

**EFFECT OF SELECTED MOTIVATIONAL FACTORS ON ORGANIZATIONAL
PERFORMANCE IN MANUFACTURING COMPANIES IN KENYA**

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**A Research project submitted to the Graduate School in partial fulfilment of the
requirements for the award of the Degree of Master of Business Administration (Human
resources management) of Egerton University**

EGERTON UNIVERSITY

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DECLARATION AND RECOMMENDATION

Declaration

I declare that this research project is my original work and has not been submitted to any other college or university for academic credit.


Signed: Date:

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Recommendation

This research project has been submitted for examination with my approval as the university supervisor.

Signed:  Date

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DEDICATION

I dedicate this work to my beloved wife, family and close friends for your steadfast support, motivation, understanding and encouragement during the entire period I undertook this project. Above all, I thank the almighty God for giving me good health and spirit to press on even when work and personal life interfered with my college work.

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ABSTRACT

Motivating employees to achieve expected performance poses a challenge to firms in the market. For firms to be effective and successful, they should motivate their workforce. The manufacturing industry faces challenges including government regulation on sales practices, non-direct tracking of sales results and adoption of team based sales structure which has affected adoption of effective motivation strategies for the workforce. The purpose of the study was to investigate the effect of Selected Motivational Factors on Organizational Performance in manufacturing companies in Kenya. The specific objectives of the study were to investigate the effects of compensation programme on organizational performance, to establish the effect of working conditions on organizational performance, to determine the effect of job security on organizational performance and to assess the effect of employee recognition on organizational performance in the FMCG manufacturing companies in Kenya. The targeted population of this study was all sales representatives in the four companies in Kenya. Random sampling was used to obtain a sample of 98 out of a total of 326 sales staff of all four companies. Primary data was collected and analyzed using quantitative and qualitative techniques and then presented using narratives, tables and graphs. Correlation analysis was done and the results showed a statistically positive relationship between the dependent variable, Company performance, and the independent variables; compensation programme, working conditions, job security and employee recognition. According to this study, there is a combined effect of compensation programme, working conditions, job security, and employee recognition on organizational performance in the selected manufacturing companies in Kenya. It is important to note that employee satisfaction is one of the aspects of operational performance that the respondents indicated that their companies did not perform well in as well as lack of satisfaction in the modes of compensation and employee recognition. A great number of employees claimed that the biggest worry was on job security as most of them are employed on short-term contracts hence high levels of staff turnover or layoffs. The study recommends that overall improvement is required on basically all aspects of employee motivation touching on the work of sales representatives as this affects organizational performance.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

A study conducted by (Suff, 2001) indicated that great changes on the way firms conduct their business has been witnessed as a result of globalization. This has led to the appreciation of the products and services which are being offered by the firms leading to the formation of stiff standards used as benchmarks as far as the human resource management is concerned. In an effort to meet these standards, firms have adopted a worldwide performance management system. (Holman, 2002) indicates that Performance management has helped to transform the way many companies do business. By adopting human resource practices and technology that allow them to monitor their performance, companies and senior management can get a better read on what is happening in the company, why it's happening, and what should be happening.

Globalization has not withstood its share of challenges; (Watson, 2006) indicates that while the emerging international economy creates opportunities it also presents challenges and threats with which yesterday's business managers did not have to deal with. This is due to the fact that most of these performance management systems are theoretical. And as per (Rees, 2006, p.46), "...the theoretical discipline is based primarily on the assumptions in that employees are individuals with varying goals and needs, and as such should not be thought of as basic business resources, such as trucks and filing cabinets...."

(Locke, and Latham, 2002), clarify the role of the sale representatives' manager by indicating that it is not only to meet sales target but there are other roles such as; ensuring that there is a mixed blend of motivation factors which will in turn influence how performance measures are realized. To clarify this concept (Shih, 2010) indicates that sales representatives' are influenced not only by the amount of reward he or she receives but by the desirability of receiving increased reward through extra effort which influence performance.

A lot of contradictions have emerged in the quest of trying to answer whether job dissatisfaction means lower sales and less enthusiasm for the job, affecting drive and hours worked. This has led to studies which have discovered that increased job satisfaction does not necessarily result in improved job performance.

For a company to grow there are various issues which are supposed to be kept in place, this is because most companies rely on their sales in order to remain relevant and competitive in the market. (Robbins, 2005) indicates that sale representatives' are often faced with a diverse set of selling and non-selling job responsibilities, their choice of which activities warrant action is as important as how hard they work or how well they persist in their efforts. He further alludes that the motivation task is incomplete unless sale representatives' efforts are channeled in directions consistent with the overall role of sale representatives' within the firm; this sentiments are backed by (Watson, 2006).

When people are certain that their performance will be personally rewarding they will experience motivation emanating from internally as long as they are assured that there is a reward for the same and also their external motivation will be higher. Sales processes and compensation aimed at improving sales performance have been seen as the key to motivating sales representatives' increasing performance throughout in manufacturing industry (Locke and Latham, 2002).

More broadly, firms of all sizes need to continuously attend to their levels of productivity if they are to remain competitive. Their capacity to do so is not fully explained by market forces. Social equity theory advances an explanation of how certain firms may achieve higher than normal levels of productivity. As (Buchele and Christiansen,1999) argue, continuous improvements in productivity depend not on individual efforts but on effective interaction among workers, work groups or departments (coordination), and between management and workers (cooperation).

1.1.1 Motivation of Sales Representatives

(Gary, 1990) defines motivation as process that account for an individual's strength, course and determination of effort toward attaining a goal. Another definition by (Locke and Latham, 2002) indicates that it is the predisposition to behave in an intentional manner to achieve specific, unmet needs. It is somewhat clear that the concept of motivation does not emerge from external sources only but also emerges internally from an individual.

(Robbins, 2005), indicates that motivated employees are more productive, creative, provide better customer care which may translate to higher profits and customer satisfaction for the firms. He further elaborates his sentiments by indicating that motivated employees help organizations survive and are more productive and thus he urges managers in manufacturing companies to

understand what motivates workforces within the context of their duties and this will definitely have an effect on the overall performance of the firm.

In an effort to clarify this concept, (Locke and Latham, 2002) indicate that motivation affects behavior, rather than performance thus answering the question which seeks to ask whether there are gaps between individual state and the desired state. Strategies to improve job performance by increasing employee motivation need effective link between job performance and an employee's efforts (Watson, 2006). (Holman and Wood, 2002) have noted that motivation is determined by goal intentions, human willingness, and perceived needs and values to sustaining the actions of employees in relation to themselves and to their environment. Motivating employees to achieve expected performance poses a challenge to firms in the market. (Ryan, 2000) observed that for firms to be effective and successful, they should motivate their workforce.

1.1.2 Performance of Sales representatives' in organizations

Key determinants of the performance of an organization are the sales team and subsequently the sales strategies. (Armstrong, 1999) argues that sales people can be divided into three broad categories that is; direct sales, account managers and technical support. The quality of the salesperson can be the difference between making a sale and not (Ryals and Rogers, 2005). Manufacturing Companies commonly assume that money is the key motivator for salespeople. According to Remuneration Economics, reward packages for sale representatives' are often designed and operated quite separately from the rest of the workforce.

1.1.3 Manufacturing Companies in Kenya

Kenya's manufacturing sector is among the key productive sectors identified for economic growth and development because of its immense potential for wealth, employment creation and poverty alleviation. In addition, the sector continues to provide impetus towards achievement of Millennium Development Goals (MDGs) both in the medium and long term particularly one on Eradication of extreme Poverty and hunger and goal eight on Global Partnerships for Development. The Kenyan food-processing sector, including food, beverages and tobacco, remains the largest component of the manufacturing industry. In terms of structure, economic contributions, and performance in the manufacturing sector, this sector is the most important and

largest comprising of over 1,200 businesses, encompassing everything from small family organizations to large multinational companies (GOK, 2011)

According to the Kenya Demographic Health Survey 2010, Statistical Abstract, the sector contracted by 3.9 percent from 2007, but still generated over a third (33.4 per cent) of the total manufacturing production, and provided 89,319 jobs. High production and ingredient costs were partially blamed for this contraction. In 2009, the sector grew by 2.1 percent (KNBS, 2009).

While the manufacture of food, beverage and tobacco increased by 2.0 per cent in 2009 compared to a decline of 1.8 per cent in 2008, suppressed demand led to low consumption of some products leading to a scaling down of production of basic household commodities. Food manufacturing sub sector registered a growth of 2.1 per cent in 2009 after recording a decline of 3.9 per cent in 2008. Kenya's manufacturing sector is mainly agro-based. Most of the industries are located in urban and sub-urban areas whereas the raw materials for these industries are sourced from rural areas. The concentration of industries in sub-urban areas has resulted to lack of dispersion of industries to rural areas, leading to regional disparity in development, rural-urban migration and underutilization of natural resources (GOK, 2011).

1.2 Statement of the Problem

Motivation is an internal drive to satisfy an unsatisfied need and to achieve a certain goal. According to (Bartol & Martin, 1998), motivation is a powerful tool that reinforces behavior and triggers the tendency to continue. It is also a procedure that begins through a physiological or psychological need that stimulates performance set by a company. A motivated workforce is essential for any company that wants to increase productivity and customer satisfaction. The challenge for any manager is to find the means to create and sustain employee motivation (Suff P. & Reilly P. 2006). On one hand, managers should focus on reducing job dissatisfaction (working conditions, salary, supervision, relationship with colleagues), while on the other hand should use motivating factors such as achievement, recognition, responsibility and the work itself.

Various local researchers have carried out empirical studies on the different factors that influence staff motivation. For instance, (Kihara, 2008) investigated factors influencing staff motivation in the Teachers Service Commission of Kenya and found that structured incentives and clear communication were the outstanding factors affecting employee's motivation. On the other hand

he also researched on factors affecting staff motivation in Kenya Water Institute and found that employee recognition greatly affected staff motivation. Other researchers such as (Kiilu, 2008) carried out a study on factor influencing employee motivation at the Kenya Polytechnic University College; his findings revealed that monetary rewards, recognition, representation in decision-making and job security were the main factors that motivated employees to a great extent. An empirical study conducted by (Anyaswa, 2012) which aimed at establishing factors affecting the financial performance of one manufacturing company in Kenya, revealed a decline in the sales and subsequent financial performance of the company's Kenyan branch. Specific statistics from this study found out that the company sales had been dropping by an average of 6.5 % annually for the last consecutive three years as also stated by the Association of Kenya Manufacturers, 2015. This study however failed to pin point the exact cause of the performance problems however it assumed that turnover rates and low sales experienced in the Company could be an indication that there are challenges facing employees and especially sale representatives' in the company.

Despite the high sale representatives' turnover and decline in sales, there has been no study that has focused on investigating motivation factors affecting organizational performance in FMCG manufacturing companies in Kenya. It's against this background that this study sought to establish motivational factors affecting organizational performance in the fast moving consumer goods manufacturing industry with a focus on the sales representative's team.

1.3 Objectives of the study

The purpose of the study was to investigate the effect of selected motivational factors on organizational performance in manufacturing companies in Kenya. Compensation programmes, working conditions, job security and employee recognition are identified by (Armstrong, 2006) as the main factors that affect motivation of employees.

Specific Objectives

The specific objectives of the study were:

- i. To investigate the effect of compensation programme on organizational performance in the selected companies.
- ii. To evaluate the effect of working conditions on organizational performance in the selected companies.

- iii. To determine the effect of job security on organizational performance in the selected companies.
- iv. To assess the effect of employee recognition on organizational performance in the selected companies.
- v. To determine the combined effect of compensation programme, working conditions, job security and recognition on organizational performance in the selected companies.

1.4 Hypotheses

H₀₁. Compensation programme does not impact organizational performance in the selected Manufacturing companies

H₀₂. Organization working conditions does not have an impact on organizational performance in the selected Manufacturing companies.

H₀₃. There is no effect of Job security on organizational performance in the selected Manufacturing companies

H₀₄. Employee recognition does not affect organizational performance in the selected companies to a large extent.

1.5 Significance of the Study

The study would be significant to manufacturing sector because the studied companies are leading food processing and manufacturing companies in Kenya and their products are used in the whole of Kenya regardless of social setting. Over the years these companies have engaged in marketing their products to the customer's base. This is aimed at increasing sales performance and marketing of the company's brands. In 2010, Unilever launched the Unilever Sustainable Living Plan which is a set of targets designed to help the company deliver its objective of growing the company business while minimizing the impact on the environment. Pwani Oil on the other side is involved in several CSR activities at the coastal region which go a long way in improving livelihoods of locals. Bidco Oil is involved in several conservation and town cleaning activities each year in Thika town and its environs. Kapa oil to a large extent promotes the use of biodegradable containers in packaging their products thus they are in the front line in advocating for environmental conservation.

All these companies have been advertising and marketing their products through television, local newspapers and vigorous marketing campaigns. Despite this marketing aggressiveness, these companies have continued facing a decline in sales for the last three years which has been attributed to low motivation and performance among the sale representatives. The increasing sales representatives' turnover is a manifestation of staff de-motivation and dissatisfaction. It is therefore critical to establish factors that may be affecting sales representatives' motivation in manufacturing companies focusing on these four companies.

The government agencies will gain from the study as it will provide knowledge useful in formulation of policy and a regulatory framework on motivation and management of labor in Kenya.

Researchers and scholars will use this information to add to their understanding of factors affecting motivation of sale representatives' in organizations and by extension their performance. Therefore the study will provide foundation and material for further related research.

1.6 Scope of the Study

This study aimed at establishing the effect of motivational factors on organizational performance of fast moving consumer goods manufacturing companies in Kenya. Motivation is the activation or energization of goal-oriented behavior. It is a set of processes that arouse, direct and maintain human behavior toward attaining a goal. The three components of motivation are direction; what a person is trying to do, effort; on how hard a person is trying and persistence; is how long a person keeps on trying (Armstrong, 2006). Employees need to be motivated to feel appreciated on the work they are doing. Compensation programmes, working conditions, job security and employee recognition are identified by (Armstrong, 2006) as the main factors that affect motivation of employees. The performance of Kenyan manufacturing companies was evaluated against these factors. The level at which each of these factors affects the motivation of sales representatives and by extension the overall performance of the manufacturing companies has been discussed based on literature accessed.

