries and the perception that ZFC Limited was interested in the feelings of its employees. Human capital and tangible rewards such as money are vital in extracting positive individual behaviours. Dominic and Adejumo (2011:3) affirm that good and timely remuneration minimises or eliminates the feelings of helplessness, uncertainty, inadequacy, anxiety, hostility and frustration. Furthermore, Uwalaka (2004) as cited by Dominic and Adejumo (2011:4) found that good and timely compensation packages positively impacted on the behaviour of employees, thus directly enhancing their performance.

4.4.2 HYPOTHESIS 2

H₂ There is a significant relationship between paying salaries on time and the reward structure that enhances employee motivation and organisational effectiveness at ZFC limited.

Table 4.5 Timely salaries and a reward structure that enhances employee motivation and organisational effectiveness
(n = 98)

Statement 6.4 and 7.6	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	37.703 ^a	16	.002
Likelihood Ratio	42.703	16	.000
Linear-by-Linear Association	20.103 ^c	1	.000
Number of Valid Cases	98		
Pearson's Product-moment Correlation Coefficient	0.466		.000

*Pearson Chi-Square = 37.703^a, df = 16, Cut-off parameter: Pearson's significance ($p < 0.05$); Pearson's Product-moment Correlation Co-efficient (r_{98}) = 0.466, Significance ($p < 0.05$).

The Pearson's Product-moment Correlation Co-efficient test result ($p < 0.05$) as shown in Table 4.5 depicts a moderately significant correlation between timely salaries and a reward structure that enhances employee motivation and organisational effectiveness. Furthermore, the Pearson's Chi-Square test ($p < 0.05$) shows that there is a significant relationship between timely salaries and a reward structure that enhances employee motivation and organisational effectiveness at ZFC Limited. Regular or timely pay is vital in facilitating and ensuring the satisfaction of basic physiological and safety needs (Harunavamwe and Kanengoni, 2013:3931). Dobre (2013:57) highlights that organisational effectiveness is enhanced when rewards are effective in influencing employee behaviour.

4.4.3 HYPOTHESIS 3

H₃ There is a significant relationship between paying salaries on time and commitment to the achievement of organisational objectives.

TABLE 4.6 Timely salaries and commitment to the achievement of organisational objectives (n = 98)

Mann-Whitney: Wilcoxon Rank Sum Test

Statement	Cases	Mean of ranks	Sum of ranks
B6.4	52	70.18	1442.7
B7.4	46	58.11	4219.8
TOTAL	98		

TEST STATISTICS

Statistical test	Value	Asymptotic Significance (2-tailed)
Mann-Whitney (<i>u</i>)	1505.1	
Wilcoxon (<i>w</i>)	4219.8	
<i>z</i>	-1.9602	.0500
Pearson's Product-moment Correlation Co-efficient	0.506	.000

*Wilcoxon Rank Sum Test cut-off parameter ($W < 0.167$ @ $p < 0.05$); Pearson's Product-moment Correlation Co-efficient (r_{98}) = 0.506, Cut-off parameter: Pearson's significance ($p < 0.05$).

As highlighted in Table 4.6, the Wilcoxon signed-rank test result ($z = -1.9602$, $p < 0.05$) revealed a significant correlation between timely salaries and commitment to the

achievement of organisational objectives. In addition, the Pearson's Product-moment Correlation Co-efficient ($p < 0.05$) as shown in Table 4.6 confirmed a strong correlation between timely salaries and commitment to the achievement of organisational objectives. Guzzo, Jette and Katzell (1985) as cited by Ekpudu and Ojeifo (2014:89) affirm that this is consistent with a number of scholars who have stated that the use of monetary rewards creates positive employee attitudes and enhances organisational productivity. A study on lecturers in the Rwandan higher education sector concluded that fixed regular pay had a significant impact on commitment towards the realisation of goals and objectives (Chrissy, Shukla and Mbabazi, 2015:215).

4.4.4 HYPOTHESIS 4

H₄ There is a significant relationship between monetary rewards forming a significant part of the remuneration package and the perception that ZFC Limited is a better place to work in the manufacturing sector.

TABLE 4.7 Monetary rewards forming a significant part of the remuneration package and employee perception that ZFC Limited is a better place to work in the manufacturing sector (n = 98)

Statement 6.13 and 7.11	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	26.414 ^a	12	.009
Likelihood Ratio	28.638	12	.004
Fisher's Exact Test	22.204		
Linear-by-Linear Association	6.084 ^c	1	.014
Number of Valid Cases	98		

*Pearson Chi-Square = 26.414^a, df = 12, Cut-off parameter: Pearson's significance ($p < 0.05$); Spearman (r_s) = 0.70001, Cut-off parameter: Spearman's significance ($r_s > 0.7$).

Table 4.7 reveals that the Pearson's Chi-Square test result ($p < 0.05$) and the Spearman's Rank Order Correlation Co-efficient ($r_s > 0.7$) produced a significant result. This implies that there is a significant relationship between monetary rewards forming a significant part of the remuneration package and the perception that ZFC Limited was a better place to work in the Zimbabwean manufacturing sector. Sarwar and Abugne (2013:24) postulate that the rewards that organisations offer have a powerful effect on employee attitudes towards their jobs, as well as the organisation. Furthermore, employees are attracted by higher levels of pay and also pay attention to the organisation's remuneration practices as they convey the values, culture and philosophy of the company (Schlechter, Hung and Bussin, 2014:3).

4.4.5 HYPOTHESIS 5

H₅ There is a significant relationship between the involvement of employees in achieving organisational objectives and the perception that ZFC Limited is a better place to work.

TABLE 4.8 Employee involvement in achieving organisational objectives and the perception that ZFC Limited is a better place to work in the manufacturing sector (n = 98)

Statement 7.1 and 7.11	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	26.923 ^a	12	.008
Likelihood Ratio	25.594	12	.012
Fisher's Exact Test	20.890		
Linear-by-Linear Association	6.741 ^c	1	.009
Number of Valid Cases	98		
Spearman's Rank Order Correlation Co-efficient	0.70823		

*Pearson Chi-Square = 26.923^a, df = 12, Cut-off parameter: Pearson's significance ($p < 0.05$); Spearman (r_s) = 0.70823, Cut-off parameter: Spearman's significance ($r_s > 0.7$).

Table 4.8 depicts that both the Pearson's Chi-Square test result ($p < 0.05$) and the Spearman's Rank Order Correlation Co-efficient ($r_s > 0.7$) showed a significant relationship. There is a significant relationship between the involvement of employees in achieving organisational objectives and perceiving ZFC Limited as a better place to work. The participation or involvement of employees in the organisation boosts employee dedication, motivation and trust as well as innovation, efficiency and organisational effectiveness (Constant, 2011:8). Furthermore, Manzoor (2012:9) concurs that employee involvement in the organisation increases enthusiasm and

motivation towards task or goal accomplishment. The involvement of employees in the organisation has a positive influence on employee motivation as well as employee loyalty (Bhatti and Qureshi, 2007:56).

4.4.6 HYPOTHESIS 6

H₆ There is a significant relationship between positive employee morale and commitment and the perception that ZFC Limited is a better place to work in the manufacturing sector.

TABLE 4.9 Positive employee morale, committed employees and the perception that ZFC Limited is a better place to work in the manufacturing sector (n = 98)

Statement 7.4 and 7.11	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	24.656 ^a	12	.017
Likelihood Ratio	19.441	12	.078
Fisher's Exact Test	14.955		.171
Linear-by-Linear Association	1.457 ^c	1	.227
Number of Valid Cases	98		
Pearson's Product-moment Correlation Co-efficient	0.127		0.213

*Pearson Chi-Square = 24.656^a, df = 12, Significance (p<0.05); Pearson's Product-moment Correlation Co-efficient (r₉₈) = 0.127, Significance (p<0.05); Fisher's Exact test = 14.955, Cut-off parameter: Fisher's significance (p<0.05)

Table 4.9 depicts that the Pearson's Chi-Square test result ($p < 0.05$) revealed a significant relationship. Contrary to this result, the Fisher's Exact test result ($p > 0.05$) and the Pearson's Product-moment Correlation Co-efficient ($p > 0.05$) as shown in Table 4.9 confirmed a weak correlation between positive morale, committed employees and perceiving ZFC Limited as a better place to work in the manufacturing sector. Kuvaas (2006) as cited by Zafar, Ishaq, Shoukat and Rizwan (2014:53) highlight that when the organisation fulfils the employee's reward expectations, employee morale and loyalty is enhanced. This is further supported by the concept of reciprocity, which acknowledges that employees will reciprocate good pay and bonus with loyalty and positive behaviours (Nujjoo and Meyer, 2012:8).

4.4.7 HYPOTHESIS 7

- H₇ There is a significant relationship between being motivated by financial/extrinsic rewards and the perception that ZFC Limited is a better place to work in the manufacturing sector.

TABLE 4.10 Being motivated by financial rewards and the perception that ZFC Limited is a better place to work in the manufacturing sector (n = 98)

Statement 6.3 and 7.11	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	39.113 ^a	12	.000
Likelihood Ratio	36.781	12	.000
Fisher's Exact Test	31.360		.000
Linear-by-Linear Association	18.202 ^c	1	.000
Number of Valid Cases	98		
Spearman's Rank Order Correlation Co-efficient	0.71015		

*Pearson Chi-Square = 39.113^a, df = 12, Cut-off parameter: Pearson's significance ($p < 0.05$). Spearman (r_s) = 0.71015, Cut-off parameter: Spearman's significance ($r_s > 0.7$); Fisher's Exact test = 31.360, Cut-off parameter: Fisher's significance ($p < 0.05$).

According to Table 4.10 above, the Fisher's Exact test result ($p < 0.05$), the Pearson's Chi-Square test ($p < 0.05$) and Spearman's Rank Order Correlation Co-efficient ($r > 0.7$) revealed a significant relationship. This implies that there is a significant relationship between being motivated by financial rewards and perceiving ZFC Limited as a better place to work in the manufacturing sector. A study conducted by the Society of Human Resource Management (SHRM) in 2009 concluded that 60% of employees would leave if they were offered better benefits by another organisation. Furthermore, Ekpudu and Ojeifo (2014:90) affirm that the effects of financial rewards on employee motivation in Less Economically Developed Countries (LEDs) are significant as they are characterised by poor remuneration and high family, societal and political financial demands. A study by Yousaf, *et al.* (2014:1785) in the Astro Packaging Plastiflex films company found that extrinsic rewards which include pay/salary, bonus and fringe benefits were vital in enhancing employee motivation.

4.4.8 HYPOTHESIS 8

H₈ There is a significant relationship between being motivated by fringe benefits and employees' overall satisfaction with financial rewards.

TABLE 4.11 Being motivated by fringe benefits and employees' overall satisfaction with financial rewards (n = 98)

Statement 6.1 and 6.8	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	56.167 ^a	16	.000
Likelihood Ratio	56.446	16	.000
Fisher's Exact Test	53.517		.000
Linear-by-Linear Association	28.041 ^c	1	.000
Number of Valid Cases	98		
Spearman's Rank Order Correlation Co-efficient	0.76723		

*Pearson Chi-Square = 56.167^a, df = 16, Cut-off parameter: Pearson's significance ($p < 0.05$). Spearman (r_s) = 0.76723, Cut-off parameter: Spearman's significance ($r_s > 0.7$).

The Pearson's Chi-Square test result ($p < 0.05$) and the Spearman's Rank Order Correlation Co-efficient ($r_s > 0.7$) as depicted in Table 4.11 revealed that there was a significant relationship between being motivated by fringe benefits and employees' overall satisfaction with financial rewards. Fringe benefits are aimed at motivating employees so that moral, economic and productivity aspects such as improved health, work-life balance and financial protection are satisfied (Phillips and Gully, 2014:353). The Fisher's Exact test result ($p < 0.05$) as shown in Table 4.11 affirmed that there was a significant correlation between being motivated by fringe benefits and employees' overall satisfaction with financial rewards. A study by Arnolds and Venter (2007:19)

found that indirect monetary rewards were vital motivators of job performance in the manufacturing and retailing sector of South Africa. Moreover, the provision of benefits ensures that employees' physiological and security needs are met (Ernst and Latham, 2006:182). Hafiza, Shah, Jamsheed and Zaman (2011:332) found that fringe benefits were the most significant reward in motivating employees, as well as efficiency in non-profit organisations in Pakistan.