The study was conducted among the sales representatives of Unilever Kenya Limited, Pwani Oil Products Limited, Kapa Oil Refineries and Bidco Oil Refineries. These four companies were selected owing to the fact that they are the leading Kenyan manufacturing companies in terms of the number and diversity of products they have in the market according to Association of Kenya Manufacturers 2016. The four companies have also been in the Kenyan market for a long period. Unilever was founded in 1890's, Pwani oil in 1981, Kappa oil in 1968 and Bidco oil in 1970, according to their official websites. These four companies also employ a large number of employees both directly and indirectly ranging from management, factory employees, distributors and sales staff. The population sample was drawn from the sales representatives' from the sales and marketing departments of the four companies and it involved 98 respondents.

This was a quantitative survey study and used a cross-sectional survey design. The study used both probability sampling techniques such as random sampling and non-probability sampling methods, specifically purposive sampling to select participants for the study. A structured questionnaire was used to collect data.

The study was primarily guided by the Herzberg's Two-Factor Theory and Maslow's Hierarchy of Needs Theory. Herzberg's Two-Factor Theory was the most relevant because it clearly

differentiates between the factors that motivate or demotivate employees. While motivator factors increased employee satisfaction and motivation, the absence of these factors didn't necessarily cause dissatisfaction. Likewise, the presence of hygiene factors didn't appear to increase satisfaction and motivation but their absence caused an increase in dissatisfaction. This theory implies that for the happiest and most productive workforce, you need to work on improving both motivator and hygiene factors. To help motivate employees, make sure they feel appreciated and supported. Give plenty of feedback and make sure your employees understand how they can grow and progress through the company. To prevent job dissatisfaction, make sure that your employees feel that they are treated right by offering them the best possible working conditions and fair pay. Make sure you pay attention to your team and form supportive relationships with them.

1.7 Limitations of the study

The study sought to find out the motivational factors affecting organizational performance in FMCG manufacturing companies in Kenya. The study focused on selected FMCG companies in which the findings were generalized to be the situation facing sales representatives' in manufacturing companies in Kenya. The sales representatives in these companies were respondents selected through sampling procedure. They are deemed sufficient to provide adequate data for the study.

The study was limited by the availability of the selected personnel due to their nature of work. Most sales staff report to work as early as 7am and leave at times past 10am. This left a very slim window for their availability. Also, most sales representatives felt reluctant to share their pressing issues as they viewed it as a threat to their employment in case of breaching their confidentiality.

As a way of countering the challenges with the sampled staff, an official introduction letter was sought from the specific Human Resource departments and thus allowed ten minutes with the staff through the permission of merchandisers or the specific store managers. The respondents were also assured of their confidentiality.

1.8 Assumptions of the study

The assumptions of this study were that all the respondents would understand the concept of talent management and respond to all the questions in the questionnaire correctly and honestly. Another assumption was that the senior managers though busy would accept my request for appointments with their staff and allow them time to fill the questionnaires.

1.9 Operational Definition Of Terms

Motivation: Motivation is the activation or energization of goal-oriented behavior. It is a set of processes that arouse, direct and maintain human behavior toward attaining a goal. The three components of motivation are direction what a person is trying to do, effort on how hard a person is trying and persistence is how long a person keeps on trying (Armstrong, 2006, p.252). Employees need to be motivated to feel appreciated on the work they are doing.

Compensation Program: Compensation (also known as Total Rewards) can be defined as all of the rewards earned by employees in return for their labour, (Ulrich, D. 1996). These include but are not limited to; direct financial compensation consisting of pay received in the form of wages, salaries, bonuses and commissions provided at regular and consistent intervals.

Working condition: This is the social environment under which the sale representatives' is working. If a high level of motivation is to be achieved, managers need to focus on relations between peers (Seligman, 1998, p. 58). The environment where employees work matters a lot. Conducive working environment leads to high production of sales

Employee Recognition: This is the acknowledgement of an individual or team's behavior, effort and accomplishments that support the organization's goals and values, (Suff P 2001). Recognition is not one-size-fits all. Thought needs to go into what would be appreciated by the person being recognized.

Rewards: Monetary and nonmonetary incentives that motivate employees to pursue and achieve organization goal. Employees want the rewards to be shared fairly and equitably. Financial compensation is an element, the importance of which increases when the compensation received is not appropriate (Stredwick, 1997). Incentives given to employees encourage them to achieve their set targets

Training and development: Training deals with providing opportunities for sale people to progress and develop their careers with an objective of achieving higher sales performance for both the employee and the organization (Eisenhardt, 1989).

Sale representatives’: It is defined as the division of a business that is responsible for selling products or services (Zingheim, 2004). A sales representative is a person who represents the company example Unilever and sales the products of the company. He or she has background knowledge of the products he or she is selling

Manufacturing Companies: companies involved in the process of converting raw materials, components, or parts into finished goods that meet a customer's expectations or specifications. Manufacturing commonly employs a man-machine setup with division of labor in a large scale production (Zingheim, 2004).

First Moving Consumer Goods (FMCG): FMCG includes any product with a short shelf life and typically a relatively low cost, such as soft drinks, food or toiletries. They are typically sold at low margins but very high volumes, with a high turnover of product (Zingheim, 2004).

Occupational Safety and Health Act 2007 (OSHA) An act of Parliament to provide for the safety, health and welfare of workers and all persons lawfully present at workplaces, to provide for the establishment of the National Council for Occupational Safety and Health and for connected purposes

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers theoretical literature review, empirical literature review, summary of literature review and research gaps forming basis for further research. It also gives conceptual framework of the study, operation of variables and the study model.

2.2 Theoretical Literature Review

Motivation theorists like Abraham Maslow's hierarchy of needs, Fredrick Herzberg and Victor Vroom agree that humans are motivated by the desire to satisfy their various needs. There is a wide difference of opinion, however, concerning what these needs are and their relative importance. This section reviewed Hierarchy of Needs Theory by Abraham Maslow, two factor theory of motivation by Herzberg's, Vroom's Expectancy Theory, Adam's theory of equity and Reinforcement Theory of Motivation by B.F Skinner

2.2.1 Hierarchy of Needs Theory

In his book Motivation and Personality, Abraham Maslow (1954) introduced the theory of Hierarchy of Needs. The Hierarchy-of-Needs theory focused on the idea that human beings are motivated by unsatisfied needs, and that the attainment of a lower need only leads to the quest for the satisfaction of a higher need. In other words, all levels of needs must be satisfied before the importance of the need above it becomes important. For example, once physiological needs such as food and shelter are attained securing safety needs becomes the main source of motivation.

Based on his experience as a clinical psychologist, Maslow states that human beings have different needs. He classified human needs into five categories; physiological, survival, safety, love, and esteem. Maslow opined that the hierarchy of needs begin at the base level with physiological or physical well-being as the most basic need and then progresses through safety, social esteem and self-actualization needs. When a lower need is fulfilled we aim for the higher need. According to Maslow (1954) most people's needs follow this order. He however admitted that this can differ between people. A need does not need to be completed for another need to occur. Physiological needs are the most basic needs that every individual needs to survive. They

encompass relief from thirst, hunger and physical drives as well as comfort. Needs such as food, air, shelter and water fall under this category. Employees are to meet these physiological needs through financial rewards offered by the organization. Safety needs are next after the physical needs. This is the need for protection against physical or emotional hazard in an atmospheric environment. Job security, medical insurance, healthy working environment are few examples of safety need. Social needs-love and belonging are those needs that relates to interactions with others. Beyond existence needs lies the desire for affection, belongingness, love, respect, care, nurturing and friendship etc. This also involves approval from a group, acceptance among family and friends, relationship and the sense of belongingness or love. Esteem needs is the feeling of being important.

According to Maslow (1954) it gets to a point in every-one's life where one needs belongingness. Employees need to feel that they are part of the organization or that their voices can be heard. This kind of need may come from internal esteem factors like self-respect, confidence, autonomy strength, and accomplishment, or external esteem such as social status, prestige, recognition from others, attention and appreciation. Self-actualization needs are the highest level of needs as they constitute the need of reaching full potential and self-fulfillment as an employee. Self-actualization is the kind of motivation that offers employees the opportunity to get involved in activities such as innovations, creativity, etc. Maslow how-ever noted that because of the open nature of this need, it can never be fully achieved. According to him, only a meager percentage of employee population actually gets to this level of self-actualization. Self-actualization need is never fully satisfied (Martin, 2001).

Maslow's hierarchy needs theory is one of the most popular theories of work motivation in our time but has been criticized for being rigid and over-simplified. For example, (Gaurav, 2010) in his extensive review of Maslow's theory found little evidence for the ranking of needs which Maslow described or even the existence of a definite hierarchy. According to him, it is questionable whether needs can always be ranked in a simple hierarchical form. There was also lack of testimonial as (Gaurav, 2010) believes that theory has to include other motivating factors such as expectation, experience and perception.

Below is a modified figure (Figure 1) that illustrates Maslow's hierarchy of needs, which show the five categories that Maslow describes as the main order that human needs follow.

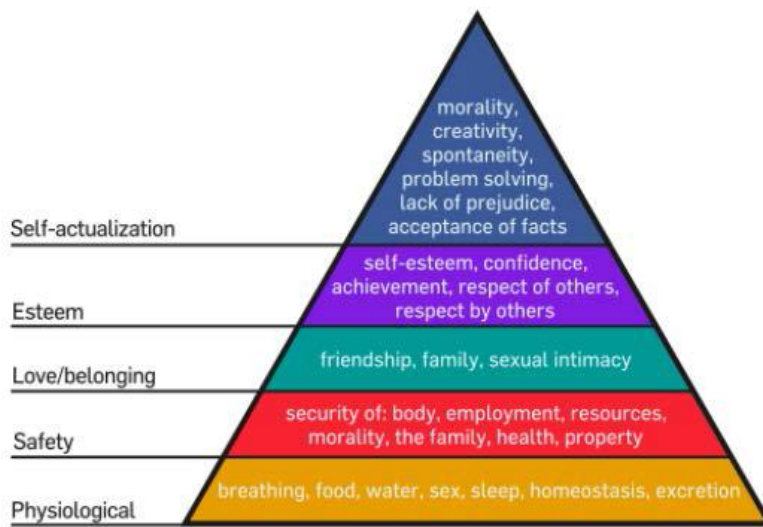


Figure 2.1 Maslow Hierarchy of Needs

Source: Maslow, A. (1954). Motivation and personality (2nd ed.). New York: Harper & Row.

In an employment scenario, physiological needs can be satisfied when the organization ensures that all its staff members have the basic needs and thus they can ensure this by giving them a salary to cater for this. In this study, we examine whether the selected manufacturing companies ensures sale representatives' can afford basic needs to enable perform well in their tasks and achieve their targets was established.

(Ryan and Deci, 2000) indicated that when all physiological needs are satisfied and are no longer controlling thoughts and behaviors, the needs for security can become active. In an employment environment, security can be assured if all the employees are assured of their job. This can be in form of obtaining permanent employment terms of reference. Sale representatives' of the selected manufacturing companies are on an annual or several months' contracts therefore their job security is not very guaranteed. As far as performance is concerned, people who have stayed in the organization for some time ought to be given posts to manage or promoted within their departments.

This hierarchy of needs gives us a beginning point for understanding how to motivate employees in different situations (Watson, 2006). Creative sales managers can do very well at helping sale representatives' build esteem and self-actualization. If and when a manager at any of the

manufacturing companies realizes that an employee has basic needs which are not met, then assisting the employee to meet them would go a long mile in improving the employee's performance.

2.2.2 Herzberg's Two Factor Theory of Motivation

One of the most prominent theories establishing the relationship between employee performance and motivation is the Herzberg's two-factor theory. Herzberg based his work motivation theory on the works of Maslow's theory of needs but concluded that it is not possible to keep employee satisfied by their low-level needs. He maintained that the basic benefits such as salaries and other facilities for example an adequate working space, do not necessarily ensure that employees are happy and satisfied (Mehmood, Irun & Ahmed, 2012).

Hertzberg carried out his study by interviewing 200 accountants and engineers from different industries in the Pittsburgh area of America. In carrying out his study, he adopted the critical incident method whereby the employees were asked to relate times when they felt exceptionally good or bad about their job either presently or their previous job. The responses gathered from the employee found to be consistent and revealed that factors affecting employee's motivation are in two broad categories namely hygiene factors (dissatisfiers) and motivators (satisfiers). This led to the emergent of the two-factor theory of motivation and job satisfaction.

Hertzberg described satisfying experiences in terms of factors that were intrinsic to the content of the job itself and these were called motivators while those that cause dissatisfactions are called hygiene factors, which emanated from extrinsic or non-job-related factors. The motivation factors such as recognition, achievement, advancement, growth, responsibility and job challenge motivate employees to excel at their tasks and hygiene factors such as working conditions, company policies and administrative practices, salary and benefits, supervision, status, job security, coworker and personal life typically ensures that employees remain happy and satisfied. Thus, it can be inferred that the factors that influence job satisfaction (i.e. motivation factors) are different from those factors that lead to dissatisfaction among employees. Hertzberg also argued that people have different requirements that must be fulfilled to keep them satisfied. He argued further that hygiene factors must be initially met by financial gains out of the job such as the salary before motivating factors can be used to stimulate the job and the resultant feeling of

motivation is achieved. The implication is that the ability of the management to meet the physiological and psychological needs of the employee has an effect on the overall level of satisfaction or dissatisfaction; motivating factors cannot be used to motivate employee to performance until the hygiene factors have been fulfilled.

He also believed that it is also possible for managers to improve job performance by using threat, punishment, or similar stimuli. However, he concluded that these factors have a short time influence and overall have negative impact on employee satisfaction. This study highlights that the motivation and hygiene factors theory should be considered in formulating reward system and to make sure that reward system distinguishes satisfiers and dissatisfiers and caters for them both to maximize job satisfaction among employees (Mehmood et al. 2012). Herzberg's Motivation-hygiene theory also identifies that there are two types of motivators: intrinsic and extrinsic. Intrinsic motivation is based on nature of a person and is related to satisfiers. These include employee achievement, the nature of work, recognition, and the level of responsibility. On the other hand, extrinsic motivation is related to hygiene factors. These factors include rules and regulations of firm, firm hierarchy, workplace environment, salary, among others, (Mehmood et al. 2012). Herzberg concludes that managers need to identify both satisfaction and dissatisfaction factor and improve on the former and discourage the later in order to maximize employee satisfaction. Within the context of reward system, since there are intrinsic and extrinsic motivation factors, therefore reward system must be based on rewards and incentives that cater for the intrinsic and extrinsic needs and motivation of employees.

Hygiene theory is more inclined to the working environment and spelt out unique and distinct issues which people need in their work to enable them to feel motivated to perform well. (Friedlander, 2002) argued that there were motivators and hygiene factors that affect the motivation of employees. (Armstrong, 2006) indicates that motivators are more concerned with the actual job itself. Hygiene factors are factors which 'surround the job' rather than the job itself. For example a worker will only turn up to work if a business has provided a reasonable level of pay and safe working conditions but these factors will not make him work harder at his job once he is there. Herzberg believed that businesses should motivate employees by adopting a democratic approach to management and by improving the nature and content of the actual job through certain methods. Some of the methods managers could use to achieve this are Job

enlargement and Job enrichment.(Friedlander, 2002) further proposes that people are motivated by how much they want something and how likely they think they are to get it. He suggests that motivation leads to efforts and the efforts combined with employees ability together with environmental factors which interplay's resulting to performance. This performance leads to various outcomes, each of which has an associated value to the employee.

2.2.3 Vroom's Expectancy Theory

Victor Vroom was another well-known scientist. His work provides the most practical insights on work motivation. The theory is a model on behavioral choice and provides explanation on why people choose one behavioral option over others (Ryan & Deci, 2000.) Vroom argued that people will act according to their perceptions that their work efforts will lead to certain performances and out-comes, and how much they value the outcomes. Vroom's Expectancy Theory is based on the assumption that employee effort will lead to performance and performance will lead to rewards (Shields, 2007).

In this theory, together with Edward Lawler and Lyman Porter, Vroom discovered that an employee's performance is affected by factors such as personality, capability, skills set, knowledge and experience. Vroom asserted that effort, performance and motivation are connected in an individual's motivation. Certain performances will have foreseeable job outcomes based on individual's expectations by which these outcomes satisfy organizational or individual goals. Organizational goals focus on measuring in term of quality, quantity, or timeliness of output while individual goals can be money, recognition, job promotion and job security. Vroom uses the following formula to calculate the level of motivation: $M = (E) \times (I) \times (V)$ where E is the abbreviation of expectancy, I stand for instrumentality and V is stands for valance. These three variables are multiplied together to determine motivation.

The first variable is expectancy, which is the individual's perception that a particular level of efforts will lead to attainment of desired performance goals. For example, expectancy will be high when a salesperson is sure that she will be able to sell more units (performance) if she works overtime (effort). Expectancy will be low if she is convinced that, even if she works overtime, she will not be able to sell more units. High expectations generally create higher motivation than low expectations. In the above example, the salesperson is likely to work overtime to achieve her

goal of selling more units – if she expects that by working over-time, she will be able to reach her goal (Shields, 2007).

The second variable is instrumentality, which Vroom defined as the relationship between the perceived degree of performance and the outcome attained. According to (Mullins, 2002) instrumentality determines the valence that an employee associates with a given level of performance. The instrumentality is the perception that if an individual meets performance expectation, he/she will get a greater reward. This reward could be in the form of an increase in salary, recognition or feeling of accomplishment. Using the previous example of a salesperson to explain this, instrumentality will be high if the salesperson believes that if she sells more units, she will receive a bonus. It will be low if she believes that she will not receive a bonus, even if she sells extra units.

The third and last variable is valence, which is the value or importance that an individual attaches to various work outcomes. Each out-come has an associated valence or value. For motivation to be high, employees must value the outcomes they will receive for their performance. As a follow-up to the salesperson example, in order to be motivated, the salesperson must value the bonus (outcome) she will receive for working overtime to sell more units. If she places a higher value on other outcomes, such as less work stress or more time with her family, her motivation to work overtime and sell more units will be low (Shields, 2007). Vroom's Expectancy theory of motivation has been criticized on the premise that the theory tends to be unrealistic because few individuals perceive strong relationship between performance and rewards in their job. (Green, 1992) said that the theory does not work when the outcomes have negative valence. (Bose, 2004), also criticized the theory on the ground that it can only work best in countries and organizations where pay is the highest motivating factor. Practically speaking, organizations reward people working for them according to measures such as seniority, efforts, job difficulty and skill level rather than according to performance which explains why a significant segment of the workforce exerts low levels of effort in their work.

Despite its criticisms, the expectancy theory of motivation remains one of the most widely accepted explanations of work motivation. Application of the theory in contemporary business management could be seen in that it provides a link between employee performance and the rewards they receive. Employees are motivated to achieve outcomes that they desire, and

managers should determine what outcomes employees perceive as desirable and provide them. Outcomes may be intrinsic or extrinsic, depending on the needs of the employee and the employee's expectations of what is due to him or her. Organization should clearly communicate desired behavior and their outcomes to employees. Employees should know what level of effort the organization expects of them in order to receive a desired reward.



Figure 2.2 Vroom's Expectancy Theory

Source: Journal of Organizational Behavior by J. R Schermerhorn, 2005, 128, New York

Motivation is based on how much and how likely we want and think we can get something. (Boen, 2006) indicates that individuals are all the time predicting future outcomes and creating expectations about future events. Staffs have the ability to predict the future of the organization and most of the time they do this by monitoring the sales and acceptability of the products and this gives them hope for the future and thus motivates them. Three conditions must be met for individuals to exhibit motivated behavior: Effort-to-performance expectancy, Performance-to-outcome expectancy. (Lawler, 1990) extended the basic expectancy model by suggesting that high performance may cause high satisfaction. The sales staff is motivated if the rewards relate to the effort expended and the level of performance attained.

2.2.4 Equity Theory

Adam's theory of equity is considered as one of the most popular social exchange theories, which gained widespread attention in recent past. The theory is established on the premise that employees anticipate actual outcomes in exchange for an offering or inputs. According to the theory, employees judge the fairness of rewards received in proportion to resources invested for completing a task by assessing one's own investment-reward ratio and compare it against the ratio of another colleague holding similar position (Latham, 2007). In other words, inequality occurs when a person perceives that the ration of his outcome to inputs and the ration of a relevant other's outcomes to inputs are unequal. Thus, a person is motivated in proportion to the perceived fairness to the rewards received for a certain amount of effort as compared to others.

The theory recognizes that individuals are concerned not only with the absolute amount of rewards they received for their efforts, but also in relationship of this amount to what others receive. The theory also reiterates that individuals are motivated to reduce any perceived inequality. When inequality exists, the person making the comparison strives to make the ratios equal by changing either the outcomes or the inputs, thereby return to the condition of equity. Like other theories, Equity theory is also not free from criticism. It has been criticized of lacking precision. For instance, (Robert P. 1969) asserted that the weakest parts of this theory are the modes of inequality recommendation. There are numerous methods to decrease inequity, therefore individual differences will definitely occur regarding preferences among methods (McShane & Glinow 2003).

2.2.5 Reinforcement Theory of Motivation by B.F Skinner

Reinforcement theory is modeled on the "law of effect". The theory states that individual behavior is a function of its consequences. In other words, individual's behavior with positive consequences tends to be repeated, but individual's behavior with negative consequences tends not to be repeated. The theory does not recognize that employees are motivated by needs or a process of motivation. Instead, it deals with how an employee's future actions are based on consequences of past actions. A behavior associated with rewarding consequences tends to be repeated and other behavior that evoke unfavorable consequences are likely to be avoided

(Dessler, 2008). According to this theory, the manager must use the following methods for controlling employee's behavior:

Positive Reinforcement; this implies giving a positive response when an individual show positive and required behavior. For example immediately praising an employee for coming early for job. This will increase probability of outstanding behavior occurring again. Reward is a positive reinforce, but not necessarily. If and only if the employees' behavior improves, reward can be said to be a positive reinforcer. Positive reinforcement stimulates occurrence of a behavior. It must be noted that the more spontaneous is the giving of reward, the greater the reinforcement value it has (Dessler, 2008).

Negative Reinforcement; this implies rewarding an employee by removing negative / undesirable con-sequences. Both positive and negative reinforcement can be used for increasing desirable / required behavior.

Punishment; It implies removing positive consequences so as to lower the probability of repeating un-desirable behavior in future. In other words, punishment means applying undesirable consequence for showing undesirable behavior. For instance; suspending an employee for breaking the organizational rules. Punishment can be equalized by positive reinforcement from alternative source.

Extinction; It implies absence of reinforcements. In other words, extinction implies lowering the probability of undesired behavior by removing reward for that kind of behavior. For instance if an employee no longer receives praise and admiration for his good work, he may feel that his behavior is generating no fruitful consequence. Extinction may unintentionally lower desirable behavior (Dessler, 2008).

2.3 Empirical Literature Review

2.3.1 Compensation Programme

Aside from the diversity of the workforce, there are a number of other factors that affect the compensation package of sales staff. The products and services being sold, as well as the types of customers, will impact on how staff are paid and the level of remuneration. (Dobre, 2013) indicates that sales representatives who promote ethical manufacturing products to managers will

clearly require different qualifications and abilities from those developing new outlets for fast-moving consumer goods and taking orders from existing ones. (Watson, 2014) in his empirical study warns that most sales compensation programmes work against effective corporate strategy because they encourage the sales people to do what is easiest, that is, sell the easiest item to sell, to the people who most like them rather than what is in the best interests of the company. He believes that every sales compensation decision encourages and discourages certain behavior. Commission, for example, encourages the quickest, easiest sales, but discourages strategic behavior that has a long-term payoff, such as acquiring new customers and emphasizing certain strategic product lines. By contrast, salary encourages staff loyalty, steadiness and attention to service, but discourages individual initiative.

(Stredwick, 1997) points out the main elements of the sales reward which are basic salary, commission, bonus and noncash incentives rewards in kind; in the form of gifts, travel vouchers and competition prizes, he further indicates that salary-only compensation for sales staff is relatively rare, particularly for top performers involved in direct selling and where sales volumes and achieving sales targets, rather than wider customer service, is the primary goal. He concludes that there is intense competition for high-performing sales staff, and therefore recommends so to retain such individuals, firms must ensure total earnings are at least comparable on average with what other companies are paying, whether the remuneration package consists of salary or commission or a mix of the two. According to (Vandenberghe, V. & Waltenberg, F. 2010), nonetheless, salary-only compensation is appropriate in certain circumstances, though such a strategy will need to be accompanied by good prospects for development, including promotion and training opportunities, if it is to retain staff.

(Suff and Reilly, 2006) in their article Selling rewards: Paying for performance in your sales force, indicate that where the role of sales staff has changed to a more consultative selling one, with greater responsibility for developing relationships with customers then the reward mix may need to be made up of more base pay and less incentive. They also believe greater salary in relation to incentives is consistent with developing and emphasizing new behavior and capabilities. According to (Suff and Reilly, 2006) the compensation plan should identify the performance criteria to be rewarded and should define the measurement levels. It should outline the degree that rewards are expected to drive employee actions. The plan should describe the

comparative group for your rewards package. This might be your industry and/or geographic competitors, for example. The key is to define the program benchmarks.

(Watson, 2014) describes Competitive positioning as the desired position vs. the market described in the last point. For example, do you want to provide salaries consistent with the industry average? Or do you want to establish yourself as a company who provides premium pay over the competition? No matter your position, be transparent and state the intent. If your intended positioning is below the industry average, be sure to explain why. Lack of information will only allow rumors to circulate and thus employees will have low motivation.

2.3.2 Organization working conditions

Management's new challenge is to build a work environment that attracts, retain and motivate its employees, (Watson, T. 2014). It takes an entirely different approach than it did just a few years ago to keep employees satisfied today. Many workplace factors influence employee's performance. Relationship among personality, work environment preferences and the outcome variables, performance and commitment affect employee's performance at the workplace, (Kerlinger, F. & Lee, H. 2000). Research has shown that work environment is having a great impact on the performance and attitude of employees, (Zingheim P and Schuster J. 2004), and this research will try to ascertain whether sales representatives in manufacturing companies in Kenya are facing the same problem.

A study by the International Journal of Advances in Management and Economics conducted by (Kiruja and Mukur, 2013) Linking Work Environment with Employee Performance in Public Middle Level TIVET Institutions in Kenya found that there was a weak positive correlation between work environment and employee performance which was statistically significant, $r(285) = .216, p < 0.05$. The positive coefficient means that there is a direct relationship: when work environment is conducive, employee performance increases and therefore work environment is an important predictor of employee performance in public middle level TIVET institutions in Kenya.

It is important for the employer to know how the work environment impacts greatly on the employee's level of motivation and performance. A well designed office signals the values and objectives of the company and the use of design in office interior communicates a company's

values and identity, (Watson, W. 2006). Office design therefore is one of the factors that affect employee's productivity. Employee's health and morale are often interrelated when it comes to productivity in the work environment, (Watson, W. 2006). A widely accepted assumption is that better workplace environment produces better results. Mostly the office is designed with due importance to the nature of job and the individuals that are going to work in that office.