4.4.9 HYPOTHESIS 9

H₉ There is a significant relationship between being satisfied with financial rewards and the extent to which ZFC Limited is interested in the feelings of its employees.

TABLE 4.12 Satisfaction with financial rewards and the perception that ZFC Limited is interested in the feelings of its employees (n = 98)

Statement 7.8 and 6.1	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	50.070 ^a	16	.000
Likelihood Ratio	33.777	16	.006
Linear-by-Linear Association	15.846 ^c	1	.000
Number of Valid Cases	98		
Spearman Rank Order Correlation Co-efficient	0.78233		
Pearson's Product-moment Correlation Co-efficient	0.391		.000

*Pearson Chi-Square = 50.070^a, df = 16, Cut-off parameter: Pearson's significance (p<0.05). Spearman (r_s) = 0.78233, Cut-off parameter: Spearman's (r_s>0.7); Pearson's Product-moment Correlation Co-efficient = 0.391, Significance (p<0.05).

According to Table 4.12 above, the Pearson's Chi-Square test revealed that $p < 0.05$ and Spearman's Rank Order Correlation Co-efficient revealed a value of ($r_s > 0.7$) and were hence highly significant. There is a significant relationship between satisfaction with financial/extrinsic rewards and the perception that ZFC Limited was interested in the feelings of its employees. Furthermore, the Pearson's Product-moment Correlation Co-efficient ($p < 0.05$) as illustrated in Table 4.12 revealed that there was a direct proportional relationship between satisfaction with financial rewards and the perception that ZFC Limited was interested in the feelings of its employees. This implies that the more ZFC Limited takes care of its employees, the more acceptable financial rewards are accepted, and vice versa. When rewards are unfair and inappropriate, employees feel invaluable and experience frustration, resulting in them not exerting the necessary effort required for the attainment of organisational objectives (Slatten, 2010:323). The absence of feelings for joy or happiness have a negative impact on organisational outcomes. The input of employees must be valued since high performers are well valued and in turn contribute to the effectiveness of the organisation. According to Snelgar, Renard and Venter (2013:12), rewards represent the value and importance that organisations attach to employees.

4.4.10 HYPOTHESIS 10

H₁₀ There is a significant relationship between fair financial reward increase and satisfaction with financial rewards.

TABLE 4.13 Fair financial reward increases and employee satisfaction with financial rewards (n = 98)

Statement 6.1 and 6.2	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	97.705 ^a	16	.000
Likelihood Ratio	65.120	16	.000
Fisher's Exact Test	62.534		.000
Linear-by-Linear Association	29.035 ^b	1	.000
Number of Valid Cases	98		
Pearson's Product-moment Correlation Co-efficient	0.573		.000

*Pearson Chi-Square = 97.705^a, Cut-off parameter: Pearson's significance ($p < 0.05$); Pearson's Product-moment Correlation Co-efficient (r_{98}) = 0.573, Cut-off parameter: Pearson's significance ($p < 0.05$).

The Pearson's Chi-Square test result ($p < 0.05$) and the Fisher's Exact test result ($p < 0.05$) as depicted in Table 4.13 show a significant relationship between fair financial reward increases and satisfaction with financial or extrinsic rewards. The Pearson's Product-moment Correlation Co-efficient ($p < 0.05$) also revealed a moderately significant correlation between fair reward increases and employee satisfaction with extrinsic or financial rewards. According to Ali and Akram (2012:45), offering fair financial rewards has a significant positive effect on employee motivation and satisfaction. Adam's Equity theory states that employees are motivated if they are treated fairly or equitably (Armstrong, 2013:179). Rasch and Szytko (2013:66) postulate that fairness through enhancing motivation, engagement, retention and satisfaction with personal lives impacts directly on work and life outcomes.

4.4.11 HYPOTHESIS 11

H₁₁ There is a significant relationship between being motivated by fringe benefits and the perception that ZFC Limited is a better place to work in the manufacturing sector.

TABLE 4.14 **Being motivated by fringe benefits and the perception that ZFC Limited is a better place to work in the manufacturing sector (n = 98)**

Statement 6.8 and 7.11	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	40.702 ^a	12	.000
Likelihood Ratio	36.906	12	.000
Fisher's Exact Test	31.066		.000
Linear-by-Linear Association	22.340 ^c	1	.000
Number of Valid Cases	98		

*Pearson Chi-Square = 40.702^a, df = 12, Cut-off parameter: Pearson's significance ($p < 0.05$). Spearman (r_s) = 0.73008, Cut-off parameter: Spearman's significance ($r_s > 0.7$).

The Pearson's Chi-square test result ($p < 0.05$) and the Spearman's Rank Order Correlation Co-efficient ($r_s > 0.7$) as illustrated in Table 4.14 above showed a significant relationship between being motivated by fringe benefits and perceiving ZFC Limited as the most preferable place to work in the manufacturing sector. Armstrong (2015:31) affirms that in order for fringe benefits as well as the entire remuneration package to motivate, it has to be internally equitable and externally competitive. In order for fringe benefits to be effective in influencing employee behaviour and attitudes, they have to be valued and perceived positively. A study by Hussein (2011:43) on the awareness

and perceptions of fringe benefits packages in Tanzania concluded that fringe benefits were vital in attracting and retaining good brains/talent as they satisfied or responded to specific individual needs of diverse employees, thus keeping employees motivated.

4.4.12 HYPOTHESIS 12

H₁₂ There is a significant relationship between being motivated by financial rewards and receiving competitive financial rewards.

TABLE 4.15 Competitive financial rewards and being motivated by financial rewards (n = 98)

Statement 6.3 vs 6.10	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	50.538 ^a	16	.000
Likelihood Ratio	42.985	16	.000
Linear-by-Linear Association	12.363 ^c	1	.000
Number of Valid Cases	98		
Pearson's Product-moment Correlation Co-efficient	0.321		0.001

*Pearson Chi-Square = 50.538^a, df = 16, Cut-off parameter: Pearson's significance ($p < 0.05$). Pearson's Product-moment Correlation Co-efficient (r_{98}) = 0.321, Cut-off parameter: Significance ($p < 0.05$).

Table 4.15 reveals that the Pearson's Chi-Square test result ($p < 0.05$) produced a significant result. The Pearson's Product-moment Correlation Co-efficient ($p < 0.05$) revealed that competitive financial rewards were directly related to being motivated by financial rewards. Harunavamwe and Kanengoni (2013:3929) highlight that competitive remuneration is vital in ensuring a motivated workforce. According to

Kawara (2014:4), employees feel appreciated or valued if their rewards are based on market rates. Reid and Silver (2003:418) concur that it is of paramount importance for organisations to consider local and national wage scales, as well as regularly updating their wage and benefit practices. Philpot (2008) cited by Nazir, Shah and Zaman (2012:3049) acknowledge that offering salaries and fringe benefits that are affordable, competitive and which motivate employees, is a challenge for most organisations.

Studies by Kassa (2015:18) on employee motivation and retention in a Mineral Water Factory in Ethiopia and by Samuel and Chipunza (2009:412) in private and public organisations in South Africa both concluded that a competitive salary is a key factor in ensuring employee motivation and retention. Moreover, a study by Narsee (2012:122) on reward preferences found that a competitive salary coupled with other competitive benefits enabled employees to satisfy various needs. Furthermore, Limaye and Sharma (2012:8) postulate that offering competitive rewards will make employees increase their performance and perceive that their capabilities, efforts and contribution have been fairly rewarded. Competitive remuneration has a significant positive impact on employee dignity and stability, as well as on organisational effectiveness (Kawara, 2014:2).

4.4.13 HYPOTHESIS 13

H₁₃ There is a significant relationship between being motivated by financial rewards and the involvement of employees in the achievement of the organisation's vision, mission and objectives.

Table 4.16 Employee involvement in the achievement of the vision, mission and objectives and being motivated by financial rewards (n = 98)

Statement 6.3 and 7.2	Value	df	Asymptotic Significance (2-sided)
Pearson's Chi-Square Test	34.015 ^a	16	.005
Likelihood Ratio	31.419	16	.012
Linear-by-Linear Association	.271	1	.602
Fisher's Exact test			.015
Number of Valid Cases	98		

*Pearson Chi-Square = 34.015^a, df = 16, Cut-off parameter: Pearson's significance ($p < 0.05$). Fisher's Exact test ($p < 0.05$).

According to Table 4.16, the Fisher's Exact test result ($p < 0.05$) and the Pearson's Chi-Square test result ($p < 0.05$) both showed a significant correlation between the involvement of employees in the achievement of the vision, mission and organisational objectives and employees being motivated by financial rewards. According to the Goal attainment model, organisational effectiveness is measured by the extent to which the organisation attains its objectives. Nizam and Shah (2015:9) affirm that organisations that offer high financial rewards are likely to be more motivating than others. Emeka, Amaka and Ejim (2015:3) postulate that a motivated employee directs attention and effort towards the attainment of goals and objectives. A motivated workforce is productive and contributes to the efficiency and effectiveness of the organisation (Shukla, 2012:432). A study by Nizam and Shah (2015:14) in the oil and gas sector in Pakistan concluded that a motivated workforce contributed to the effectiveness of the organisation.

4.5 LIMITATIONS OF THE STUDY

The researcher encountered minimal limitations during the investigation. During data collection, some respondents were afraid to participate in the study as they feared victimisation. This was mainly due to a lack of trust which may be attributed to the volatile political situation in Zimbabwe. However, the Human Resources Department at ZFC Limited played a significant role in ensuring the success of the investigation.

4.6 CONCLUSION

This chapter highlighted the discussion of the findings and linked the results with relevant literature. The results of the study are presented through descriptive analyses. Thirteen hypotheses were tested using the Social Package for Social Sciences (SPSS) Version 24.0 for Windows. Furthermore, the researcher used a variety of non-parametric tests to enhance an in-depth analysis of the findings, which included Pearson's Product-moment Correlation Co-efficient, Spearman's Rank Order Correlation Co-efficient, Pearson's Chi-Square, Fisher's Exact test, Mann-Whitney and Wilcoxon Rank Sum test. This study was an in-house investigation and the results of the study can only be generalised to all employees at ZFC Limited. As this was an in-house investigation at ZFC Limited in Zimbabwe, the results cannot be generalised to other similar organisations or sectors in Zimbabwe as situational factors may differ. The next chapter focuses on the conclusions and recommendations arising from the analysis of the data, as well as the directions for future research.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter reports on the conclusions of the study and provides pertinent recommendations for the study. The purpose of the study was to investigate the effect of extrinsic/financial rewards on employee motivation and organisational effectiveness. ZFC Limited in Zimbabwe was used as a case study for this in-house investigation. Furthermore, this study seeks to contribute knowledge on the role of direct and indirect monetary rewards in influencing employee behaviour and organisational outcomes. A quantitative methodology was adopted which entailed a structured questionnaire (Annexure B) being distributed to the sample respondents. The researcher expresses gratitude to the management of ZFC Limited for granting permission to conduct the study. In addition, the researcher appreciates the support that was given by the Human Resources Department at ZFC Limited in distributing and collecting the questionnaires. The personal method of distributing and collecting questionnaires was successful in ensuring a high response rate of 70%.

The responses that were collected were captured to form a data set and were analysed using the Software Package for Social Sciences (SPSS) Version 24 for Windows. Moreover, the researcher discussed the findings through descriptive and inferential techniques. Thirteen hypotheses were developed and a variety of non-parametric tests were used in testing the relationship between the variables. The findings of this study were used to derive recommendations for this study.