Working conditions are at the core of paid work and employment relationships. Generally speaking, working conditions cover a broad range of topics and issues, from working time (hours of work, rest periods, and work schedules) to remuneration, as well as the physical conditions and mental demands that exist in the workplace, (Weilbaker D. 1999). The ILO monitors trends and developments regarding working time, work organisation, and work-life balance around the world and analyses key and emerging issues, in order to provide ILO constituents and policymakers with practical information and research-based policy advice grounded in state-of-the-art knowledge. In addition the ILO seeks to collaborate with national research institutes and academic institutions to obtain the state-of-the-art knowledge needed to support workers and employers in developing and implementing balanced working time arrangements that can protect workers' health, benefit their well-being and work-life balance, and promote sustainable enterprises as well.

Good Working Conditions are essential for workers' mental and physical well-being, but they aren't created by accident. Good working conditions arise from values that the company views as important to its mission, such as ensuring a manageable workload, and promoting two-way communication through open office spaces and regular team meetings, (Watson T. 2014). Workers are also entitled to a safe, hazard-free environment, whose requirements are spelled out under the Kenya's Occupational Health and Safety Act of 2007.

Employers who make a point of consistently communicating with employees get better performance results than those who ignore the concept. Communication builds morale and trust, which reduces turnover, as consultant (Gregory P. 2014) observes in a commentary for "Business Know-How." One example is Guardian Industries, an 800-person glass plant in Indiana that struggled to staff its shifts properly. To solve the problem, management sought out employees' opinions. Instead of rotating between days and evenings, employees decided to work permanent 12-hour shifts. Turnover fell by 50 percent as a result.

When designing an office, employers should remember that fluorescent light isn't the only option, according to "Inc." magazine. If possible, every employee should work in a space with some natural light. According to (Holman D. & Wood S. 2002) at a minimum, planners should create common spaces that have natural light. Companies should also check the heating, ventilation and air conditioning system's performance. In most cases, the landlord has to ensure that the system works properly. For that reason, the employer should designate a staff to help the management company resolve complaints.

Employee burnout is one of the greatest threats to performance and morale of employees (Hunter J, Schmidt F, Judiesch M 1990). For this reason, management should keep workloads manageable, TechRepublic newsletter advises. One possible solution is that when workload changes, employers might meet with staffers and have them score each task for its importance to the company and level of quality. The employer can then quickly rank each member's tasks to determine where he must cut, eliminate or refocus assignments to deliver a high-quality product.

Companies are abandoning the standard design concept of executive offices that surround a series of employee cubicles. Instead, some employers are embracing open spaces, one of many design concepts that have grown popular in recent years, according to (Gary, J. 1990). The theory is that such areas are more likely to promote collaboration and information-sharing, with employers creating as many open spaces as possible, including low-paneled work spaces. However, rooms can also be set aside for when employees must concentrate on big projects or conference calls, (Gary, J. 1990).

The Occupational Health and Safety Act, 2013 require employers to provide a workplace that's free of known dangers. The Occupational Health and Safety Administration enforces this right through inspections and a series of standards that define worker safety. Examples including putting safety guards on machines, and providing training before workers perform dangerous tasks. In the absence of such standards, employers are still bound by the act's "general duty" clause to keep workplaces free of known, recognized hazards.

The challenge faced by sales representatives in their work is the fact that an employee can actually be expected to work in different outlet points thus one point may favour a sales representative while another might be very unfavorable. The performance of an employee is

measured actually by the output that the individual produces and it is related to productivity. At corporate level, productivity is affected by many factors such as employees, technology and objectives of the organization, (Joseph K. & Kalwani M. 1998). It is also dependent on the physical environment and its effect on health and employees' performance. Sales reps are in most cases expected to work standing because their work entails assisting customers in supermarkets and keeping shelves adequately stocked, well among other duties, and thus their work environment is in most cases crowded, dusty, noisy, poorly light, slippery floors, have to deal with difficult local managers and all these factors affect their motivation to work and by extension their performance.

2.3.3 Job Security

This is the assurance (or lack of it) that an employee has about the continuity of gainful employment for his or her work life, (Kiilu C. 2008). Job Security is also defined as the presumption or confidence of an employee that he will not lose his current job he is holding to, (Kihara A. 2008). Job security usually arises from the terms of the contract of employment, collective bargaining agreement, or labor legislation that prevents arbitrary termination, layoffs, and lockouts. It may also be affected by general economic conditions.

Individual employees, who once thought that they held job security in return for their fidelity, now have no guaranteed career paths or long term employment. Employability has become the new philosophy in the business nowadays, substituting paternalism and job insecurity. (Waterman et al, 1994) Survivors and victims of downsizing experience fear, uncertainty, insecurity, distrust, and resentment as well as emotions typical of misery ;rage, disagreement and lack of confidence. These feelings affect employees not just on the job but spill over into their private lives as well. These emotions are the neither personally healthy nor organizationally productive (Noer, 1993). In the wake of downsizing, retained employees are expected to restructure and reorganize work processes, be authorized decision makers, work as teams, and become more customer focused (Henoff, 1994). As a result international organizations report that stress is pervasive and low confidence, as employees deal with increased workloads and their reactions to organizational situations in which continuity is threatened. Staff, employees or workers are fuels of every organization. Without them, the organization will not perform well. They complete every task that is necessary for the success of the organization. Employees are needed to ensure that

different tasks are being given focus and that the business operations function with ease and mobility. Thus, employees should be valued and taken care of. Employees with incomparable skills are hard to find, and sometimes it takes a large amount of time just to find one. These employees should also be valuable for their values and fidelity to the organization. Without motivation, employees would be less enthusiastic to give their best and would rather be an idler. Motivation or empowerment of employees is important to give the employees enough reason to stay in the company, (Ulrich D. 1996). Without job security, staff would feel that the organization does not think about them, and that they do not have any significance to the company at all.

2.3.4 Employee Recognition

Recognition plus a sense of achievement are central to the motivation process (Vroom, 1964). Managers need to address the ways in which they reward staff, as each member of staff is different and will react in different ways to employee recognition. (Suff, 2001), in his article *the new reward agenda*, recognizes the importance of addressing the individual needs of staff: he indicates that if the abilities and motives of the people under them are so variable, managers should have the sensitivity and diagnostic ability to be able to sense and appreciate the differences. He further urges manager to learn to value differences and to value the diagnostic process which reveals differences. He recommends that to take advantage of diagnostic insights, managers should be flexible enough and have the interpersonal skills necessary to vary their own behavior. If the needs and motives of subordinates are different, they should be treated differently.

(Milkovich, 2008), in his study ‘A strategic perspective on recognition management’ found out that firm demographics, such as size, sector and length of time in business, also play an important role in the design of recognition schemes for sales staff. He indicates that the extent of the role of an individual sales employee in the actual selling process compared with the other factors commonly influencing customers’ choice, such as price, advertising, product quality and wider customer service is another factor in determining remuneration, as is the amount of time spent selling relative to non-selling activities. A formal employee recognition program is a kind of a program which is aimed to reward your employees formally either in terms of bonuses or awards handed out at the month or a time cycle. These programs are well-planned and designed to improve work place performances, boost morale and confidence among employees and achieve

overall organization goals with a positive workforce. There are several Mechanisms for recognizing and rewarding staff

In general, a staff is paid the salary rates specified in the relevant industrial agreement. An additional salary loading may be paid to maximise the company's capacity to attract or retain specific staff, (Milkovich, 2008). Staff members at all levels are eligible to be recommended for an attraction or retention allowance although the normal expectation is that the award of this kind is made only in exceptional circumstances. A staff member's probationary period may be recommended to be confirmed early where the staff member's performance in the position exceeds performance expectations. According (Suff, 2001) progression through the salary steps of the relevant classification level recognises that a staff member's performance and conduct is satisfactory in accordance with the relevant classification criteria. Evidence of performance at a high level such as outstanding achievement of outcome(s) in relation to performance objective(s) agreed at the annual performance review may be recognised by accelerated progression.

(Sgroi, 2015) in the global perspective series on the understanding the happy-productive worker indicates that people should be given the opportunity to use a variety of skills, and perform different kinds of work conclude that the most common way to ensure employee recognition is through job enrichment and expansion. They indicate that this can be achieved by moving workers through a variety of jobs that allow them to see different parts of the organization learn different skills and acquire different experiences. This can be very motivating, especially for people in jobs that are very repetitive or that focus on only one or two skills.

Job enrichment is an attempt to motivate sale employees by giving them the opportunity to use the range of their abilities. It is an idea that was developed by (Herzberg, 1950). (Lucas and Diener, 2003), further indicate that the central focus of job enrichment is giving people more control over their work as lack of control is a key cause of stress, and therefore of unhappiness. They recommend that where possible employees should take on tasks that are typically done by supervisors. This means that they have more influence over planning, executing, and evaluating the jobs they do. In enriched jobs, people complete activities with increased freedom, independence, and responsibility.

(Poppo, 2005) in his paper concluded that combined work activities provide a more challenging and complex work assignment. He indicates that this can significantly increase "task identity" because people see a job through from start to finish. This allows workers to use a wide variety of skills, which can make the work seem more meaningful and important. He recommends the application of this process wherever there are groups that typically perform only one part of an overall process.

A general staff position may be established as a linked position which provides for the appointee, subject to satisfactory performance, to move to the higher of the linked positions without a formal review of classification(Poppo, 2005). The time to be served in the base position is established, on a case by case basis, at the time of offer of appointment together with the performance and training objectives to be met prior to movement to the higher level. Annual awards are given to one or a few employees for their performance or achievement in a specific area or demonstration of a company value (i.e. Innovation, Customer Service, Integrity, Teamwork, etc.), and are generally awarded at a company event. Annual awards often include an emblem and gift(Armstrong, 2002).

(Ryals and Rogers 2005), who looked at the impact of variable pay on account managers, concluded that it can be highly problematic, as the nature of the work of this group of sales staff is to cultivate long-term relationships with customers, so high levels of commission or bonus can 'confuse and demotivate'. They also say that variable pay can lead to sales staff concentrating their efforts on 'picking low-hanging fruit rather than on strategic sales'.

2.3.5 Motivation

Several studies have been conducted in a quest to determine motivation in the work place, (Siu et al, 1997) in a quest to answer the question "What motivates Hong Kong's hotel employees concluded that it is often the managers and organizational practices that are the problem, not the employees. In his study he further clarified their sentiments by indicating that when there is a lack of motivation, the problem usually lies in one of the following areas: poor selection; unclear goals; an inadequate performance-appraisal system; unsatisfactory reward systems; or the manager's inability to communicate the appraisal and reward systems to the employees properly.

(Robbins, 2003), indicates that in most cases, the sale representatives' do not believe that their efforts will be recognized. He alludes that if this is the case, it could lead to a lack of motivation since the relationship between the employees' performance and organizational rewards is important. (Atkinson, 1996) indicates that in order to improve performance, managers must make sure that the employees believe that if they get a performance appraisal, it will lead to organizational rewards. Many employees see this relationship as weak because the organization does not give rewards based on their performance, so there is a lack of motivation

(Robbins, 2003) indicates that in most cases further points out the importance of the relationship between the rewards received and the rewards desired. He clarifies this issue by indicating that the managers must know whether the rewards the employees receive are the ones they desire. To further elaborate this, he indicates that some employees might want a promotion but instead get a pay rise, or vice versa. Sometimes the managers assume that all employees want the same reward and so fail to notice the motivational effects of individualizing rewards. If this is the case, employees' motivation is likely to suffer

Thus to keep employees motivated, managers must strengthen these three relationships. If any or all of these three relationships are weak, the employees' efforts are likely to suffer. When these relationships are strong, the employees tend to be motivated, so the company is likely to gain competitive advantages through human resources (Robbins, 2003). Motivation needs to be long lasting and reinforced by rewards and praise.

(Clark and Dobre, 2013), In their article; employee motivation and organization performance, imply that motivation needs to be maintained by managers to ensure a high level of performance and productivity, and to create a working environment where employees will have positive attitudes, commitment toward their work and, most importantly, the belief that they are not only valued but of crucial interest to the company

2.2.6 Conceptual Framework

Independent variables

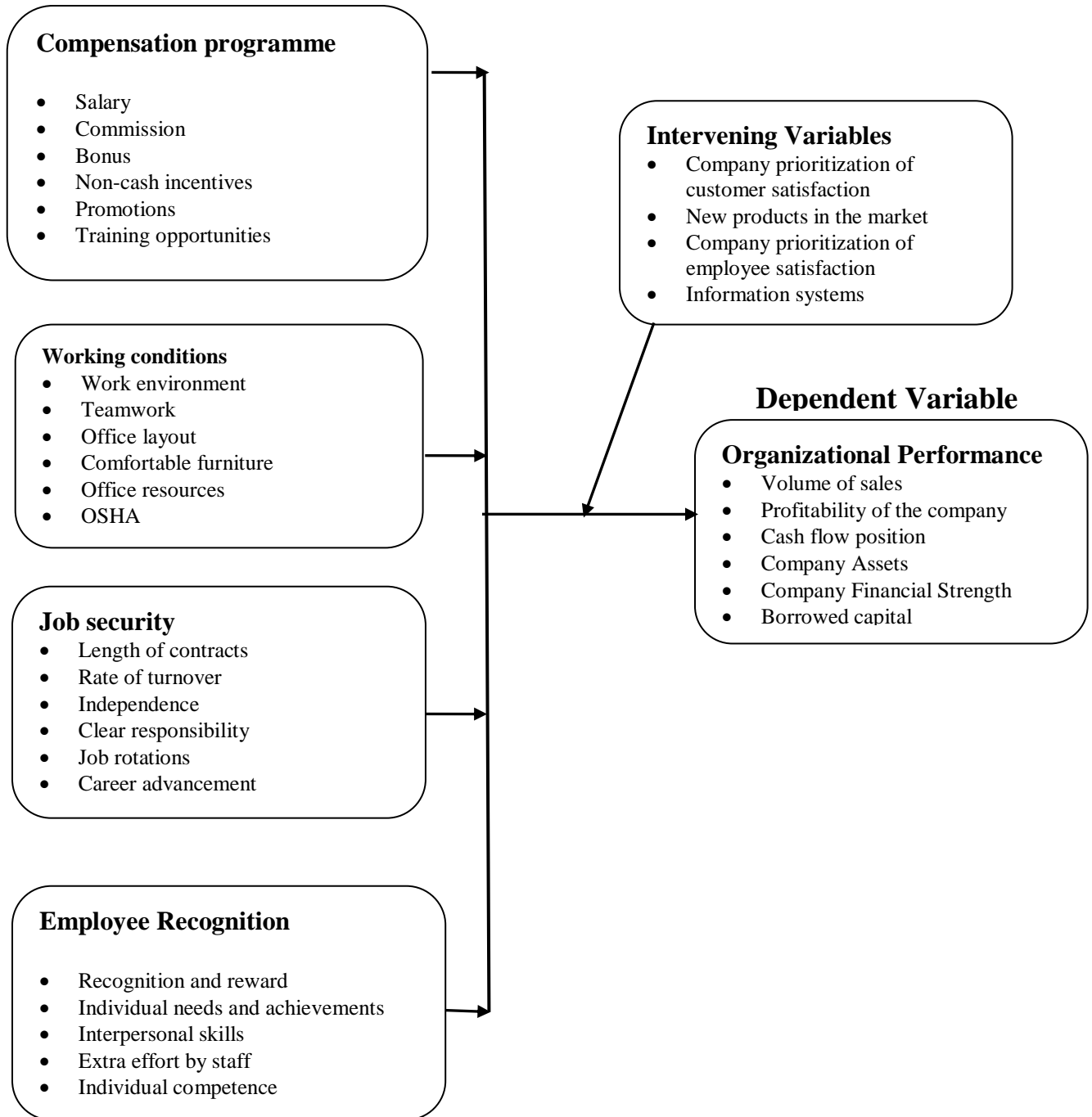


Figure 2.3: Own Conceptualization (2016)

2.2.7 Operationalization of variables

Various studies have been conducted on the efficiency of the compensation programs available in various organizations. This study concentrated on the compensation packages available such as commission, salary, and bonus, noncash incentives such as gifts, travel vouchers and competition prizes. The working conditions parameters included the general work environment, job role, and office and fieldwork resources, inter departmental relationships and team work. As far as job security was concerned, the study concentrated on the terms of references such as contract length, rate of turnover and issues regarding job enrichment. The criteria used by the organization during employee recognition was also critiqued and looped with a keen consideration of Individual needs and achievements, Interpersonal skills, Extra effort by staff, Individual competence.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design, target population, sample size, instrumental validity and reliability. It also covered the method that was used in collection of data and the methods of data analysis in order to come up with answers to satisfy the research objectives.

3.2 Research Design

A research design is the specific method a researcher uses to collect, analyze, and interpret data. It is the programme that guides the investigator as he or she collects, analyses, and interprets observations in order to answer the research questions (Stangor, 2011),(Nachmias&Nachmias, 1996). Research design is an arrangement of conditions for collection and analysis of data in a way that combines their relationship with the purpose of the research (Buchenroth, 2006).It is a logical structure that ensures that all collected evidence helps eliminate bias when evaluating theories and arriving at conclusions. According to (Kerlinger, 2000), such a systematic method enables researchers to answer the research questions as validly, objectively, accurately and as economically as possible.

This study used the cross-sectional survey design approach. In a cross-sectional survey, data is collected at one point in time from a sample selected to represent a larger population (Nachmias and Nachmias, 1996). This design enabled the collection of data from a larger population consisting of sales representatives in the selected FMCG manufacturing companies in Kenya. In this study a descriptive research design was used where the researcher interacted with the participants through a survey of four fast moving goods manufacturing companies. According to (Mugenda and Mugenda 2004), descriptive research is the the best process of collecting data in order to test the hypothesis.

3.3 Target Population

Population can be described as the total number of subjects or cases that conform to some designated set of specifications (Bird, 2009). The target population for this study was the sales representatives in FMCG manufacturing companies in Kenya. Sales representatives were selected

because of the nature and demands of their jobs which require that they continuously engage in direct sales and distribution of goods in different retail outlets.

Target population is that population to which a researcher wants to generalize the results of a study (Mugenda and Mugenda, 2003). The target population for the study composed of all the sales representatives of four FMCG manufacturing companies in Kenya which was a total of 326 staff. Simple random sampling technique was then used to pick respondents from each company.

3.4 Sampling Frame

In statistics, a sampling frame is the source material or device from which a sample is drawn. It is a list of all those within a population who can be sampled, and may include individuals, households or institutions (Cresswell, 2007). The sampling frame for this study comprised of all sales representatives in the four companies. The numbers of sales representatives were retrieved from the Websites of the companies under the company's profile and confirmed with the head of human resource in each company.

3.5 Sample and Sampling Techniques

Sampling refers to taking a portion of a population or universe as representative of that population or universe (Kerlinger and Lee, 2000). The essential requirement of any sample is that it should be as representative as possible of the population from which it is drawn. A sample is therefore considered to be representative if the analyses made using the researcher's sampling units produce results similar to those that would be obtained had the researcher analysed the entire population. This study used both probability and non-probability sampling methods to select the sample that participated. According to (Nyandemo, 2007), probability sampling is a sampling technique wherein the samples are gathered in a process that gives all the individuals in the population an equal chance of being selected. In this technique, the researcher must guarantee that every individual has an equal opportunity for selection. This can be achieved if the researcher utilizes randomization. This technique was used in selecting individual sales representatives from the four companies.

(Nyandemo, 2007) defines non-probability sampling as a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of

being selected. In any form of research, true random sampling is always difficult to achieve because most researchers are bounded by time, money and workforce and because of these limitations, it is almost impossible to randomly sample the entire population and it is often necessary to employ non-probability sampling technique. This technique was used in selecting the companies and sales representatives as per the below table.

Table 3.1: Target Population

Region	Target Population
Nairobi	147
Mombasa	98
Central	81
Total	326

Source: Association of Kenya Manufacturers (AKM), 2015

3.6 Sampling size

As stated by Cresswell (2007) the purposive sampling technique enables the researcher to select a sample that he/she considers to be the most appropriate for the study. The selection of a purposive sample is often accomplished by applying expert knowledge of the population to select a sample of elements that represents a cross-section of the population in a non-random manner (Kerlinger and Lee, 2000). This is done by the use of judgment and a deliberate effort to obtain a representative sample by including presumably typical areas or groups in the sample. The companies which were purposively sampled for this study were identified by both Kenya Demographic, Kenya "Health Survey 2010, Statistical Abstract and Kenya National Bureau of Statistics as having a substantial contribution to the achievement of Millennium Development Goals (MDGs) both in the medium and long term particularly one on Eradication of extreme Poverty and hunger and goal eight on Global Partnerships for Development. According to the Kenya Demographic, Kenya. "Health Survey (2010), Statistical Abstract, the sector contracted by 3.9 percent from 2007, but still generated over a third (33.4 per cent) of the total manufacturing production, and provided 89,319 jobs. High production and ingredient costs were partially blamed for this contraction. In 2009, the sector grew by 2.1 percent (KNBS, 2009).

Several factors affect the decision on sample size. Such factors include availability of funds, time and the geographical distribution of the target population (Glasgow, 2005, Kerlinger, 2000) as well as homogeneity of a population (Yount, 2006). According to (Borg and Gall, 2003), 20 – 30% of the total population is representative. Thus, based on this study, 98 respondents were within the 20-30% of the accessible population and therefore were deemed representative enough for the sample size. The actual population was 326 hence 98 respondents represented 30% of the accessible population. This is also supported by (Mugenda & Mugenda, 2003). The study covered a sample of ninety eight (98) employees from the four companies under study.

$$n = \frac{N}{1 + N(e)^2}$$

where

n: is the sample size

N: total population

e: Error margin or accuracy(+/-8% is the degree of precision)

Sample ratio 0.30 = 98/326

Thus $n = \frac{326}{(1 + 326(.08)^2)}$

N=98 thus 98 representatives were selected

Table 3.2 Sample size

Company	Target Population	Sample Size
Nairobi	147	44
Mombasa	98	29
Central	81	25
Total	326	98

Source (Author, 2016)

3.7 Data Collection Instruments

The primary data for this study was collected using detailed questionnaires hence ensuring that relevant information on the subject of study was collected. Questions consisted of a mixture of open ended and close ended questions meant to allow for intensity and richness of individual perceptions in respondent responses. (Bird, 2009) argues that closed ended questions provide the survey with quantifiable and in-depth results. He adds that closed ended questions produce results that are easily summarized and clearly presented in quick-look summaries. Questionnaires are also flexible and facilitate the capture of in-depth knowledge of the respondents, promotes respondent cooperation and allows the interviewer to probe further for clarification of issues. As a method of data collection questionnaires are appropriate because they are easy to analyze, and are cost effective (Anderson, 2003)

3.8 Validity and Reliability of the instruments

Validity is defined as the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda and Mugenda, 2003). Validity refers to a researchers' ability to make meaningful and justifiable inferences from scores about a sample or population (Creswell, 2005). In other words, validity is the degree to which results obtained from the analysis of the data actually represents the phenomena under study. Validity, according to (Joseph, 1998) is the degree to which a test measures what it purports to measure. Reliability refers to the consistency of a question; that is, the probability of obtaining the same results if the question is duplicated (Kerlinger and Lee (2000). Validity refers to whether or not the question measures what it was intended to (Kothari, 2004). In order to achieve reliability and validity, questions should be short

and simple. Reliability analysis allows examination of the properties of measurement scales and the variables making them up. The reliability analysis procedure calculates a number of commonly used measures of scale reliability and provides information on the relationship between individual variables in the scale.

Two types of validity were tested: face validity and content validity. Content validity refers to whether an instrument provides adequate coverage of a topic. It refers to the representativeness of the content of the topic (Kerlinger & Lee, 2000). Face validity refers to the likelihood that a question will be misunderstood or misinterpreted. Pre-testing a survey is a good way to increase the likelihood of face validity (Kerlinger and Lee, 2000). Expert opinions and literature searches will help establish content validity. After preparing the instruments, the researcher gave them to experts in Scholarly Publishing and Online Communication and asked them to read and judge whether the questionnaires had adequate content in the area to be tested. The opinion of the experts helped restructure, improve or discard parts of the instruments that were found invalid.

Reliability is a measure of the degree to which a test consistently measures whatever it should measure (Gay, 1987). Reliability in research is influenced by random error, which is the deviation from a true measurement due to factors that have not effectively been addressed by the researcher. These can be due to factors such as distraction when filling in a questionnaire, due to ambiguous instructions and technical difficulties. Researchers therefore can use commonly acceptable ways of estimating reliability. There are several ways of determining instruments' reliability. (Kerlinger and Lee, 2000) have identified the test retest method, parallel form and internal consistency techniques of testing reliability.

This study tested for internal consistency of the research instruments for reliability by use of Cronbach's alpha on the Likert scale question items. The method was used in this study because it is a type of internal reliability estimate used to assess the consistency of responses on a measure that contains more than one component (Nachmias and Nachmias, 1996). The value of the alpha coefficient ranges from 0 to 1. A higher value depicts more reliability of the instruments used in the study. In the study, the reliability for the questionnaires was found to be 0.939. According to (Nunnally and Bernstein, 1994) usually a coefficient of 0.7 and above is acceptable and it indicates good internal consistency of items in the scale.

This study carried out a reliability analysis using SPSS Version 20.0 to establish the reliability of the independent variables in the study. As illustrated in table 3.2, a Cronbach’s Alpha value of 0.939 indicates that the variables are reliable. The Variable-Total statistics in appendix II further reveal that each of the variables had a measure of above 0.9 on the Cronbach’s Alpha scale meaning that all of them are reliable.

Table 3.3: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.939	0.939	48

Source (Research Data, 2016)

3.9 Data Analysis and Presentation

The data collected was cleaned, coded and entered into the computer for analysis using the Statistical Package for Social Sciences (SPSS) version 20.0. SPSS is the most popular programme, offering a powerful, fast and reliable statistical analysis for quantitative data (Sarantakos, 2007). The data was analysed by use of quantitative data analysis approaches. Descriptive statistics were used in presentation and description of the data. According to (Gingery 2009), descriptive statistics are the basic measures used to describe survey data. They consist of summary descriptions of single variables (also called “univariate” analysis) and the associated survey sample. They include frequency and percentage response *distributions*, measures of *central tendency* (which include the mean, median and mode), and *dispersion* measures such as the range and standard deviation, which describe how close the values or responses are to central tendencies.

3.10 Ethical Considerations

The research process can be faced with challenges to do with issues of accessing the respondents as well as ethical constraints (Bickman and Rog, 2009). Concerns may arise at all the stages of the research process. The researcher has to be responsible for developing procedures and controls to ensure that all issues that might arise at the different stages are handled in an ethical manner

(Oso and Onen, 2006). The researcher ensured that all authors and sources of all ideas, processes, results, or words used in the research document were acknowledged.

(Cresswell, 2009) recommends compliance with codes of ethics for national professional associations prior to data collection. The researcher followed the right procedure in seeking authority to conduct the research from Egerton University and the human resource departments of the four companies. Once authority to conduct the collection of data was granted, the researcher visited the respondents in the sampled institutions as per the scheduled time. Caution was taken not to cause disruptions to the respondents while administering the questionnaires.

During data collection, informed consent was sought from the respondents after explaining why the research was being conducted as recommended by (Creswell, 2009). Creswell cautions the researcher to explain the purpose of the study to respondents and how they are likely to benefit from the findings. The researcher assured participants that no harm would get to them for participating in the study and that the exercise was voluntary. They were informed of their right to anonymity, the right to refuse to answer certain questions and the right to refuse to be interviewed or respond to questionnaires.

During data analysis and interpretation, the researcher protected the anonymity of the respondents by ensuring that respondents' names were not revealed. Confidentiality of the data and keeping the identity of the respondent unknown in the data collection process was maintained. Protection of the respondent's identity was done by the use of a respondent code instead of names. This put the respondents at ease to fill the questionnaire and participate in the survey. The researcher guarded against casting the results of the study against a favourable light. Rather, the researcher ensured that an accurate account of the information was provided as proposed by (Creswell 2009).