5.2 CONCLUSION

The importance of human capital in the 21st century has necessitated the imperative of ensuring a motivated workforce. A failure to motivate employees creates polarity between individual and organisational needs. Direct and indirect monetary rewards have a substantial impact on influencing human behaviour. The main aim of this study was to examine the impact of extrinsic rewards on employee motivation and organisational effectiveness. After a rigorous analysis, major findings emerged from the study. These findings were supported by a variety of authors and literature. Salaries, bonuses and transport allowances were among the top financial rewards at ZFC Limited. It is vital for ZFC Limited to remunerate employees timeously in order to ensure that employees are motivated. Furthermore, the study concludes that financial rewards are imperative in influencing employee behaviour as well as organisational outcomes. The study shows how to enhance employee motivation and also generate strategies that should be adopted when resolving related issues. The findings of this study may not be generalised to other companies in the Zimbabwean manufacturing sector as it was an in-house investigation and situational factors may be different.

5.3 RECOMMENDATIONS

It is vital to keep employees at ZFC Limited motivated in order to improve the organisation's efficiency and effectiveness. The researcher made the following recommendations basing on the empirical findings of the study:

5.3.1 OFFERING COMPETITIVE FINANCIAL/EXTRINSIC REWARDS

It is recommended that top management offer competitive monetary/financial rewards to employees. Competitive extrinsic rewards are visible and powerful in encouraging employees to engage in positive behaviours that impact on organisational outcomes.

Armstrong (2007:113) says that a job is worth what the market says its worth. It is recommended that top management establish salary grades, pay ranges and conduct compensation surveys in order to ensure that their salaries are at or above the market rate. Offering competitive financial rewards enhances retention, cohesiveness, saves training and development costs and attracts talent, thus exponentially benefiting the organisation. Moreover, offering competitive financial rewards is key as employees are the only asset that appreciates in value through time via skills, knowledge and experience acquisition.

5.3.2 TIMEOUSLY REWARDING EMPLOYEES

It is suggested that top management at ZFC Limited should always remunerate their employees on time. This implies that pay dates must be consistent and not too late as this will negatively affect the morale of employees. Timeously paying salaries and bonuses prevents frustration and encourages employees to repeat engaging in positive behaviours. In addition, through timeous pay, employees are reminded of organisational expectations and that the organisation values their contribution to its success. Moreover, timeously remunerating employees allows employees to plan in advance and also to satisfy their physiological needs.

5.3.3 INCREASING FINANCIAL REWARDS

Top management at ZFC Limited in Zimbabwe should increase the financial rewards of general employees. Salaries should be increased regularly in accordance with the Consumer Price Index (CPI) to ensure that employees are satisfied. Financial rewards are the most appealing in difficult economic times and they play a significant role in satisfying the physiological and security needs of employees. Increasing financial rewards has the potential to drive positive employee behaviours. A good salary has an effect on the brand of the organisation as employees directly interact with

customers. It is important to note that a low salary has been found to be one of the major causes of stress amongst employees.

5.3.4 ADOPTING PAY-FOR-PERFORMANCE PLANS

Top management at ZFC Limited should consider the use of pay-for-performance plans for all employees, not just for top management, as they have a potential to improve the efficiency and effectiveness of the organisation. Pay-for-performance plans may be adopted by ZFC Limited as they play a major role in motivating employees.

5.3.5 CONSIDERATION OF COMMISSION PAYMENTS

Top management at ZFC Limited should consider paying its employees based on its revenue or generated profit. This is because each worker contributes to the overall productivity and revenue of the organisation. Commission payments motivate employees to assist the organisation in generating more revenue. Remuneration based on company revenue will ensure that the payroll for ZFC Limited increases or decreases based on the revenue generated. The use of commission payments has the potential to significantly improve transparency, teamwork and the motivation levels of employees.

5.3.6 OFFERING MERIT PAY

It is suggested that top management consider the use of merit pay in motivating and retaining employees. Merit pay is effective in rewarding the effort and contribution made by employees. Furthermore, it is vital in reinforcing positive behaviours that have a direct effect on the efficiency and effectiveness of ZFC Limited in Zimbabwe. When

employees meet with management and discuss merit pay related issues, both parties have an opportunity to raise their concerns, thus strengthening the relationship between the two parties.

5.3.7 EXPANDING THE RANGE OF EMPLOYEE SERVICES

Top management should increase pecuniary benefits such as recreation facilities, health services, childcare facilities and food services. This has the potential of motivating employees and contributing to the effectiveness of the organisation. When the organisation provides essential services to employees, time is saved and more effort and time is spent on work related aspects. Top management may also consider sharing the costs of employee services with employees in order to ensure affordability. It is vital for top management to communicate the availability of employee services to ensure that they are aware of such initiatives. The current era requires organisations to view pecuniary benefits not as fringe benefits, but as an integral component of the organisation's reward package.

5.3.8 THE USE OF FLEXIBLE BENEFIT PLANS

It is recommended that top management at ZFC Limited should use flexible benefit plans which give employees the opportunity to choose their most valuable benefits from a specified menu. The use of an individualised approach to fringe benefits has the potential of significantly impacting on employee motivation as well as attracting top talent. Moreover, allowing employees to choose benefits from a range of alternatives will ensure cost savings. Through flexible benefit plans, employees feel valued and involved in making decisions. Furthermore, flexible benefit plans allow employees to satisfy the needs that they have been failing to meet.

5.3.9 REGULARLY REVIEWING THE REWARD SYSTEM

Top management at ZFC Limited should review the company's reward structure regularly, for instance, annually. It is of paramount importance for every organisation to create time for reviewing the organisation's reward system. A disjointed, inconsistent and unbalanced reward structure negatively impacts on employee motivation, as well as on the efficiency and effectiveness of the organisation. Regularly reviewing the reward system will ensure a good and lucrative compensation package that will positively influence the behaviour of employees towards the attainment of organisational goals. A reward system should support the goals of both the employees and the organisation. Furthermore, regularly reviewing the reward system will allow the organisation to gather information on prevailing reward practices and their effectiveness. This will assist in ensuring that the company's rewards are responsive to changing needs, externally competitive and convergent with the business strategy. Reviewing the reward system also ensures affordability and easy administration.

5.3.10 OFFERING EQUITABLE FINANCIAL REWARDS

It is proposed that top management at ZFC Limited should offer financial rewards that are perceived by employees as fair. In order for financial rewards to be motivating, the entire monetary compensation package needs to be viewed as equitable. When top management is engaging in transparent and honest rewarding, the workforce is motivated to exert more effort. Unfair treatment is corrosive as it results in feelings of frustration and drives employees to engage in counter-productive behaviour. This has devastating implications for the efficiency and effectiveness of the organisation. It is imperative for ZFC Limited to invest in programs that boost internal fairness and equity, such as job evaluation and work valuing initiatives. Perceptions of inequity should also be monitored on a regular basis and measures be implemented if there is deterioration. An equitable reward system minimises risks and enhances loyalty, motivation and the brand of the organisation.

5.3.11 COMMUNICATING THE GOALS OF THE ORGANISATION

It is suggested that top management clearly communicates the goals and objectives of the organisation to all employees. Communicating with employees clearly highlights the organisation's expectations, thereby making the goals visible and accessible. When top management engages in two-way communication, employees become confident in the leadership as well as in engaging in positive behaviours. Two-way communication is vital in enhancing motivation and directing employees towards the attainment of organisational goals. Furthermore, it is vital for ZFC's top management to seek the opinions and thoughts of employees when making decisions. In a globalised world, organisations require not just the traditional communication methods but also the use of a plethora of social media communication platforms.

5.4 DIRECTIONS FOR FUTURE RESEARCH

This investigation proposed tentative recommendations that can be used to enhance employee motivation and organisational effectiveness. In addition, the study highlighted important insights on extrinsic rewards, motivation and organisational effectiveness. This research adopted a quantitative design. Therefore, future research may adopt qualitative paradigms. Future research could focus on all the firms that manufacture fertilizers in Zimbabwe as this was an in-house investigation. Moreover, research may be expanded to the entire Zimbabwean manufacturing sector, as well as other sectors in the economy such as tourism, mining, banking, retail, education and agriculture. Future research could also focus on a comparative analysis between countries on the role of extrinsic rewards in influencing employee behaviour.

BIBLIOGRAPHY

Aamodt, M.G. (2013). *Applying psychology to work*. 7th Edition. London: Wadsworth Cengage Learning.

Aarabil, M., Subramaniam, I.D. and Akeel, A.B.A.A.B. (2013). Relationship between motivational factors and job performance of employees in Malaysian Service Industry. *Asian Social Science*, 9 (9): 301:310.

Agarwal, B.L. (2006). *Basic statistics*. 4th Edition. New Delhi: New Age International Private Limited Publishers.

Aguinis, H., Joo, H. and Gottfredson, R.K. (2013). What monetary rewards can do and cannot do: How to show employees the money. *Business Horizons*, 56 (1): 241-249.

Agwu, M. (2013). Impact of fair reward system on employees' job performance in Nigerian Agip Oil Company Limited Port-Harcourt. *British Journal of Education, Society & Behavioural Science*, 3 (1): 47-64.

Akanbi, P.A. (2011). Influence of extrinsic and intrinsic motivation on employees' performance. *International Journal of Business*, 1 (3): 1-14.

Aktar, S., Sachu, M.K. and Ali, E.M. (2012). The impact of rewards on employee performance in commercial banks of Bangladesh: An empirical study. *Journal of Business and Management*, 6 (2): 9-15.

Alasuutari, P., Bickman, L. and Brannen, J. (2008). *The SAGE Handbook of Social Sciences Methods*. Berkshire: McGraw-Hill Education.

Ali, R. and Ahmed. M. (2009). The impact of reward and recognition programs on employee's motivation and satisfaction: An empirical study. *International Review of Research Papers*, 5 (4): 270-279.

Alinatwe, H., Mwakali, J.A. and Hansson. (2009). Organisational effectiveness of Ugandan building firms as viewed by craftsmen. *Journal of Civil Engineering and Management*, 15 (3): 281-288.

Allred, S.B. and Ross-Davis. (2011). The drop-off and pick-up method: An approach to reduce non-response bias in natural resource surveys. *Small scale forestry*, 10 (1): 305-318.

Amah, E. and Ahiauzu, A. (2013). Employee involvement and organisational effectiveness. *Journal of management development*, 32(7): 661-674.

Amos, T., Ristow, A. and Ristow, L. (2004). *Human Resource Management*. 2nd Edition. Cape Town: Juta.

Anderson, B. and Geldenhuys, D.J. (2011). The relationship between absenteeism and employer-sponsored child care. *Southern African Business Review*, 15 (3): 21-45.

Anderson, N., Ones, D.S., Sinangil, H.K. and Viswesvaran, C. (2001). *Handbook of Industrial work and organisational psychology: Personnel psychology*. London: SAGE Publications Limited.

Anderson, V. (2004). *Research methods in human resource management*. London: Chartered Institute of Personnel and Development.

Anderson, V. (2013). *Research methods in Human Resource Management*. 3rd Edition. London: Chartered Institute of Personnel and Development.

Andres, L. (2012). *Designing & doing survey research*. London: SAGE Publications Limited.

Anku-Tsedde, O. (2013). Total reward concept: A key motivational tool for corporate Ghana. *Business and economic research*, 3(2): 173-182.

Armstrong, M. (2007). *A handbook of employee reward management and practice*. London: Kogan Page.

Armstrong, M. (2014). *Armstrong's handbook of Human Resource Management Practice*. 13th Edition. London: Kogan Page Limited.

Armstrong, M. and Murlis, A. (2004). *Reward management: A handbook of remuneration strategy and practice*. London: Kogan Page.

Armstrong, M. and Stephens, J. (2005). *A handbook of employee reward management and practice*. London: Kogan Page Limited.

Arnolds, C.A. and Venter, D.J.L. (2007). The strategic importance of motivational rewards for lower-level employees in the manufacturing and retailing industries. *SA Journal of Industrial Psychology*, 33 (3): 15-23.

Ashraf, G. and Kadir, S.B. (2012). A review on the models of organisational effectiveness: A look at Camron's Model in Higher Education. *International Education Studies*, 5 (2): 80-87.