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the research findings in the paper that sort to investigate the effect of selected motivational factors influencing organizational performance in selected fast moving goods manufacturing companies in Kenya. The study was conducted on 50 respondents who were served with a questionnaire working as sales representatives for the four companies (Unilever Kenya Limited, Pwani Oil, Bidco and Kapa oil Refineries) in a survey that targeted 326 respondents. The Likert scale was applied to questions that asked for opinion; extremely large extent, large extent, moderately, small extent and no extent. The collected questionnaires were edited and coded before being uploaded into the SPSS. Data analysis was done using a computer package, SPSS (Statistical Package for Social Science, version 20.0) to find the relationship in the various motivational factors to organizational performance. Frequencies, mean scores and standard deviations were computed where appropriate.

4.2 Response Rate

According to (Roscoe, 1975), sample sizes of less than 10 are not recommended. A sample size of 30% was targeted with the aim to increase the levels of confidence in the findings. Based on a sampling frame of 326 sales representatives from the four companies, the study targeted 98 respondents. Based on the respective proportions of each company in the sampling frame, 23 respondents were targeted from Unilever Kenya, 21 from Pwani Oil, 27 from Kapa Oil, and 27 from Bidco Oil. A total of 50 responses were collected from the targeted 98, this translates to 51% response rate which is above the 50% threshold required for a study, (Sarantakos S. (2007)). The respondents in the study were distributed as follows;

Table 4.1: Response Rate

Region	Target Population	Target Sample	Responses Recovered	Percentage of Response
Nairobi	147	44	23	52.3
Mombasa	98	29	14	48.3
Central	81	25	13	52.0
Total	326	98	50	51%

Source (Research Data, 2016)

4.3 Profile of respondents

4.3.1 Gender of the respondents

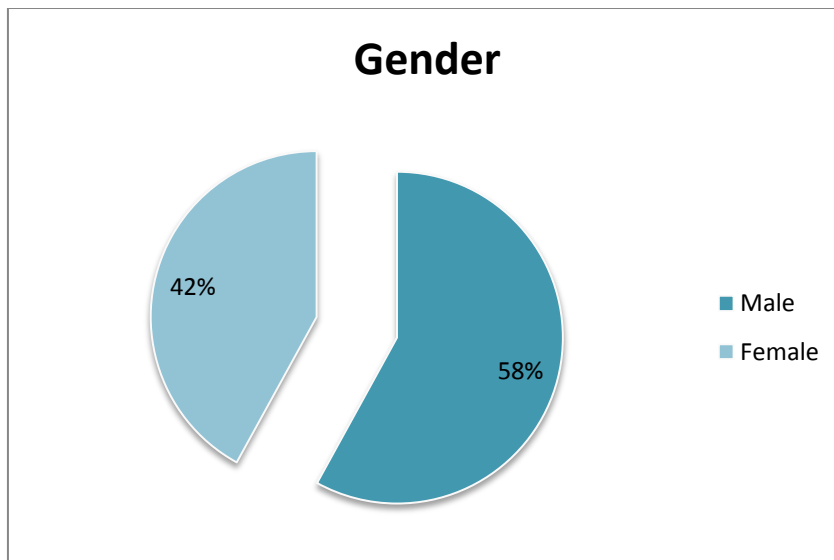


Figure 4.1: Gender of respondents (Research Data, 2016)

The sample was comprised of both male and females. The distribution is shown in figure 4.1 above. According to the findings males had the highest contribution to this research at 29 (58%) of the total population while females contributed to 21 (42%) of the total population of respondents who participated in the research. According to a report by McKinsey & Company Inc. (2007), on why women matter, they found out that women are manufacturing's largest pool of untapped talent. Women represent nearly half (47 percent) of the total U.S. labor force and comprise less than a third (27 percent) of the manufacturing workforce thus in every

manufacturing sector in the U.S., women are underrepresented. The results in this study found that women were 42%, higher compared to the report. This could be contributed to the motivation incentives given in the companies like compensation and bonuses given by the companies.

4.3.2 Literacy level of respondents

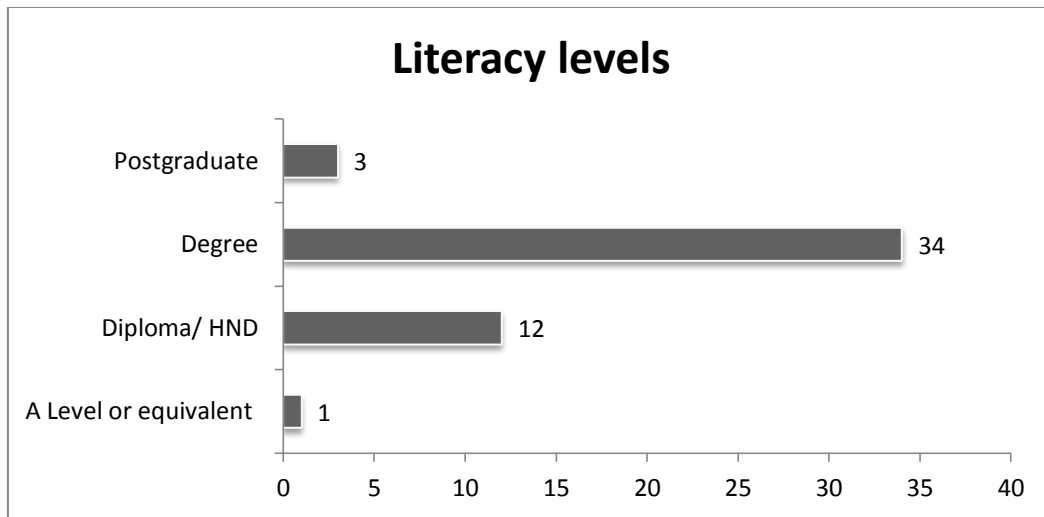


Figure 4.2 Literacy levels of respondents (Research Data, 2016)

The figure 4.2above shows the academic literacy levels of sampled employees in the study. It is evident in the findings that the greatest proportion of respondents had literacy levels of degree and above with 34 being graduates while 3 respondents had postgraduate qualification. Almost a quarter of all respondents held diplomas level qualification while only one respondent had senior secondary education qualification. Results from a study by (Soderbom &Teal, 2000) indicated that a one-year increase in the average education of the workforce increases value-added by about 14 per cent. This will be very helpful having above 74% of the respondents with above degree level education level.

4.3.3 Work experience in current department

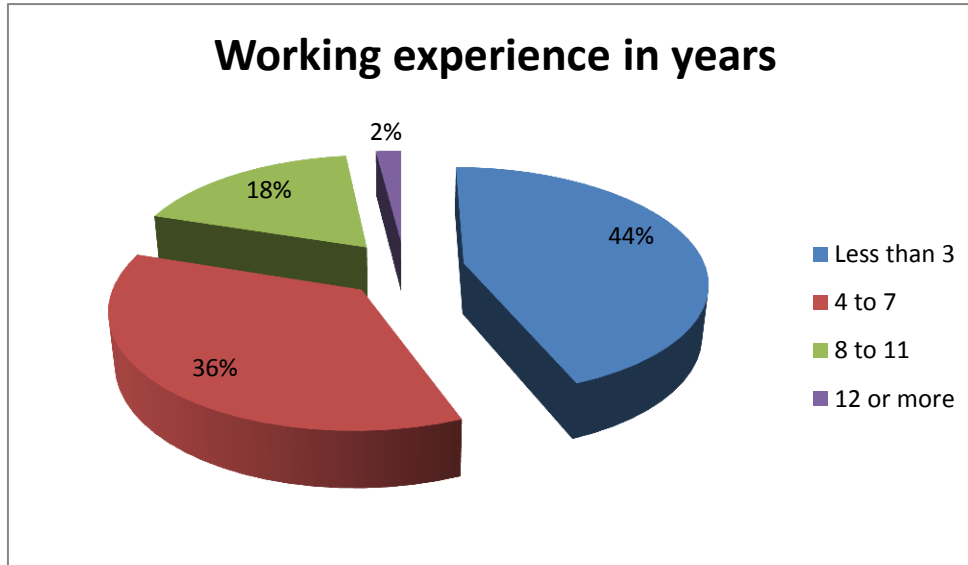


Figure 4.3 Working experience (Research Data, 2016)

Figure 4.3 above illustrated the levels of work experience in the sales departments that the respondents possessed. According to the study 44% of all respondents had worked in the department for less than 3 years. The remaining 56% had experience of over four years working in the sales and Marketing departments. 36% had worked for between 4 and 7 years while 18% had worked for between 8 to 11 years. Only 2% of the respondents had working experience of over 12 years. Findings from this study with only 2% of the respondents having a working experience of more than 12 years shows that most respondents were less aware of the challenges in the sales fields and strategies adopted to cope with challenges thereof. This may affect the companies negatively in cases where the staffs are overwhelmed by the challenges. And thus lead to low productivity.

4.4.1 Compensation Programme

The respondents were asked questions to measure how sales representatives were affected by compensation programmes at their companies and their responses measured on the strength of 1 to 5 on the Likert scale with 1 representing no effect while 5 represented very large effect. As indicated in Table 4.2, the respondents remained neutral about the effect of commission on their performance (Mean= 3.84; S.d. 0.95), however they indicated that salary affected them to a small extent (Mean= 2.4; S.d. 1.14). Respondents were also neutral on the effect of bonuses on their

performance (Mean= 3.12; S.d. 0.9398) while indicating that non-cash incentives such as gifts, travel vouchers and competition prizes affected them to a small extent (Mean= 2.94; S.d. 0.977); promotions too affected the respondents to a small extent (Mean= 2.56; S.d. 1.12). The respondents indicated that the effect of training opportunities on their performance was neutral (Mean= 3.26; S.d. 0.98).

Table 4.2: Descriptive statistics on Compensation Programme

Aspects of Compensation Programme	N	Min	Max	Mean	Std. Dev
Commission	50	1.00	5.00	3.8400	.95533
Salary	50	1.00	5.00	2.4800	1.14713
Bonus	50	1.00	5.00	3.1200	.93982
Non-cash incentives such as gifts, travel vouchers and competition prizes	50	1.00	5.00	2.9400	.97750
Promotions	50	1.00	5.00	2.5600	1.12776
Training opportunities	50	1.00	5.00	3.2600	.98582
Valid N (list wise)	50				
Aggregate Score				3.03	1.0222

4.4.2 Organizational Working Conditions

With respect of working conditions, respondents indicated that they disagreed that the working conditions in their companies were favorable and conducive (Mean= 2.88; S.d. 1.379). Similarly the respondents disagreed that their salaries and remunerations were good and motivating (Mean= 2.58; S.d. 1.31). On the other hand the respondents were uncertain about there being team work or efforts towards team building in their companies (Mean= 3.28; S.d. 1.34), similarly they were uncertain about their job descriptions being clear and static (Mean= 3.74; S.d. 1.15). The respondents indicated that they disagreed about their office layout being ample and conducive (Mean= 2.86; S.d. 1.35), similarly they disagreed that the furniture used in their offices was comfortable and efficient (Mean= 2.36; S.d. 1.27). There was also disagreement about office resources being well distributed (Mean= 2.66; S.d. 1.45).

Table 4.3 Descriptive statistics on organizational working conditions

Aspects of organizational working conditions	N	Min	Max	Mean	Std. Dev
Work environment at your company is favorable and conducive	50	1.00	5.00	2.8800	1.37974
The salary and remuneration are good and motivating	50	1.00	5.00	2.5800	1.31071
There is teamwork and various efforts towards team building	50	1.00	5.00	3.2800	1.34073
The office layout is ample and conducive	50	1.00	5.00	2.8600	1.35541
Job description is clear and static	50	1.00	5.00	3.7400	1.15723
The furniture used is comfortable and efficient	50	1.00	5.00	2.3600	1.27391
The departmental relationships among employees and their seniors are good	50	1.00	5.00	3.0600	1.39108
Office resources (printers, computers) are well distributed	50	1.00	5.00	2.6600	1.45139
The company reorganizes and rewards individual talents	50	1.00	5.00	3.0400	1.38446
The company takes care of Occupational Safety and Health of all employees.	50	1.00	5.00	3.0200	1.34756
Valid N (list wise)	50				
Aggregate Score				2.948	1.3392

The respondents in this study were uncertain about departmental relationships among employees and their seniors being good (Mean= 3.06; S.d. 1.39). They were also uncertain on the question of their companies recognizing and rewarding talents (Mean= 3.04; S.d. 1.38). Similarly, the respondents were also uncertain about their companies taking care of occupational safety and health of all employees (Mean= 3.02; S.d. 1.34).

4.4.3 Job Security

The respondents were asked questions to measure how sales representatives were affected by job security at their companies and their responses measured on the strength of 1 to 5 on the Likert

scale with 1 representing strong disagreement while 5 represented strong agreement. As indicated in Table 4.4 the respondents were neutral about them being greatly affected by job security in the workplace (Mean= 3.72; S.d. 1.16) but disagreed that their companies gave employees long term contracts (Mean= 2.54; S.d. 1.26). The respondents also strongly agreed that in enriched jobs, people completed activities with increased freedom (Mean= 4.10; S.d. 1.17), they were however neutral on the observation that the rate of turnover of employees was very high and that this affected sales representatives (Mean= 3.12; S.d. 1.33).

Respondents were neutral when asked if companies respected independence as far as task completion was concerned (Mean= 3.36; S.d. 1.24), similarly they were neutral on whether every member of staff had a clear responsibility at the workplace (Mean= 3.46; S.d. 1.29). The average response was also neutral about there being frequent job rotations at the workplace (Mean= 3.6; S.d. 1.21), the respondents were similarly neutral about all employees having a say about job planning and execution (Mean= 3.38; S.d. 1.96). Respondents were also neutral about company management ensuring that workers were given the opportunity to use a variety of skills (Mean= 3.74; S.d. 1.15) but they disagreed that employees had a clear path for career development (Mean= 2.98; S.d. 1.31).