Asthana, H.S. and Brushan, B. (2016). *Statistics for social sciences (with SPSS Applications)*. Delhi: PHI Learning Private Limited.

Ayiro, L.P. (2012). *A functional approach to educational research methods and statistics: Qualitative, Quantitative and Mixed Methods approaches*. New York: Edwin Press.

Babbie, E. (2008). *The basics of social research*. 4th Edition. California: Thomson Wadsworth.

Babbie, E., Halley, F.S., Wagner III, W.E. and Zaino, J. (2013). *Adventures in social research: Data analysis using IBM SPSS Statistics*. London: SAGE Publications Limited.

Babbie, E. (2011). *The basics of social research*. 5th Edition. California: Thomson Wadsworth.

Badenhorst-Weiss, J.A., Cant, M.C., du Toit, G.S., Erasmus, B.J., Grobler, P.A., Kruger, L.P., Machado, R., Marx, J., Mpofu, R., Rudansky-Kloppers, S., Steenkamp, K. and Strydom, J.W. (2007). Editors: du Toit, G.S., Erasmus, B.J. and Strydom, J.W. **In:** *Introduction to business management*. 7th Edition. Cape Town: Oxford University Press Southern Africa.

Bagraim, J., Potgieter, T., Viedger, C. and Werner, A. (2003). Editor: Schultz, H. **In:** *Organisational Behaviour: A contemporary South African perspective*. Pretoria: Van Schaik Publishers.

Baldwin, S. (2007). *Motivating staff*. Online. Available from: https://www.virtuallabschool.org/sites/all/files/MG.Hea_1.Environments_A2_MotivatingStaff.pdf. Date accessed: 15 March 2016.

Banfield, P. and Kay, R. (2008). *Introduction to human resource management*. New York: Oxford University Press.

Bauer, T. and Erdogan, B. (2012). *An introduction to organisational behaviour*. New York: Flat World Knowledge.

Bell, J. (2010). *Doing your research project: A guide for first-time researchers in education, health and social science*. 5th Edition. Berkshire: McGraw-Hill Education.

Bergh, Z.C and Theron, A.L. (2009). *Psychology in the work context*. 4th Edition. Cape Town: Oxford University Press Southern Africa.

Bernadin, H.J. and Russell, J.E.A. (2013). *Human Resource Management: An experiential approach*. 6th Edition. New York: Mc-Graw Hill.

Best, S. (2012). *Understanding and doing successful research: Data collection and analysis for social sciences*. Essex: Pearson Education Limited.

Bhattacharyya, D.K. (2006). *Human Resource Management*. 2nd Edition. New Delhi: Anurag Jain for "Excel books".

Bhatti, K.K. and Qureshi, T.M. (2007). Impact of employee participation on job satisfaction, employee commitment and employee productivity. *International review of business research papers*, 3(2): 54-68.

Billings, D.M. and Halstead, J.A. (2012). *Teaching in Nursing: A Guide for Faculty*. 4th Edition. Missouri: Elsevier Saunders.

Blaxter, L., Hughes, C. and Tight, M. (2010). *How to research*. 4th Edition. New York: McGraw-Hill Education.

Bloisi, W. (2007). *An introduction to human resource management*. Berkshire: McGraw-Hill Education.

Bloisi, W., Cook, C.W. and Hunsaker, P.L. (2007). *Management and Organisational Behaviour*. Berkshire: McGraw-Hill Education.

Boachie-Mensah, F. and Dogbe, O.D. (2011). Performance based pay as a motivational tool for achieving organisational performance: An exploratory case study. *International journal of business and management*, 6(12): 270-285.

Bohlander, G. and Snell, S. (2004). *Managing Human Resources*. 13th Edition. New York: Thomson South Western.

Bolarinwa, O.A. (2015). Principles and methods of validity and reliability testing of questionnaires used in social and health service researchers. *Nigerian Postgraduate Medical Journal*, 22(4): 195-201.

Boselie, P. (2014). *Strategic Human Resource Management: A balanced approach*. 2nd Edition. Berkshire: McGraw-Hill Education.

Boumans, N.P., Janssen, S.M. and de Jong, A.H. (2011). Age differences in work motivation. The influence of age on the relationships between work characteristics and workers' outcomes. *International Journal of Aging & Human Development*, 73(4): 331-350.

Bowditch, J.L. and Buono, A.F. (2001). *A primer on organisational behaviour*. 5th Edition. New York: John Wiley & Sons, Inc.

Bradler, C., Dur, R., Neckermann, S. and Non, A. (2013). *Employee recognition and performance: A field experiment*. Online. Available: https://www.uis.no/getfile.php/Forskning/Bilder/09%20%C3%98konomi/Dur%20Scarcity180528_withauthors.pdf. Date accessed: 22 November 2016.

Brevis-Landsberg, B., Kruger, L.P., Steenkamp, R., Cant, M.C., Marx, J., Badenhorst-Weiss, J.A., Vrba, M. and Machado, R. (2013). Editors: Erasmus, B.J., Strydom, J.W. and Rudansky-Kloppers, S. **In:** *Introduction to business management*. 9th Edition. Cape Town: Oxford University Press Southern Africa.

Bryman, A. (2012). *Social research methods*. 4th Edition. New York: Oxford University Press.

Brynard, D.J., Hanekom, S.X. and Brynard, P.A. (2014). *Introduction to research*. 3rd Edition. Pretoria: Van Schaik Publishers.

Burke, R.J. and Cooper, C.L. (2008). *Building more effective organisations: HR Management and performance in practice*. New York: Cambridge University Press.

Burton, E. (2009). *Organisational Effectiveness in Selected Grass Roots Sport Clubs in Western Australia*. Unpublished Master's Thesis. Faculty of Business and Law. Edith Cowan University: University Press.

Bussin, M. and Toerien, W.C. (2015). Influence of reward preferences in attracting, retaining and motivating knowledge workers in South African Information Technology companies. *Acta Commerci*, 15(1): 1-13.

Bustamam, F.L., Teng, S.S. and Abdullar, F.Z. (2014). Reward management and job satisfaction among frontline employees in the hotel industry Malaysia. *Procedia-Social and Behavioural Sciences*, 144 (2014): 392-402.

Butler, M. and Rose, E. (2011). *Introduction to organisational behaviour*. London: Chartered Institute of Personnel and Development.

Carell, M. and Heavrin, C. (2014). *Labour relations & Collective Bargaining: Private and Public Sectors*. 10th Edition. London: Pearson Education Limited.

Catania, R. (2013). The relationship between age and intrinsic and extrinsic motivation with in a Maltese cultural context. *International journal of Arts & Sciences*, 6(2): 31-45.

Chandler, C.I.R., Chanya, S., Mtei, F, Reyburn, H. and Whitty, C.J.M. (2009). Motivation, money and respect: A mixed-method study of Tanzanian non-physician clinicians. *Social Science and Medicine*, 68 (11): 2078-2088.

Chang, W.J.A. and Huang, T.C. (2010). The impact of human resource capabilities on internal customer satisfaction and organisational effectiveness. *Total Quality Management and Business Excellence*, 21 (6): 633-648.

Chenoweth, D. (2011). *Promoting employee well-being: Wellness strategies to improve health, performance and the bottom line*. Online. Available from: <https://www.shrm.org/about/foundation/products/documents/6-11%20promoting%20well%20being%20epg-%20final.pdf>. Date accessed: 15 March 2016.

Chiutsi, N. (2014). Government debts choke local companies' sustainability. Online. Available: <http://www.sundaynews.co.zw/govt-debts-choke-local-companies-sustainability/>. Date accessed: 13 December 2016.

Coghlan, D. and Brydon-Miller, M. (2014). *The SAGE encyclopedia of action research: Quantitative methods*. London: SAGE Publications Limited.

Cohen, L., Manion, L. and Morrison, K. (2005). *Research methods in education*. 5th Edition. New York: RoutledgeFalmer.

Condrey, S.E. (2010). *Handbook of Human Resource Management in Government*. 3rd Edition. San Francisco: John Wiley & Sons, Inc.

Confederation of Zimbabwe Industries (CZI). (2000). *The Annual Confederation of Zimbabwe manufacturing survey*. Online. Available from: <http://www.czi.co.zw/images/Mss/2012.pdf>. Date accessed: 7 July 2015.

Corti, L., Eynden, V.V., Bishop, L. and Woollard, M. (2014). *Managing and sharing research data: A guide to good practice*. London: SAGE Publications Limited.

Cowan, D. (2009). *Research Issues in Health and Social Care*. Cumbria: M & K Publishing.

Crawshaw, J.R., Budhwar, P. and Dans, A. (2014). *Human Resource Management: Strategic & International perspectives*. London: SAGE Publications Limited.

Creed, A. (2011). *Organisational Behaviour*. Melbourne: Oxford University Press.

Curtis, E. and Drennan, J. (2013). *Quantitative Health Research: Issues and Methods*. Maidenhead: McGraw-Hill Education.

Curtis, E. and Drennan, J. (2013). *Quantitative health research: Issues and methods*. Berkshire: McGraw Education.

Danish, R.Q. and Usman, A. (2010). Impact of reward and recognition on job satisfaction and motivation: an empirical study from Pakistan. *International Journal of Business and Management*, 5 (2): 159-167.

David, M. and Sutton, C.D. (2011). *Social Research - An introduction*. 2nd Edition. London: SAGE Publications Limited.

Dawidowicz, P. (2010). *Literature review made easy: A quick guide to success*. Charlotte: Information Age Publishing.

De Simone S. (2015). Expectancy value theory: motivating healthcare workers. *American International Journal of Contemporary Research*, 5 (2): 19-23.

Deeprise, D. (2007). *How to recognise and reward employees: 150 ways to inspire peak performance*. 2nd Edition. New York: AMACOM.

Denscombe, M. 2010. *The good research guide for small-scale social research projects*. 4th Edition. Berkshire: McGraw-Hill Education.

DeSimone, R.L. and Werner, J.M. (2009). *Human Resource Development*. 6th Edition. London: Erin Joyner.

Dessler, G. (2014). *Fundamentals of Human Resource Management*. 3rd Edition. Essex: Pearson Education Limited.

Dhingra, M. and Dhingra, V. (2012). *Research methodology*. New Delhi: Enkay Publishing House.

Dominic, A. and Adejumo, G.O. (2011). *Engaging the climate of commitment among lower cadre employees in an organisation in Lagos State Nigeria: A case study of Nigerian Ports PLC*. Online. Available: <http://www.ilo.org/public/english/iira/documents/congresses/regional/lagos2011/2ndparallel/session2c/lowercadreemployment.pdf>. Date accessed: 30 October 2016.

Drew, C.J., Hardman, M.L. and Hosp, J.L. (2008). *Designing and conducting research in education*. Thousand Oaks: SAGE Publications Limited.

Drost, E.A. (2011). Validity and reliability in social science research. *Education research and perspectives*, 38(1): 105-123.

Dugguh, S.I. (2014). Using motivation theories to enhance productivity in cement manufacturing companies in Niigeria: An overview. *The International Journal of Social Sciences*, 20 (1): 17-24.

Durand, M.A. and Chantler, T. (2014). *Understanding Public Health: Principles of social research*. 2nd Edition. New York: McGraw-Hill Education.

Ekermans, G., Moerdyk, A., Schoombee, C., Swanepoel, S. and Aardt, P. (2006). *Human Resource Management*. Cape Town: Pearson Education South Africa.

Ekpudu, J.E. and Ojeifo, S.A. (2014). Financial incentives and rewards on employee motivation in the Nigerian Electricity Distribution Company. *European Journal of Business and Management*, 6(2): 89-95.

Emeka, N., Amaka, O. and Ejim, E.P. (2015). The effect of employee motivation on organisational performance of selected manufacturing firms in Enugu state. *World Journal of Management and Behavioural Studies*, 3(1): 1-8.

Eshak, E.S., Jidi, M.M. and Zakirai, N. (2015). *Relationship between motivation and employee performance at private Healthcare, Malacca*. Online. Available: <https://worldconferences.net/proceedings/icssr2015/full%20paper/IC%20037%20RELATIONSHIP%20BETWEEN%20MOTIVATION%20AND%20EMPLOYEE%20PERFORMANCE%20AT%20PRIVATE%20HEALTHCARE,%20MALACCA.pdf>. Date accessed: 23 November 2016.

Fareed, Z., Abidan, Z.U., Shahzad, F., Amen, U. and Lodhi, R.N. (2013). The impact of rewards on employee's job performance and job satisfaction. *Management and Administrative Sciences Review*, 2(5): 431-442.

Farquhar, J.D. (2012). *Case study: Research for business*. London: SAGE Publications Limited.

Fouka, G. and Mantzorou, M. (2011). What are the major ethical issues in conducting research? Is there a conflict between the research ethics and the nature of nursing? *Health Science Journal*, 5(1): 3-14.

Fox, W. and Bayat, M.S. (2007). *A guide to managing research*. Cape Town: Juta & Company Limited.

Galanou, E., Georgakopoulos, G., Sotiropoulos, I. and Dimitris, V. (2010). The effect of reward system on job satisfaction in an organisational chart of four hierarchical levels: A qualitative study. *Canadian social science*, 6(5): 102-123.

Ghazanfar, F., Chuanmin, S., Khan, M.M. and Bashir. M. (2011). A study of relationship between satisfaction with compensation and work motivation. *International Journal of Business and Social Science*, 2 (1): 120-131.

Gibson, J.L., Ivancevich, J.M., Donelly, J.H. and Konopaske, R. (2012). *Organisations: Behaviour, Structure, Processes*. 14th Edition. New York: McGraw-Hill.

Gilbert, N. (2008). *Researching Social Life*. 3rd Edition. London: SAGE Publications Limited.

Gkorezis, P. and Petridou, E. (2012). The effect of extrinsic rewards on public and private sector employees' psychological empowerment: A comparative approach. *The International Journal of Human Resource Management*, 23 (17): 3596-3612.

Goering, E.M. and Anton, M. (2015). *Understanding patient's voices: A multi-method approach to Health Discourse*. Amsterdam: John Benjamin's Publishing.

Goffee, R. and Jones, G. (2013). Creating the best workplace on earth. *Havard business review*, 91(5): 98-106.

Gohari, P., Ahmadloo, A., Boroujeni, M.B. and Hosseinipour, S.J. (2013). The relationship between rewards and employee performance. *Interdisciplinary Journal of Contemporary Research in Business*, 5 (3): 543-570.

Gomm, R. 2009. *Key concepts in social research methods*. London: Palgrave Macmillan.

Gorard, S. (2013). *Research Design: Creating robust approaches to the social sciences*. New York: SAGE Publications Limited.

Grawitch, M.J. and Barber, L.K. (2009). *Are you focusing on both employee and organisational outcomes?* Online. Available from: http://www.slu.edu/Documents/professional_studies/OHI-Focusing%20on%20Employee%20and%20Org%20Outcomes.pdf. Date accessed: 2 October 2015.

Gray, D.E. (2009). *Doing Research in the Real World*. 2nd Edition. London: SAGE Publications Inc.

Gray, D.E. (2014). *Doing research in the real world*. 3rd Edition. London: SAGE Publications Limited.

Greasley, P. (2008). *Quantitative data analysis using SPSS: An introduction for health & social science*. Maidenhead: McGraw-Hill Education.

Green, J. and Browne, J. (2005). *Principles of Social Research: Understanding Public Health*. Berkshire: McGraw-Hill Education.

Greenberg, J. (2011). *Behaviour in organisations*. 10th Edition. Harlow: Pearson Education Limited.

Grobler, P.A., Warnich, S., Carell, M.R, Elbert, N.F. and Hatfield, R.D. (2011). *Human Resource Management in South Africa*. 4th Edition. Hampshire: Brendan George.

Gunawan, R.G. and Febrianto, H. (2014). The impact of monetary and non-monetary incentives on employees' motivation in PT XYZ's Finance Function in Surabaya. *iBusiness Management*, 2 (2): 60-69.

Gupta, M. (2014). Employees' satisfaction towards monetary compensation practices. *Global Journal of Finance and Management*, 6 (8): 757-764.

Gurchiek, K. (2013). *Employers serve up food to reward, motivate workers*. Online. Available from: <https://www.shrm.org/publications/hrnews/pages/employers-food-reward-motivate-workers.aspx>. Date accessed: 15 March 2016.

Guthrie, G. (2010). *Basic research methods: An entry to Social Science Research*. New Delhi: SAGE Publications Limited.

Gweshe, E. (2015). *Namibia extends rescue package to Zimbabwe*. Online. Available from: <https://www.newsday.co.zw/2015/03/31/namibia-extends-rescue-package-to-zimbabwe/>. Date accessed: 15 July 2015.

Hafiza, N.S., Shah, S.S. and Jamsheed, H. (2011). Relationship between rewards and employee's motivation in the non-profit organisations of Pakistan. *Business Intelligence Journal*, 4(2): 327-334.

Hameed, A., Ramzan, M., Zubair, H.M.K., Ali, G. and Arslam, M. (2014). Impact of compensation on employee performance (Empirical evidence from banking sector of Pakistan). *International journal of business and social science*, 5(2): 302-309.

Harunavamwe, M. and Kanengoni, H. (2013). The impact of monetary and non-monetary rewards on motivation among lower level employees in selected retail shops. *African Journal of Business Management*, 7 (38): 3929-3935.

Havenga, W., Kleynhans, R., Markham, L. and Aswegen, S.V. (2012). Editor: Aswegen, S.V. **In:** *Introduction to Human Resource Management: Fresh Perspectives*. 2nd Edition. Cape Town: Pearson Education South Africa Private Limited.

Hellriegel, D., Jackson, S.E., Slocum, J., Staude, G., Amos, T., Klopper, H.B., Louw, L. and Oosthizen, T. (2005). *Management*. 2nd Edition. Cape Town: Oxford University Press Southern Africa.

Henn, M., Weinstein, M. and Foard, N. (2009). *A critical introduction to Social Research*. 2nd Edition. Thousand Oaks: SAGE Publications Inc.

Henri, J.F. (2003). *Performance measurement and organisational effectiveness: Bridging the gap*. Unpublished PhD Thesis. School of Accounting. Faculty of Graduate and Postdoctoral Studies. Universite Laval. Canada: University Press.

Hitka, M. and Balazova, Z. (2015). The impact of age, education and seniority on motivation on employees. *Business: Theory and Practice*, 16(1): 113-120.

Hitt, M.A., Miller, C.C. and Corrella, A. (2009). *Organisational Behaviour: A strategic approach*. 2nd Edition. New Jersey: John Wiley & Sons, Inc.

Hodgetts, R.M. and Hegar, K.W. (2008). *Modern Human Relations at work*. 10th Edition. Ohio: Thomson South-Western.

Hong, T.T. and Waheed, A. (2011). Herzberg's motivation-hygiene theory and job satisfaction in the Malaysian retail sector: the mediating effect of love of money. *Asian Academy of Management Journal*, 16 (1): 73-94.

Hosain, M.S., Alauddin, M., Tanvir, S.I. and Sawda, U.S. (2013). Employee motivation in the Non-Government financing companies of Bangladesh. *European Journal of Business and Management*, 5 (12): 121-130.

Hossain, M.K. and Hossain, A. (2012). *Factors affecting employee's motivation in the fast food industry: The case of KFC UK Limited*. Online. Available: <http://ojs.journals.cz/index.php/RJEBI/article/view/223/227>. Date accessed: 22 November 2016.

Huffmire, D.W. and Holmes, J.D. (2006). *Handbook of effective management: How to manage or supervise strategically*. California: Praeger Publishers.

Hussein, A. (2011). Employees' awareness and perceptions of fringe benefit packages: A case study of local and foreign owned companies in Tanzania. *International journal of business and management studies*, 3(2): 43-43.

Ibrah, M., Ahmad, N., Naz, F. and Shafique, M.N. (2015). Exploring relationship among factors of motivation and performance: Analysis from Private Schools in Khyber Pakhtoon Khawa. *European Journal of Business and Management*, 7 (4): 167-172.

Idrees, Z., Xinping, X., Shafi, K., Hua, L. and Nazeer, A. (2015). Effect of salary, training and motivation on job performance of employees. *American journal of business, economics and management*, 3(2): 55-58.

Inceoglu, I., Segers, J. and Bartram, D. (2012). Age-related differences in work motivation. *Journal of Occupational and Organisational Psychology*, 85: 300-329.

Industrial Psychology Consultants. (2014). *Zimbabwe National Employee Engagement Report 2014*. Online. Available from: http://www.ipcconsultants.com/index.php?option=com_k2&view=item&id=227:national-employee-engagement-report-2014&Itemid=435. Date accessed: 7 July 2015.

Islam, M.B. (2012). Factors affecting quality of work-life: An analysis on employees of private Limited companies in Bangladesh. *Global Journal of Management and Business research*, 12 (18): 22-31.

Islam, R. and Ismail, Z.H. (2008). Employee motivation: A Malaysian perspective. *International Journal of Commerce and Management*, 18 (4): 344-362.

Ivancevich, J.M. and Konopaske, R. (2013). *Human Resource Management*. 12th Edition. New York: McGraw-Hill Irwin.

Ivancevich, J.M., Konopaske, R. and Matteson, M.T. (2014). *Organisational behaviour & Management*. 10th Edition. New York: McGraw Hill/Irwin.

Jackson, S.E., Schuler, R.S. and Werner, S. (2009). *Managing Human Resources*. 10th Edition. Ohio: South Western-Cengage Learning.

Jackson, S.L. (2014). *Statistics plain and simple*. 4th Edition. London: Cengage Learning.

Jansen, A. and Samuel, M.O. (2014). Achievement of organisational goals and motivation of middle level managers in the context of the two-factor theory. *Mediterranean journal of social science*, 5(16): 53-59.

Jehanzeb, K., Rasheed, M.F., Rasheed, A. and Aamir, A. (2012). Impact of rewards and motivation on job satisfaction in Banking Sector of Saudi Arabia. *International Journal of Business and Social Science*, 3 (21): 272-278.

Judeh, M. (2011). An examination of the effect of employee involvement on teamwork effectiveness: An empirical study. *International journal of business and management*, 6(9): 202-209.

Jupp, V. (2006). *The SAGE dictionary of social research methods*. London: SAGE Publications Limited.

Juneman, M., Meinarno, E.A. and Rahardjo, W. (2012). Symbolic meaning of money, self-esteem and identification with Pancasila values. *Procedia – Social and Behavioural Sciences*, 65 (2012): 106-115.

Kaman, H.N. (2013). *Fringe benefits effects on employee productivity in the public sector (A case of state Department of Water, Nairobi, Kenya)*. Unpublished Master's Thesis. Kenyatta University: University Press.

Kasenga, F. and Hurtig, A.K. (2014). Staff motivation and welfare in Adventist health facilities in Malawi: A qualitative study. *Health Services Research*, 14(486): 1-9.

- Kassa, T. (2015). Employee motivation and its effect on employee retention in Ambo Mineral Water Factory. *International journal of advance research in computer science and management*, 3(3): 10-21.
- Kaur, A. (2013). Maslow's need hierarchy theory: Applications and criticisms. *Global Journal of Management and Business Studies*, 3 (10): 1061-1064.
- Kawara, P. (2014). Effects of reward system on employee reward systems on employee productivity in Catholic University of Eastern Africa. *International journal of recent research in commerce economics and management*, 1(2): 1-4.
- Keller, T. (2009). *Statistics for management and economics*. 9th Edition. London: South-Western Cengage Learning.
- Khan, A.A. and Ajmal, S. (2015). Role of management in motivating labour to improve labour productivity. *Journal of advanced management science*, 3(3): 179-185.
- Khan, I., Shahid, M., Nawab, S. and Wali, S.S. (2013). Influence of intrinsic and extrinsic rewards on employee performance: The Banking Sector of Pakistan. *Academic Research International: Social Sciences and Humanities*, 4 (1): 282-291.
- Khan, M.T., Khan, N.A., Ahmed, S. and Ali, M. 2012. Connotation of organisational effectiveness and factors affecting it. *International Journal of Business and Behavioural Sciences*, 2 (9): 21-30.
- Khattak, M.A., Iqbal, N. and Khattak, S.K. (2013). Relationship between employees' involvement and organisation performance in Milieu of Pakistan. *International journal of academic research in accounting, finance and management sciences*, 3(1): 219-230.
- Kothari, C.R. (2004). *Research methodology: Methods and Techniques*. 2nd Edition. New Delhi: New Age International.