Table 4.4: Descriptive statistics on Job Security

Aspects of Job Security	N	Min	Max	Mean	Std. Dev
Sale representatives are greatly affected by Job security in the work place	50	1.00	5.00	3.7200	1.16128
Company gives long term contracts to employees	50	1.00	5.00	2.5400	1.26507
In enriched jobs, people complete activities with increased freedom	50	1.00	5.00	4.1000	1.17803
The rate of turnover is very high and it affects the sale representatives	50	1.00	5.00	3.1200	1.33463
The company respects independence, as far as task completion is concerned	50	1.00	5.00	3.3600	1.24146
Every member of staff has a clear responsibility in the work place	50	1.00	5.00	3.4600	1.29694
There are frequent job rotations in the work place	50	1.00	5.00	3.6000	1.21218
All employees have a say when it comes to job planning and executing	50	1.00	5.00	3.3800	1.96801
Company management ensures that workers are given the opportunity to use a variety of skills	50	1.00	5.00	3.7400	1.15723
Employee has a clear path for career advancement	50	1.00	5.00	2.9800	1.31692
Valid N (list wise)	50				
Aggregate Score				3.35	1.3132

4.4.4 Employee Recognition

Respondents were asked questions to measure how sales representatives were affected by rewards and recognition at their companies and their responses measured on the strength of 1 to 5 on the Likert scale with 1 representing strong disagreement while 5 represented strong agreement. As indicated in Table 4.5, on average the respondents were uncertain that they were greatly affected by employee recognition (Mean= 3.64; S.d. 1.30), similarly the respondents were uncertain about recognition plus a sense of achievement being central to the motivation process (Mean= 3.80; S.d. 1.01). On the other hand, the respondents disagreed that the management of their companies identify individual needs and achievements of every staff (Mean= 2.48; S.d.

1.16), similarly they disagreed that the management takes keen interest in an effort to identify interpersonal skills (Mean= 2.46; S.d. 1.07). Respondents also disagreed that management recognizes the extra effort that employees do to ensure success of the company (Mean= 2.70; S.d. 1.14), they also disagreed that the management concentrated on the key of individual competence to recognize achievement (Mean= 2.96; S.d. 1.00).

Table 4.5: Descriptive statistics on Employee Recognition

Aspects of Employee Recognition	N	Min	Max	Mean	Std. Dev
Sale representatives are greatly affected by personalized recognition	50	1.00	5.00	3.6400	1.30556
Recognition plus a sense of achievement are central to the motivation process	50	1.00	5.00	3.8000	1.01015
The management identifies individual needs and achievements of every staff	50	1.00	5.00	2.4800	1.16479
The management takes keen interest in an effort to identify interpersonal skills	50	1.00	5.00	2.4600	1.07305
The management reorganizes the extra effort staff do to ensure success in the company	50	1.00	5.00	2.7000	1.14731
To recognize achievement the management concentrates on the key of individual competence	50	1.00	5.00	2.9600	1.00934
Valid N (list-wise)	50				
Aggregate Score				3.00	1.1184

4.4.5 Motivation in the Workplace

The respondents were asked questions measuring to what extent some organizational actions affected the motivation of sales representatives at their companies and their responses measured on the strength of 1 to 5 on the Likert scale with 1 representing not at all while 5 represented very large extent. As illustrated in Table 4.6, the respondents generally indicated that sales representatives were affected by motivation on the work place to a small extent (Mean= 2.48; S.d. 1.23). The respondents were moderate about the extent to which poor selection affected their motivation (Mean= 3.60; S.d. 1.12), similarly they were indicated that unclear goals affected their

motivation to a moderate extent (Mean= 3.62; S.d. 1.14). The responses also indicated that the respondents inadequate performance appraisal systems affected their motivation to a moderate extent (Mean= 3.5; S.d. 1.16), similarly they indicated that unsatisfactory reward systems had a moderate effect on their motivation (Mean= 3.72; S.d. 0.99). Finally the respondent indicated that the inability of managers to communicate the appraisal and reward systems in their companies was moderate in its effect on their motivation (Mean= 3.56; S.d. 1.10).

Table 4.6 Descriptive statistics on Motivation

Aspects of Motivation in the Workplace	N	Min	Max	Mean	Std. Dev
Sale Representatives are greatly affected by motivation in the work place	50	1.00	5.00	2.4800	1.23288
Poor selection	50	1.00	5.00	3.6000	1.12486
Unclear goals	50	1.00	5.00	3.6200	1.14286
Inadequate performance-appraisal system	50	1.00	5.00	3.5000	1.16496
Unsatisfactory reward systems	50	1.00	5.00	3.7200	.99057
Manager's inability to communicate the appraisal and reward systems	50	1.00	5.00	3.5600	1.10951
Valid N (list wise)	50				
Aggregate Score				3.41	1.1276

4.4.6 Company financial performance

With regard to financial performance of their respective companies, respondents were required to answer five questions on financial perspective. The contributions from the responses are shown in the table 4.8. The questions related to company profitability, cash flow, company assets, ability to meet financial obligations, and solvency. Responses were measured on the Likert scale with the scale ranging from strongly disagree, disagree, uncertain, agree, and strongly agree on the higher side.

Table 4.7 Descriptive Statistics on company financial performance

Aspects of company financial performance	N	Min	Max	Mean	Std. Dev
Profitability of the company high enough for self-sustainability	50	1.00	5.00	3.5600	1.09096
Cash flow position of the company good	50	1.00	5.00	3.4800	1.09246
Company has acquired a lot of assets since new sales strategies have been introduced	50	1.00	5.00	3.3600	1.17387
Company has the ability to meet financial obligations as they come due (liquidity)	50	1.00	5.00	3.6800	1.09619
Borrowed capital used by the business is lower than the amount of your equity (Solvency)	50	1.00	5.00	3.3400	1.08063
Valid N (list wise)	50				
Aggregate Score				3.484	1.1068

As indicated in table 4.8, the aggregate mean score of 3.484 and standard deviation of 1.1068 reveals that respondents were on average uncertain about the financial performance of their companies relative to product sales and marketing. All the aspect of company financial performance had mean responses of 3. Respondents indicated they were not certain about profitability of their company being sufficient for self-sustainability (Mean= 3.56; S.d. 1.09). Similarly respondents were uncertain about cash flow position of the company being good (Mean= 3.48; S.d. 1.09). For all the remaining aspects of company financial performance it is clear as illustrated in Table 4.8 that respondents were uncertain.

4.5 Effect of the Selected Motivational Factors on Organizational Performance.

4.5.1 Correlation

In this sub-section, results of inferential statistical techniques used in the research are shown. Pearson correlation coefficient was computed to assess the relationships between the different factors influencing the motivation of sales representatives.

The results showed statistically positive relationships between all the dependent variable (Company performance) and the independent (working conditions, job security, compensation programme, employee recognition, and motivation). It also indicated correlation between a numbers of the independent variables.

The correlations table indicates that working conditions and job security have a significant correlation (Pearson's $R=0.781$, $p=0.040$). Similarly, there is significant positive correlation between company performance and compensation programme (Pearson's $R=0.469$, $p=0.001$). There is also a significant positive correlation between company performance and employee recognition programme (Pearson's $R=0.309$, $p=0.029$).

Finally, some of the variables also revealed significant negative correlations. There was a significant negative correlation between working conditions and employee recognition (Pearson's $R= -0.366$, $p=0.009$). Similarly, job security and compensation programme revealed a significant negative correlation (Pearson's $R= -0.164$, $p=0.255$).The correlations are shown in table 4.8 below.

Table 4.8 Correlation Matrix

Correlations

		Company performance	Working conditions	Job security	Compensation programme	Employee recognition
Company performance	Pearson	1				
	Correlation					
	Sig. (2-tailed)					
	N	50				
Working conditions	Pearson	.360**	1			
	Correlation					
	Sig. (2-tailed)	.043				
	N	50	50			
Job security	Pearson	.673**	.040	1		
	Correlation					
	Sig. (2-tailed)	.000	.781			
	N	50	50	50		
Compensation Programme	Pearson	.469**	.181	-.164	1	
	Correlation					
	Sig. (2-tailed)	.001	.209	.255		
	N	50	50	50	50	
Employee recognition	Pearson	.309*	.366**	-.095	-.102	1
	Correlation					
	Sig. (2-tailed)	.029	.009	.510	.482	
	N	50	50	50	50	50

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

* . Correlation is significant at the 0.05 level (2-tailed).

Source (Survey data, 2016)

H₀₁ Compensation Programme does not impact organizational performance in the selected Manufacturing companies.

Results in table 4.8 above reveals that the correlation between organizational performance and compensation programme is positive and significant ($R= 0.469$, $p \text{ value}=0.001$). This implies that an increase in Compensation Programme is associated with an increase in organization performance and a decrease in Compensation Programme is associated with a decline in organization performance.

This leads to rejection of the hypothesis that Compensation Programme does not impact organizational performance.

H₀₂ Organization working conditions does not have an impact on organizational performance in the selected Manufacturing companies.

Findings reveal that the correlation between working conditions and organizational performance is positive and significant ($R= 0.360$, $p \text{ value}=0.043$). This implies that an increase in working conditions is associated with increase in organizational performance and a decrease in working conditions is associated with an increase in organization performance.

This leads to rejection of the hypothesis that Organization working conditions does not have an impact on organizational performance in the selected Manufacturing companies.

H₀₃ There is no effect of Job security on organizational performance in the selected Manufacturing companies.

In addition, the study reveals that the correlation between job security and organizational performance is positive and significant ($R= 0.673$, $p \text{ value}=.000$). This implies that an increase in job security is associated with an increase in organizational performance and a decrease in job security is associated with an decrease in organizational performance.

This lead to rejection of the hypothesis that there is no effect of Job security on organizational performance in the selected Manufacturing companies.

H₀₄ Employee recognition does not affect organizational performance in the selected companies to a large extent.

In addition, the study reveals that the correlation between employee benefits and organization performance is positive and significant (R= 0.309, p value=.029). This implies that an increase in employee recognition is associated with an increase in organizational performance and a decrease in employee recognition is associated with a decrease in organizational performance.

This lead to rejection of the hypothesis that, Employee recognition does not affect organizational performance in the selected companies to a large extend.

4.5.2 Regression Analysis

Regression analysis is a powerful statistical method that allows one to examine the relationship between two or more variables of interest. While there are many types of regression analysis, at their core they all examine the influence of one or more independent variables on a dependent variable. In statistical modeling, regression analysis is a set of statistical processes for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. This research paper therefore uses regression analysis to establish the combined effect of the four independent variables on the dependent variable.

Table 4.9 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.898 ^a	.806	.789	.893

Adjusted R squared is the coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variables. From the findings in the above table the value of adjusted R squared was 0.789 an indication that there was a variation of 78.9 percent on organization performance due to changes in rewards and recognition, training and development and employee benefits at 95 percent confidence interval . This shows that 78.9 percent changes in organization performance could be accounted to changes in rewards and

recognition, training and development and employee benefits. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.898.

Table 4.10 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.828	4	0.457	2.126	.003 ^b
	Residual	7.095	33	0.215		
	Total	8.923	37			

From the ANOVA statistics, the study established the regression model had a significance level of 0.003 which is an indication that the data was ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 0.05%. The calculated value was greater than the critical value (2.126>1.658) an indication that compensation programme, working conditions, job security and employee recognition significantly influence organization performance. The significance value was less than 0.05 indicating that the model was significant.

Table 4.11 Standard output of motivational factors on organizational performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	1.350	1.635		.826	.009
	Compensation Programme	0.515	0.184	.212	2.799	.011
	Working Conditions	0.426	0.143	.336	2.979	.006
	Job Security	0.533	0.186	.159	2.866	.004
	Employee Recognition	0.482	0.172	.272	2.824	.009

From the data in the above table the established regression equation was

$$Y = 1.350 + 0.515 X_1 + 0.426 X_2 + 0.533 X_3 + 0.482 X_4$$

From the above regression equation it was revealed that holding compensation programme, working conditions, job security and employee recognition to a constant zero, organization performance would be at 1.350, a unit increase in compensation programme would lead to increase in organization performance by a factors of 0.515, a unit increase in working conditions would lead to increase in organization performance by factors of 0.426, a unit increase in job security would lead to increase in organization performance by a factor of 0.533 and a unit increase in job security would lead to increase in organization performance by a factor of 0.482. All the variables were significant ($p < 0.05$).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusion, and recommendation. The study sought to find out the motivational factors affecting sale representatives' performance in FMCG manufacturing companies in Kenya. The study focused on Unilever Kenya, Pwani Oil, Bidco oil and Kapa Oil companies with a view to generalizing the findings to other manufacturing companies in Kenya. The findings with regard to the main factors affecting the motivation of sales representatives in the Kenyan manufacturing sector are summarized in this section and the conclusion and recommendations provided.

5.2 Summary of Findings

Most of the literature reviewed identifies employee motivation as one of the most important factors that affect the performance of a company; motivated workers contribute significantly to better performance in a company. Motivation among sales representatives has been highlighted in the literature as being key to the performance of company sales and marketing departments. This study reinforces this assertion by revealing that most of the sales representatives in the survey link well motivated sales representatives with good performance of the company.

It is clear that according to this study, there is a combined effect of compensation programme, working conditions, job security, and employee recognition on organizational performance in the selected manufacturing companies in Kenya. These factors combine in different ways as suggested throughout the reviewed literature to affect the morale and workmanship of sales representatives. From the findings it is evident that with regard to company financial performance, most sales representatives remained neutral or uncertain about key aspect including cash flow, liquidity and solvency among others. While the respondents may not have been essentially informed about the financial performance of their companies, their response was moderate. On the other hand, the respondents observed through disagreement that some of the operational performance aspects of their companies were not right. It is important to note that employee satisfaction is one of the aspects of operational performance that the respondents indicated that their companies did not perform well in. It has generally been observed from

reviewed studies that well compensated workers are better motivated to perform well. From the findings, it is evident that the sales respondents were moderately motivated by different forms of compensation including commissions, bonuses, and opportunities for training. However, based on the experience in their companies it was evident that salaries, non-cash incentives, and promotions had very little effect on the motivation of the sales representatives. This implies lack of satisfaction with these forms of compensation.