Kreitner, R. and Kinicki, A. (2008). *Organisational Behaviour*. 8th Edition. New York: Mc-Graw Hill/Irwin.

Kshirsagar, M. and Waghale, V.Y. (2014). Impact of financial and non-financial rewards on employee motivation. *International Research Journal of Management and Commerce*, 1 (6): 61-74.

Kuada, J.E. (2012). *Research Methodology: A project guide for university students*. Frederiksborg: Samfundslitteratur Press.

Kuwaza, K. (2015). *Zimbabwe workers' woes set to worsen*. Online. Available from: <http://www.theindependent.co.zw/2015/02/27/zim-workers-woes-set-worsen/>. Date accessed: 23 November 2016.

Kwenin, D.O., Muathe, S. and Nzulwa, R. (2013). The influence of employee rewards, human resource policies and job satisfaction on the retention of employees in Vodafone Ghana Limited. *European Journal of Business and Management*, 5 (12): 13-20.

Laasko, L. (2012). *Case study: The impact of financial and non-financial rewards on employee motivation*. Unpublished Bachelor's Thesis. Faculty of Technology, Environment and Business. Turku University of Applied Sciences. Finland: University Press.

Lancaster, G. (2005). *Research methods in management: A concise introduction to research in management and business consultancy*. London: Elsevier Butterworth-Heinemann.

Latham, G.P. (2007). *Work motivation: history, theory, research and practice*. Thousand Oaks: SAGE Publications, Inc.

Latham, G.P. and Ernst, C.T. (2006). Keys to motivating tomorrow's workforce. *Human resource management review*, 16(2006): 181-198.

Laussier, N.R. (2005). *Human relations in organisations: Applications and skill building*. New York: Mc-Graw Hill/Irwin.

Lavrakas, P.J. (2008). *Encyclopedia of Survey Research Methods*. Thousand Oaks: SAGE Publications Limited.

Ledford, G.E. and Heneman, H.G. (2011). *Skills based pay*. Online. Available from: <https://www.shrm.org/Research/Documents/SIOP%20-%20Skill-Based%20Pay,%20FINAL.pdf>. Date accessed: 16 March 2016.

Ledford, G.E., Gerhart, B. and Fang, M. (2013). Negative effects of extrinsic rewards on intrinsic motivation: more smoke than fire. *World at Work Journal*, 22 (2): 17-29.

Ledford, G.E. (2014). The changing landscape of employee rewards: observations and prescriptions. *Organisational Dynamics*, 43 (3): 168-179.

Limaye, A. and Sharma, R. 2012. *Rewards and recognition: Make a difference to the talent in your organisation*. Online. Available: http://www.greatplacetowork.in/storage/documents/2012_white_paper_on_rewards_and_recognition.pdf. Date accessed: 30 October 2016.

Loewenthal K.M. and Lewis, A.C. (2015). *An introduction to psychological tests and scales*. 2nd Edition. New York: Psychology Press Limited.

Lucio, M.M. (2014). *International Human Resource Management: An Employment Relations Perspective*. London: SAGE Publications Limited.

Lundberg, C., Gudmundson, A. and Anderson, T.D. (2008). Herzberg two-factor theory of work motivation tested empirically on seasonal workers in hospitality and tourism. *Tourism Management*, 30 (6): 890-899.

Luthans, F. (2005). *Organisational Behaviour*. 10th Edition. New Delhi: McGraw-Hill Education.

Maggetti, M., Gilardi, F. and Radaelli, C.M. (2013). *Designing research in the Social Sciences*. London: SAGE Publications Limited.

Majaka, N. (2014). *Government debt cripples fertilizer firms*. Online. Available from: <https://www.dailynews.co.zw/articles/2014/07/21/gvt-debt-cripples-fertilizer-firms>. Date accessed: 22 January 2016.

Mandizha, T. (2015). *ZFC ready for 2015/16 farming season*. Online. Available from: <https://www.newsday.co.zw/2015/10/26/zfc-ready-for-201516-farming-season/>. Date accessed: 19 February 2016.

Manzoor, A.Q. (2012). Impact of employees' motivation on organisational effectiveness. *Business Management and Strategy*, 3 (1): 1-12.

Markel, R.S. (2010). *Discretionary employee benefits*. Online. Available from: <http://www.shrm.org/education/hrededucation/pages/discretionaryemployeebenefits.aspx>. Date accessed: 18 February 2016.

Martin, J. (2001). *Organisational Behaviour*. 2nd Edition. London: Thomson Learning.

Martocchio, J.J. (2014). *Employee benefits: A primer for human resource professionals*. 5th Edition. New York: McGraw-Hill.

McKay, R.J. (2007). *The Canadian handbook of flexible benefits*. 3rd Edition. Ontario: John & Sons Canada Limited.

McNabb, D.E. (2013). *Research methods in Public Administration and non-profit Management: Quantitative and Qualitative approaches*. 3rd Edition. London: Routledge Taylor & Francis Group.

Mendenhall, W., Beaver, R. and Beaver, B. (2006). *Introduction to probability and statistics*. 12th Edition. London: Thomson Learning.

Meyer, M. and Kirsten, M. (2005). *Introduction to Human Resource Management*. Cape Town: New Africa Book Private Limited.

Mhlanga, P. and Nyakazaya, P. (2015). *Economic downturn to worsen*. Online. Available from: <http://www.financialgazette.co.zw/economic-downturn-to-worsen/>. Date accessed: 19 July 2015.

Ministry of Industry and Commerce. (2011). *Trade and manufacturing sector strategic plan for statistics 2011-2015*. Online. Available from: <http://www.zimstat.co.zw/dmdocuments/trade.pdf>. Date accessed: 10 July 2015.

Mitchell, T.R. and Mickel, A. (1999). The meaning of money: An individual-difference perspective. *Academy of Management Review*, 24(3): 568-578.

Mokaya, S.O. and Gitari, J.W. (2012). Effects of workplace recreation on employee performance: The case of Kenya Utalii College. *International Journal of Humanities and Social Science*, 2 (3): 176-183.

Mondy, R.W. (2008). *Human Resource Management*. 10th Edition. New Jersey: Pearson Education Limited.

Moorhead, G. and Griffin, R.W. (2007). *Organisational behaviour: Managing people and organisations*. 9th Edition. Ohio: Cengage Learning.

Muchinsky, P.M., Kriek, H.J. and Schreuder, D. (2005). *Personnel psychology*. 3rd Edition. Cape Town: Oxford University Press Southern Africa.

Mullins, L.J. (2010). *Management and organisational behaviour*. 9th Edition. Essex: Pearson Education Limited.

Muo, I. (2013). Motivating and managing knowledge workers: evidences from diverse industries and cultures. *Journal of Management and Sustainability*, 3 (2): 119-131.

Muogbo, U.S. (2013). The impact of employee motivation on organisational performance (A case of some selected firms in Anambra State Nigeria). *The International Journal of Engineering and Science*, 2 (7): 70-80.

Mustafa, A. (2013). *Organisational Behaviour*. 2nd Edition. London: Global Professional Limited.

Muzividzi, D.K., Matowanyika, K. and Hosho, N. (2013). How the integrated approach to corporate governance enhances company performance? Case of Delta Beverages. *European Journal of Business and Management*, 5 (13): 82-92.

Narsee, N. (2012). *Comparing the impact of monetary of monetary and non-monetary reward programmes towards employee and organisation motivation*. Unpublished Master's thesis. Gordon Institute of Business Science. University of Pretoria.

Nather, A. (2015). *Planning your research and how to write it: A practical guide for residents*. New Jersey: World Scientific Publishing Company.

Navahandi, A., Denhardt, R.B., Denhardt, J.V. and Aristigueta, M.P. (2015). *Organisational Behaviour*. London: SAGE Publications Limited.

Nazir, T., Shah, S.F.F. and Zaman, K. (2012). Literature review on total rewards: An international perspective. *African Journal of Business Management*, 6(8): 3046-3058.

Nel, J. and de Beer, A. (2014). *Business management: a contemporary approach*. 2nd Edition. Cape Town: Juta.

Nel, P., Werner, A., Botha, C, du Plessis, A., Mey, M., Ngalo, P., Poisat, P. and van Hoek. (2014). Editors: Nel, P. and Werner, A. *In: Human Resource Management*. 9th Edition. Cape Town: Oxford University Press Southern Africa.

Newman, A. and Sheikh, A.Z. (2012). Organisational Commitment in Chinese small- and medium-sized enterprises: the role of extrinsic, intrinsic and social rewards. *The International Journal of Human Resource Management*, 23 (2): 349-367.

Nienaber, R., Bussin, M. and Henn, C. (2011). *Attract, retain and motivate talent: Use total rewards models to attract and retain your talent*. Online. Available from: http://reference.sabinet.co.za/webx/access/electronic_journals/om_hrf/om_hrf_jul_2011_a9.pdf. Date accessed: 18 February 2016.

Nienaber, R., Bussin, M.H.R. and Henn, C. (2011). The relationship between personality types and reward preferences. *Independent Research Journal in the Management Sciences*, 11 (2): 56-79.

Nieuwenhuizen, C. and Rossouw, R. (2008). *Business management*. Cape Town: Juta.

Nishishiba, M., Jones, M. and Kraner, M. (2014). *Research methods and statistics for Public and Non-Profit Administrators: A practical guide*. London: SAGE Publications Limited.

Nizam, K. and Shah, F.M. (2015). Impact of employee motivation and organisational performance in oil and gas sector of Pakistan. *International Journal of Managerial studies and Research*, 3(12): 7-15.

Nueman, W.L. (2011). *Social Research Methods: Qualitative and Quantitative approaches*. 7th Edition. Boston: Pearson Education Limited.

Nujoo, A. and Meyer, I. (2012). The relative importance of different types of rewards for employee motivation and commitment in South Africa. *South African Journal of Human Resource Management*, 10 (2): 1-10.

O'leary, Z. (2014). *The essential guide to doing your research project*. 2nd Edition. London: SAGE Publications Limited.

Obicci, P.A. (2015). Influence of total rewards on employee satisfaction and commitment in Government organisation. *International Journal of Research in Management, Science & Technology*, 3 (1): 47-56.

Ogedegbe, R.J. (2014). Achieving organisational objectives through human resource management practices. *European journal of business and management*, 6(16): 18-22.

Olalere, A.B. (2013). Effect of motivation on job performance by community development workers in Osun state, Nigeria. *International journal of Community Development*, 1(2): 48-57.

Oliver, P. (2010). *The student's guide to research ethics*. 2nd Edition. Berkshire: McGraw-Hill Education.

Omeihe, K. (2013). *Remuneration and rewards on motivation using Porter and Lawler's model of motivation*. Online. Available from: https://www.academia.edu/4422535/Remunerations_and_Rewards_on_Motivation_using_Porter_and_Lawlers_model_of_Motivation. Date accessed: 10 March 2016.

Osa, I.G. (2014). Monetary incentives motivate employee's on organisational performance. *Global Journal of Arts Humanities and Social Science*, 2 (7): 61-69.

Ozbilgin, M.F., Groutsis, D. and Harvey, W.S. (2014). *International Human Resource Management*. New York: Cambridge University Press.

Ozutku, H. (2012). The influence of intrinsic and extrinsic rewards on employee results: An empirical analysis in Turkish Manufacturing Industry. *Business and Economics Journal*, 3 (3): 29-48.

Padmini, J. (2016). A study on the impact of employee rewards and recognition programs. *International recognised multidisciplinary research journal*, 5(12): 1-7.

Parijat, P. and Bagga, S. (2014). Victor Vroom's expectancy theory of motivation-An evaluation. *International Journal of Business and Management*, 7 (9): 1-8.

Payne, G. and Payne, J. (2004). *Key concepts in social research*. London: SAGE Publications Limited.

Phillips, J.M. and Gully, S.M. (2012). *Organisational Behaviour: Tools for success*. 2nd Edition. New York: Cengage Learning.

Plunkett, W.R., Attner, R.F. and Allen, G.S. (2013). *Management: Meeting and exceeding customer expectations*. 10th Edition. Mason: Cengage Learning.

Prabakaran, J., Ispriya, S., Amsa, A. and Angulakshmi, T. (2014). A study on workers' reward system in banking sector. *Journal of Business and Management*, 16 (7): 23-25.

Prasetya, A. and Kato, M. (2011). Employees' perception towards the performance assessment system and salary system: A case study at PT. Telkom Indonesia, Malang Regional Office. *International Proceedings of Economics Development and Research (IPEDR)*, 7 (1): 20-24.

Purohit, B. and Bandyopadhyay, T. (2014). Beyond job security and money: driving factors of motivation for government doctors in India. *Human Resources for Health*, 12 (12): 1-13.

Quick, J.C. and Nelson, D.L. (2009). *Principles of organisational behaviour: Realities and challenges*. 6th Edition. New York: Cengage Learning.

Qureshi, M. (2013). Relationship between rewards and employee motivation in administration block of Punjab University. *International Journal of Innovative and Applied Finance*, 1 (2): 1-13.

Rafiq, M., Javed, M., Khan, M. and Ahmed, M. (2012). Effect of rewards on job satisfaction evidence from Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*, 4 (1): 337-347.

Ragin, C.C. and Amoroso, L.M. (2011). *Constructing social research*. 2nd Edition. London: SAGE Publications Limited.

Rasch, R. and Szytko, M. (2013). *Perception is reality: The importance of pay fairness to employees and organisations*. Online. Available: https://hr-vendor-directory.worldatwork.org/html/pub/PerceptionIsReality_Q4Journal.pdf. Date accessed: 30 October 2016.

Rehman, R. and Ali, M.A. (2013). Is pay for performance the best incentive for employees? *Journal of Energy Trends in Economics and Management Sciences*, 4 (6): 512-514.

Reis, M. and Geller, J.B. (2010). *A manager's guide to human behaviour*. 5th Edition. New York: AMA Self-stand.

Remenyi, D. (2014). *Dictionary of research concepts and issues*. Reading: Academic Conferences and Publishing International Limited.

Riordan, C., Vanderberg, R.J. and Richardson, H.A. (2005). Employee involvement and organisational effectiveness: An organisational system perspective. *Human Resource Management*, 44(4): 471-488.

Robbins, S.P. (2005). *Organisational Behaviour*. 11th Edition. San Diego: Mc-Graw Hill/Irwin.

Robbins, S.P. and Judge, T.A. (2015). *Organisational Behaviour*. 16th Edition. Essex: Pearson Education Limited.

Robbins, S.P., Judge, A., Odendaal, A. and Roodt, G. (2009). *Organisational behaviour: Global and Southern African Perspectives*. 2nd Edition. Cape Town: Pearson Education South Africa Private Limited.

Robbins, S.T., Judge, T.A. and Hasham, E.S. (2012). *Organisational Behaviour*. Essex: Pearson Education Limited.

Roberts, P., Priest, H. and Traynor, M. (2006). Reliability and validity in research. *Nursing Standard*, 20(44): 41-45.

Roberts, R.L. (2005). *The relationship between rewards, recognition and motivation at an Insurance Company in the Western Cape*. Unpublished Master's Thesis. Department of Industrial Psychology. Faculty of Industrial Psychology. University of the Western Cape: University Press.

Robson, C. (2011). *Real world research*. 3rd Edition. Chichester: John Wiley & Sons Limited.

Ross, T. (2012). *A survival guide for health research methods*. Maidenhead: McGraw-Hill Education.

Rovai, A.P., Baker, J.D. and Ponton, M.K. (2014). *Social Science research design and statistics: A practitioners' guide to research methods and IBM SPSS Analysis*. Chesapeake: Watertree Press LLC.

Rubin, A. (2010). *Statistics for evidence-based practice and evaluation*. 2nd Edition. London: Cengage Learning.

Sadq, Z.M. (2015). An assessment of measuring and improving managing performance through rewards at Koya University- Kurdistan Region/Iraq. *Journal for studies in Management and Planning*, 1 (6): 280-288.

Saeed, R., Nayyab, H.H. and Lodhi, R.N. (2013). An empirical investigation of rewards of rewards and employee performance: A case study of Technical Education Authority of Pakistan. *Middle-East Journal of Scientific Research*, 18 (7): 892-898.

Saif, S.K., Nawaz, A., Jan, F.A. and Khan, M.I. (2012). Synthesising the theories of job satisfaction across the cultural/attitudinal demensions. *Interdisciplinary Journal of contemporary research in business*, 3 (9): 1382-1396.

Salkind, N.J. (2010). *Encyclopedia of research design*. Thousand Oaks: SAGE Publications Limited.

Salkind, N.J. (2010). *The encyclopedia of research design: Primary data source*. Thousand Oaks: SAGE Publications Limited.

Samuel, M.O. and Chipunza, C. (2009). Employee retention and turnover: Using motivational variables as a panacea. *African journal of business management*, 3(8): 410-415.

Sandhya, K. and Kumar, P. (2011). Employee retention by motivation. *Indian Journal of Science*, 4 (12): 1778-1782.

Sara, L.R., Gehart, B. and Minette, K. (2004). The impact of pay in employee motivation, discrepancies between what people say and what they do. *Human Resource Management, winter*, 43 (4): 381-394.

Sarantakos, S. (2013). *Social research*. 4th Edition. London: Palgrave Macmillan.

Sarwar, S. and Abugne, J. (2013). The influence of rewards and job satisfaction on employees in the service industry. *The business & management review*, 3(2): 22-32.

Sasa, P., Ana, M., Julija, C. and Srdan, V. (2014). *The effect of financial and non-financial incentives on Montenegro employees' satisfaction*. Online. Available form: <http://ipsitransactions.org/journals/papers/tar/2014july/02.pdf>. Date accessed: 12 March 2016.

Saunders, M., Lewis, P. and Thornhill, A. (2009). *Research methods for business students*. 5th Edition. Essex: Pearson Education Limited.

Schermerhorn, J.R., Hunt, J.G., Osborn, R.N. and Uhl-Bien, M. (2011). *Organisational Behaviour*. New York: John Wiley & Sons.

Schlechter, A., Hung, A. and Bussin, M. (2014). Understanding talent attraction: The influence of financial rewards elements on perceived job attractiveness. *SA Journal of Human Resource Management*, 12 (1): 1-13.

Schoorl, S. (2015). *The link between corporate governance regimes and human rights violations*. Unpublished Master's Thesis. Faculty of Economics and Business. Universiteit Van Amsterdam: University Press.

Scott, D., McMullen, T. and Royal, M. (2012). *Retention of key talent and the role of rewards*. Online. Available from: <https://www.worldatwork.org/waw/adimLink?id=62016>. Date accessed: 19 February 2016.

Sekaran, U. and Bougie, R. (2013). *Research methods for business: A skill building approach*. 6th Edition. Chichester: John Wiley & Sons Limited.

Seniwoliba, A.J. and Nchorbono, A.D. (2013). Examining the role of motivation on employee performance in the public sector in Ghana. *Merit Research Journal of Education and Review*, 1 (10): 2350-2482.

Shields, J. (2007). *Managing employee performance and reward: Concepts, Practices, Strategies*. New York: Cambridge University Press.

Shukla, N.K. (2012). How motivation factor affects the organisational effectiveness. *International Journal of Management Research and Review*, 2 (3): 430-435.

Singh, K. (2007). *Quantitative social research methods*. Los Angeles: SAGE Publications Limited.

Singh, K.P. (2015). Employee motivation and organisational effectiveness: an empirical study. *International Journal of Advanced Research in Business and Management*, 1 (1): 55-62.

Singh, S.K. and Tiwari, V. (2013). A study of motivational factors of the industrial workers in relationship to age, education level and hierarchical position. *International journal of research in business management*, 1(3): 21-28.

Sirakaya-Turk, E., Uysal, M., Hammitt, W.E. and Vaske, J.J. (2011). *Research methods for leisure, recreation and tourism*. Cambridge: CAB International.

Slatten, T. (2009). Do employees' feelings really matter in service quality management? *European Business Review*, 22(3): 318-338.

Snelgar, R.J., Renard, M. and Venter, D. (2013). An empirical study of reward preferences of South African employees. *South African Journal of Human Resource Management*, 11 (1): 1-14.

Somekh, B. and Lewin, C. (2011). *Theory and methods in social research*. 2nd Edition. London: SAGE Publications Limited.

Stangor, C. (2015). *Research methods for the behavioural sciences*. 5th Edition. Stamford: Cengage Learning.

Stausberg, M. and Engler, S. (2011). *The Routledge Handbook of Research Methods in the research study of religion*. New York: Routledge.

Stredwick, J. (2014). *An introduction to human resource management*. 3rd Edition. London: Routledge Taylor & Francis Group.

Stringer, C., Didham, D. and Theivananthampillai, P. (2011). Motivation, pay satisfaction and job satisfaction of front-line employees. *Qualitative research in Management & Accounting*, 8 (2): 161-179.

Suff, P., Reilly, P. and Cox, A. (2007). *Paying for performance: New trends in performance related pay*. Brighton: Institute of Employment Studies.

Teck-Hong, T. and Waheed, A. (2011). Herzberg's motivation-hygiene theory and job satisfaction in the Malaysian Retail Sector: The mediating effect of love of money. *Asian Academy of Management Journal*, 16 (1): 73-94.

Torrington, D., Hall, L., Taylor, S. and Atkinson, C. (2011). *Human resource management*. Essex: Pearson Education Limited.

Tudor, T.R. (2011). *Motivating the lowest paid workers using equity theory and the fast food industry as a model*. Online. Available: <http://iceb.nccu.edu.tw/proceedings/APDSI/2011/web/session/motivationthlowestpaidworkers.pdf>. Date accessed: 23 November 2016.

Turabik, T. and Baskan, G.A. (2015). The importance of motivation theories in rems of education systems. *Procedia-Social and Behavioural Sciences*, 186(2015): 1055-1063.

United Nations Development Programme (UNDP). (2014). *Motivation of public service officials: insights for practitioners*. Online. Heng Mui Keng Terrace: United Nations Development Programme. Available from: http://www.undp.org/content/dam/undp/library/capacity-development/English/Singapore%20Centre/GCPSE_PSM_Summary.pdf. Date accessed: 11 July 2015.

Upadhaya, B., Munir, R. and Blount. Y. (2013). Association between performance measurement systems and organisational effectiveness. *International Journal of Operations & Production Management*, 34 (7): 853-875.

Uzonna, U.R. (2013). Impact of motivation on employees' performance; A case study of CreditWest Bank Cyprus. *Journal of economics and international finance*, 5(5): 199: 211.

Velampy, T. (2008). *A study on incentives and work motivation of Public Sector organisations in Sri Lanka*. Online. Available from: https://www.researchgate.net/profile/Thirunavukkarasu_Velnampy/publication/232273188_A_Study_on_Incentives_and_Work_Motivation_of_Public_Sector_Organisations_in_Sri_Lanka/links/0912f507f9a4f44e66000000.pdf. Date accessed: 18 February 2016.

- Velnamby, T. (2005). *Rewards and employee motivation: A study of Private Sector Organisations in Sri Lanka*. Online. Available from: https://www.researchgate.net/publication/232273187_Rewards_and_Employee_Motivation_A_study_of_Private_Sector_Organisations_in_Sri_Lanka. Date accessed: 10 March 2016.
- Wagner, C., Kawulich, B. and Garner, M. (2012). *Doing social research: A global context*. Berkshire: McGraw-Hill Education.
- Wagner, W.E. (2010). *Using SPSS for Social Statistics and Research Methods*. 2nd Edition. Thousand Oaks: SAGE Publications Inc.
- Walliman, N. (2011). *Your research project: Designing and planning your work*. 3rd Edition. New York: SAGE Publications Limited.
- Wardell, C., Gary, L., Tobler, A., Field, T., Kinni, J., McFarland, J., Case, J., Johnson, L.K., Donahue, K.B., Reichheld, F.F. and Jacobs. P. (2005). *Motivating people for improved performance*. Cambridge: Harvard Business School Publishing Corporation.
- Warnich, S., Carell, M.R., Elbert, N.F. and Hatfield, R.D. (2015). *Human Resource Management in South Africa*. 5th Edition. Hampshire: Emily Chandauka.
- Wei, L.T. and Yazdanifard, R. (2014). The impact of positive reinforcement on employees' performance in organisations. *American journal of industrial and business management*, 4: 9-12.
- Werner, S., Schuler, R.S. and Jackson, S.E. (2012). *Human Resource Management*. 11th Edition. Zurich: Cengage Learning.
- Wheeldon, J. and Ahlberg, M.K. (2012). *Visualising social science research: Maps, Methods and Meaning*. London: SAGE Publications Limited.

Wikham, W. and Hall, A.T. (2012). Social exchange in a Swedish work environment. *International journal of business and social science*, 3(23): 56-64.

Wilkinson, S. (2014). What do IT workers want? 28th salary survey. *Computerworld*, 48 (6): 24-27.

Wilton, N. (2013). *An introduction to human resource management*. 2nd Edition. London: SAGE Publications Limited.

Wisker, G. (2008). *The postgraduate research handbook*. 2nd Edition. New York: Palgrave MacMillan.

World bank. (2016). *Labour Force, female (% of total labour force)*. Online. Available: <http://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS>. Date accessed: 22 November 2016.

Yousaf, S., Latif, M., Aslam, S. and Saddiqui. A. (2014). Impact of financial and non-financial rewards on employee motivation. *Middle-East Journal of Scientific Research*, 21(10): 1776-1786.

Zafar, N., Ishaq, S., Shoukat, S. and Rizwan, M. (2014). Determinants of employee motivation and its impact on knowledge transfer and job satisfaction. *International journal of Human Resource Studies*, 4(3): 50-69.

Zafar, N., Ishaq, S., Shoukat, S. and Rizwan, M. (2014). Determinants of employee motivation and its impact on knowledge transgfer and job satisfaction. *International Journal of Human Resource Studies*, 4(3): 50-69.

Zainal, A., Radzi,S.M., Hashim, R., Chik, T.C. and Abu, R. (2012). *Current issues in hospitality and Tourism: Research and Innovations*. Leiden: CRC Press/Balkema.

Zimbabwe Fertilizer Company Limited. (2016). *Zimbabwe Fertilizer Company Limited Company Profile*. Online. Available from: <http://www.zfc.co.zw/>. Date accessed: 16 March 2016.

Zimbabwe National Statistics Agency. (2013). *Women and men in Zimbabwe report 2012*. Online. Available:

<http://www.zimstat.co.zw/sites/default/files/img/publications/Gender/Report2012.pdf>.

Date accessed: 22 November 2016.

Zimbabwe National Statistics Agency. (2015). *2014 Labour Force Survey*. Online. Available:

http://www.zimstat.co.zw/sites/default/files/img/publications/Labour/Labour_2014.pdf.

Date accessed: 22 November 2016.

ANNEXURE A

Cell: +27 719338303
Email: tchikukwa2009@gmail.com

300 Alpine Road
Overport
Durban
4000

25 January 2016

Hello Respondent

RE: ASSISTANCE: QUESTIONNAIRE COMPLETION

I am a registered Master's student studying Human Resources Management at Durban University of Technology. I am conducting a research study entitled: The impact of extrinsic rewards on employee motivation and organisational effectiveness: A case study Zimbabwe Fertilizer Company (ZFC) Limited in Zimbabwe. You have been identified as one of the respondents comprising of the sampling frame. May I humbly request your assistance in completing the attached structured questionnaire?

It should take approximately 15 – 20 minutes to complete the questionnaire. Please note that there is no right or wrong answer and kindly be honest and objective when answering the questions. From an ethical perspective, please be assured that all the information you provide will be strictly confidential, all responses will remain anonymous and the responses will only be used for statistical analysis. In addition, your participation is merely voluntary and there is no coercion or undue influence in completing this questionnaire. Moreover, you may refuse to participate or discontinue your participation at any time. A summary of the main findings will be made available to Zimbabwe Fertilizer Company (ZFC) Limited.

I shall personally collect the questionnaires once completed. If you have any queries kindly contact me on the details provided above. Thank you for your willingness to complete the questionnaire.

Kind regards

Mr. Tatenda Chikukwa

Student Number: 21143356

INSTRUCTIONS TO RESPONDENTS

1. Please answer all questions.
2. Please indicate your response by ticking (✓) one response only.
3. Please do not leave any question/statement blank.

SECTION A: DEMOGRAPHIC PROFILE

Please provide information about yourself by ticking (✓) the appropriate response.

1. Please specify your gender.

1.1	Male	1
1.2	Female	2

2. Kindly indicate your age category.

2.1	Below 25 years	1
2.2	26 – 35 years	2
2.3	36 – 45 years	3
2.4	46 – 55 years	4
2.5	56 years and above	5

3. What is your highest educational attainment?

3.1	Lower than Ordinary level	1
3.2	Ordinary level	2
3.3	Advanced level	3
3.4	Certificate	4
3.5	Diploma	5
3.6	Bachelor's degree	6
3.7	Honour's degree	7
3.8	Postgraduate degree	8

4. How long have you been working at Zimbabwe Fertilizer Company (ZFC) Limited?

5.1	Below 12 months	1
5.2	1 – 5 years	2
5.3	6 – 10 years	3
5.4	11 – 15 years	4
5.5	16 – 20 years	5
5.6	21 – 25 years	6
5.7	26 – 30 years	7
5.8	31 years and above	8

SECTION B

5. In relation to extrinsic rewards, I **receive** the following;

EXTRINSIC REWARDS SURVEY		YES	NO
Please tick (✓) the appropriate response			
5.1	Hourly wages	1	2
5.2	Equitable salary	1	2
5.3	Bonus	1	2
5.4	Commission	1	2
5.5	Competency-based pay	1	2
5.6	Medical aid	1	2
5.7	Insurance	1	2
5.8	Paid leave	1	2
5.9	Retirement fund	1	2
5.10	Food services/Meals	1	2
5.11	Recreation facilities	1	2
5.12	Transport allowance	1	2

6. In relation to employee motivation, which of the following statements best describes your response?

PLEASE TICK (✓) THE APPROPRIATE RESPONSE		STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
6.1	My financial rewards are satisfactory in relation to what I do.	1	2	3	4	5
6.2	Increases in financial rewards are decided on a fair manner.	1	2	3	4	5
6.3	I feel motivated with the financial rewards I receive.	1	2	3	4	5
6.4	My salary is always paid on time.	1	2	3	4	5
6.5	An increase in financial rewards will motivate me to improve on my performance.	1	2	3	4	5
6.6	I get rewarded if I reach the required target.	1	2	3	4	5
6.7	Financial rewards have a positive effect on the working environment.	1	2	3	4	5
6.8	The benefits I receive motivates me to do well.	1	2	3	4	5
6.9	I feel appreciated for my work and achievements.	1	2	3	4	5
6.10	The financial rewards I get are competitive.	1	2	3	4	5
6.11	Financial rewards are well formulated at ZFC Limited.	1	2	3	4	5
6.12	The monetary reward structure is balanced among all employees at ZFC Limited.	1	2	3	4	5
6.13	Monetary rewards forms a significant part of the company's remuneration package.	1	2	3	4	5

7. In relation to organisational effectiveness, which of the following statements best describes your response?

PLEASE TICK (✓) THE APPROPRIATE RESPONSE		STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
7.1	Financial rewards at ZFC Limited are directly linked to the achievement of objectives.	1	2	3	4	5
7.2	All employees are involved in achieving the vision, mission and objectives at ZFC Limited.	1	2	3	4	5
7.3	Employees are rewarded for exceeding targets.	1	2	3	4	5
7.4	Employee morale is positive and employees are committed to achieving the objectives of ZFC Limited.	1	2	3	4	5
7.5	ZFC Limited recognises my contribution to its success and effectiveness.	1	2	3	4	5
7.6	The reward structure at ZFC Limited enhances employee motivation and organisational effectiveness.	1	2	3	4	5
7.7	When I get rewarded, I know what the reward is for and how my actions contribute to organisational effectiveness.	1	2	3	4	5
7.8	ZFC Limited is interested in the feelings of all employees.	1	2	3	4	5
7.9	The rewards I receive motivates me to contribute to the success and effectiveness of the organisation.	1	2	3	4	5
7.10	I believe my job is important to the success and effectiveness of ZFC Limited.	1	2	3	4	5
7.11	ZFC Limited is a better place to work than other organisations in the beverages sector.	1	2	3	4	5

THANK YOU FOR COMPLETING THE QUESTIONNAIRE

ANNEXURE C

300 Alpine Road
Overport
Durban
South Africa
4000

15 January 2016

The Human Resources Director
Zimbabwe Fertilizer Company (ZFC) Limited
35 Coventry Road
Workington
Harare
Zimbabwe

Dear Sir

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

I am a student at Durban University of Technology currently studying towards my Master's degree in Human Resource Management. I am conducting a research entitled: **The impact of extrinsic rewards on employee motivation and organisational effectiveness at Zimbabwe Fertilizer Company (ZFC) Limited in Zimbabwe.** To achieve the objectives of my study, I am kindly requesting your permission to administer a structured questionnaire to selected employees at ZFC Limited.

In addition, participation will be voluntary and no participant will be forced or coerced to be part of the research study. In addition, the completion of the questionnaire will take approximately 15 – 20 minutes. The researcher will personally distribute and collect the questionnaires within ten working days. It is envisaged that the findings of the study may assist ZFC Limited in developing innovative strategies for all employees.

You can contact me at tchikukwa2009@gmail.com, +27 62 110 5695 or contact my supervisor Professor D.C Jinabhai at jinabhai@dut.ac.za or 002731 373 6798.

Your cooperation is greatly appreciated.

Yours faithfully

Mr Tatenda Chikukwa



Helping you get a better crop

35 Coventry Road Workington
P.O. Box 385, Harare, Zimbabwe
Tel: +263-4-753882/8, 759044/48, 753890-3
Cell: +263 772 236 091/2/3, 772 248 845/7,
772 134 796/8/9 Fax: +263-4-759047 / 753881
E-mail: zfc@zfc.co.zw

18 January 2016

Mr. Tatenda Chikukwa
8 Speryn Avenue
Belvedere
HARARE

Dear Mr Chikukwa

RE: RESEARCH PROJECT

We acknowledge receipt of your application to be allowed access to ZFC to enable you to carry out your project on "The impact of extrinsic rewards on employee motivation and organizational effectiveness at ZFC Limited in Zimbabwe". We would like to advise that your request has been accepted on condition that the information gathered shall only be used for your study purposes and not commercial use. Further, the company would need to have a copy of your final report for its information. You can therefore commence your project at any time from now. Your contact person will be the Human Resources Assistant.

Your attention is however being drawn to company policy and other relevant documents you will be required to sign relating to the declaration of secrecy and the patent and inventions forms that gives details on how you will handle company information during the course of your project and thereafter.

Meanwhile, should you have any queries regarding this letter, please do not hesitate to contact the undersigned.

Let me take this opportunity to wish you the best in your project.

Yours sincerely,


R. MUSEVA
HUMAN RESOURCES MANAGER

cc. Managing Director