Various researchers in literature reviewed have observed that organization working conditions play a determining role in the motivation of workers and employees are more motivated in good working conditions. This study reveals that sales representatives do not find the working environment in their companies favorable and conducive for their work. It is also evident that they don't think that their salary and remuneration is good and motivating. The study also reveals that the employees are generally neutral about other aspects defining the work environment including office layout, worker recognition and reward, as well as occupational safety and health of employees. However it is notable that the respondents did not agree to any of these aspects being good or very good in their companies. The respondents also disagreed about their office layouts being ample and conducive as well as office resources being well distributed. Office layout and accessibility of working resources at the workplace are key factors for employee motivation.

Job security is one of the factors that were examined in relationship with the motivation of sales representatives'. This study revealed that sale representatives were neutral about whether they were affected by job security in the workplace. This implies that while most respondents disagree it affects them significantly; they do not agree that it affects them much. One of the key findings of the study was that the companies do not give sale representatives long term contracts; this implies that they are not generally stable in their jobs and this may affect their motivation. Another factor that the respondents disagreed with was that they had clear paths for career advancement. From literature, it is evident in various past studies that job security and employee advancement are important factors for the motivation of workers and affect their work performance.

Employee recognition also plays a significant role in the motivation of employees. This study revealed that this is perhaps one of the areas concerning employee motivation that companies

perform most poorly in. Responses on employee recognition revealed that sales representatives did not feel that the management in their companies identified the individual needs and achievements of staff. Similarly the general feeling was that no keen interest was taken on staff to identify interpersonal skills and neither was there recognition of the extra efforts staff put in for the success of the company. These observations indicate that companies in the manufacturing sector do not lay sufficient emphasis on rewarding and recognizing the achievements and efforts of their employees and this may negatively affect the motivation of sales representatives. Respondents also gave their views on other factors that affect their motivation in the workplace; on average the feeling was that factors such as unclear goals, poor selection, unsatisfactory reward systems, and inadequate performance-appraisal systems had a moderate effect on their motivation. This highlights the importance of these factors on the motivation of sales representatives.

5.3 Conclusion

In conclusion, this study established that organizational performance is affected to different degrees by various factors associated with employee motivation. It is proved from correlation analysis that all the independent variables have weak or moderate positive relationship to each other. Regression analysis shows that all the independent variables have insignificant and positive impact on organizational performance. Descriptive analysis also reveals that all the independent variables have positive impact on organizational performance.

A good compensation programme is key to the motivation of sales representatives and although they impact their performance, Kenyan manufacturing companies are not doing enough to improve them. While programmes such as commissions, bonuses, and opportunities for training, are appreciated, improvement is still needed on salaries and other non-monetary forms of compensation. A well designed compensation programme helps to attract, motivate and retain talent in a company. It will benefit the company in a number of ways. Job satisfaction; Employees would be happy with their jobs and would love to work for the company if they get fair rewards in exchange of their services,(Zingheim P and Schuster J. 2004). All employees have different kinds of needs. Some want money so they work for the company which gives them higher pay. Some value achievement more than money, they would associate themselves with firms which offer greater chances of promotion, learning and development. A compensation plan

that hits workers' needs is more likely to motivate them to act in the desired way, (Suff P. & Reilly P.2006).Low Absenteeism; Employees who consider their pay as fair in relation to other similar companys in their industry will rarely miss work since they are highly motivated to achieve their own growth as the company grows financially,(Kerlinger, F. & Lee, H. 2000). The above factors will to a large extent contribute to the overall performance of the company.

It was also found that organization working conditions have an impact on the organizational performance of the selected companies and current conditions are less than satisfactory particularly with respect to working space, accessibility of facilities and condition of the working environment. Company's need to improve the working conditions if the sales representatives are to be expected to perform their duties optimally.A study by (Gitonga L. 2015)on the influence of work environment on organizational performance in government ministries in kenya, established that office design had a positive effect on employee concentration at work. The government does not provide adequate tools of work and majority of respondents stated that the office furniture (chairs and tables) were not comfortable in terms of height, posture and comfort and the physical environment is safe. Additionally the variable statistically and significantly affected organizational performance in government ministries. Additionally, the study established that supervisor support influences organizational performance in government ministries. (Chandrasekar K. 2011), noted that employees' are at their best when they have personal control of their work roles, perceive that the workplace is safe and comfortable and appropriate to their well-being. According to (Chandrasekhar K. 2011), and (Sundstrom, et al1994), the attention in the workplace environment is of rising concern because most employees spend at least fifty percent of their lives within indoor environments which influences their cognitive and emotional states, concentration, behavior, actions, and abilities and by extension performance. This is also of more concern because employees at work need to focus, cooperate with each other, socialize and learn throughout their time on the job.

The global economic pressure on organizations has made them focus attention on employees' job security particularly in a multiethnic group as a way to ensure organizational performance, (Armstrong, M.2006).This is crucial, particularly in a multi-ethnic environments where different ethnic groups are a majority in some organizations resulting to low job security among the minority groups. The fear of losing their jobs in favour of other ethnic groups becomes a great

concern that needs an urgent attention, (Anyaswa D. 2012). Therefore, organizations must find a way of assuring the employees of holding on to their jobs in a multi-ethnic environment as a way of increasing or maintaining organizational performance. It is evident from this study that while job security affects the performance of sale representatives, most of them do not enjoy conditions that make them feel secure in their jobs. Particularly, the study found out that most sales representatives work on short contracts thus influencing a feeling of insecurity that could negatively impact their performance.

Recognition for a job well done is commonly considered as an important management tool for motivating employees. Existing empirical studies show strong positive correlations between the provision of recognition and employee performance, but often fail to establish causality, (Dobre O. 2013). As the war for talent continues to escalate, employee recognition has become a critical component of companies' total rewards and staffing strategies. Employee recognition is now the largest concern of many companies' human resource departments and it is widely suspected that recognition has an important role to play in fostering engagement, (Dobre O. 2013). While recognition is not new, it is finally becoming more strategic as programs align recognition with business objectives and desired behaviors. Although money receives the most attention as a reinforcer and incentive motivator, and is even equated with reward systems by practicing managers, there is increasing evidence that contingently administered recognition can be a powerful reinforcer to increase employee performance, (Boen F. 2006).

In a paper report by (Donaldson B. 1998), the results from a controlled field experiment designed to investigate the causal effect of public recognition on employee performance. More than 300 employees were selected to work on a three-hour data-entry task. In a random sample of work groups, workers unexpectedly received recognition after two hours of work. It was found that recognition increases subsequent performance substantially, and particularly so when recognition is exclusively provided to the best performers. This result is consistent with workers having a preference for conformity. Similarly, it can be concluded that there is either lack of employee recognition programmes or those available in the studied companies are not sufficiently effective. With most company's opting to hire managers and supervisors from the outside, those who looked forward to feeling those positions get de-motivated and rarely offer the new managers any support and by extension have their performance levels affected negatively. The conclusion is

that overall improvement is required on basically all aspects of employee motivation touching on the work of sales representatives as this affects their job performance.

5.4 Limitations and Areas of further study

The main limitation of study is the inability to include all FMCG manufacturing companies in Kenya. The study was limited to only four companies in Kenya. The researcher narrowed down to the four as being the major manufacturing companies of first moving consumer goods in Kenya to represent the rest of the industry. Most of the respondents being sales representatives whose assignments involve a lot of mobility from place to place were delimited by liaising with different shops and supermarkets which trade on the different companies products and getting the schedules of the sales representatives and their contacts and scheduling short-term appointments to facilitate data collection. The researcher also assured the respondents confidentiality thus they were able to respond with ease.

The study narrowed down to FMCG manufacturing industry however employee motivation cuts across all other industries thus need for further research on employee motivation in the other industries.

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APPENDIX I: LETTER OF INTRODUCTION

December 2015,

The Head of Human Resource Department,

Company Name (Unilever Kenya, Pwani Oil Products Limited, Kapa Oil Refineries Ltd and Bidco Oil Refineries Limited)

Dear Sir/ Madam

RE: REQUEST TO COLLECT DATA FOR MHRM RESEARCH PROJECT

Benson Mwangangi Nzuki is a student at Egerton University pursuing a Masters in Human Resource Management presently carrying out a study on the topic “Effect of selected motivational factors on organizational performance in manufacturing companies in kenya”

As part of this exercise the university seeks authority to conduct the research at your company through interview guides and use of relevant documents. The purpose of the study is purely for research purposes and a copy of the final document will be availed to you for your records.

Your assistance is highly appreciated. Thank you in advance.

Yours Faithfully,

Egerton University

APPENDIX II: QUESTIONNAIRE

This questionnaire is meant to collect data on effect of selected motivational factors on organizational performance in manufacturing companies in Kenya selected first moving goods manufacturing companies in Kenya.

INSTRUCTIONS

For all the sections, please indicate your feedback by using a tick or cross.

SECTION A

1. Name of Company (Optional) _____

2. Gender: Male [] Female []

3. What level of education have you completed?

O level/ Form four []

A level or equivalent []

Diploma/ HND []

Degree []

Postgraduate []

4. How many years have you been working at your current department?

Less than 3 years []

4 to 7 years []

8 to 11 years []

12 years or more []

SECTION B: Organizational Performance

1. For each of these statements, please tick one choice to indicate whether you agree on a scale of 1-5 where: 1= Strongly Disagree, 2= Disagree, 3 = Uncertain, 4 = Agree, 5 = Strongly Agree.

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Profitability of Your Company is high to enable self-sustainability					
The cash flow position of Your Company is good					
Your company has acquired a lot of assets since new sales strategies have been introduced					
Your company has the ability to meet financial obligations as they come due (liquidity)					
The borrowed capital used by the business is lower than the amount of your equity (Solvency)					

3. To what extent does your company do the following? On a scale of 1-5 where: 1= No extent at all, 2= Small extent, 3 = Moderate extent, 4 = Large extent, 5 = Very Large extent.

	No extent at all	Small extent	Moderate extent	Large extent	Very Large extent
Prioritize Customer satisfaction					
Encourage new product introduction					
Ensure Employee satisfaction					
Update its Information systems					

SECTION C: Compensation Programme

1. On a scale of 1-5 where:1= Strongly Disagree, 2= Disagree, 3 = Uncertain, 4 = Agree, 5 = Strongly Agree, kindly rate the below statement.

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Sale representatives' motivation is greatly affected by Job compensation programs					

2. On a scale of 1-5 where:1= No extent at all, 2= Small extent, 3 = Moderate extent, 4 = Large extent, 5 = Very Large extent rate the following; To what extent does the company use the following compensation packages in an effort to improve sales representative's motivation?

	No extent at all	Small extent	Moderate Extent	Large extent	Very Large extent
Straight commission					
straight salary					
bonus					
noncash incentives such as gifts, travel vouchers and competition prizes					
Promotions					
training opportunities					

SECTION D: Organization working conditions

On a scale of 1-5 where:1= Strongly Disagree, 2= Disagree, 3 = Uncertain, 4 = Agree, 5 = Strongly Agree. To what extent do you agree with the following statements?

	Strongly Disagree	Disagree	uncertain	agree	Strongly agree
The work Environment at your company is favorable and conducive?					
The salary and remuneration are good and motivating					
There is teamwork and various efforts towards team building					
The office layout is ample and conducive					
Your job description is clear and static					
The furniture used is comfortable and efficient					
The departmental relationships among employees and their seniors are good					
Office resources (printers, computers) are well distributed					
Your company reorganizes and rewards individual talents					
Your company takes care of Occupational Safety and Health of all employees.					

SECTION E: Job Security

On a scale of 1-5 where:1= Strongly Disagree, 2= Disagree, 3 = Uncertain, 4 = Agree, 5 = Strongly Agree. To what extent do you agree with the following statements?

	Strongly Disagree	Disagree	uncertain	agree	Strongly agree
Sale representatives' motivation is greatly affected by Job security in the work place					
Your Company gives long term contracts to employees					
In enriched jobs, people complete activities with increased freedom					
The rate of turnover is very high and it affects the sale representatives'					
Your company respects independence, as far as task completion is concern					
Every member of staff has a clear responsibility in the work place					
There are frequent job rotations in your work place					
All the employees have a say when it comes to job planning and executing					
The management of your company ensures that workers are given the opportunity to use a variety of skills					
I have a clear path for my career advancement.					

SECTION F: Employee recognition

On a scale of 1-5 where:1= Strongly Disagree, 2= Disagree, 3 = Uncertain, 4 = Agree, 5 = Strongly Agree. To what extent do you agree with the following statements?

	Strongly Disagree	Disagree	uncertain	agree	Strongly agree
Sale representatives' motivation is greatly affected by recognition at the work place					
Recognition plus a sense of achievement are central to the motivation process					
The management identifies individual needs and achievements of every staff					
The management takes keen interest in an effort to identify interpersonal skills					
The management reorganizes the extra effort staff do to ensure success in the company					
To reorganizes achievement the management concentrates on the key of individual competence					

Section G: Motivation in the workplace

To what extent does the following motivation in the work place aspects affect sale representatives' performance in your company? On a scale of 1-5 where:1= No extent at all, 2= Small extent, 3 = Moderate extent, 4 = Large extent, 5 = Very Large extent

	No extent at all	Small extent	Moderate Extent	Large extent	Very Large extent
Poor selection					
Unclear goals					
Inadequate performance-appraisal system					
Unsatisfactory reward systems					
Manager's inability to communicate the appraisal and reward systems					

APPENDIX III: TABLE OF COEFFICIENTS

	Scale Mean if Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Profitability of the company high enough for self-sustainability	128.8140	741.631	.388	.938
Cash flow position of the company good	128.0698	722.447	.568	.937
Company has acquired a lot of assets since new sales strategies have been introduced	127.9535	716.807	.704	.936

Company has the ability to meet financial obligations as they come due (liquidity)	128.1395	713.551	.644	.937
	Scale Mean if Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Borrowed capital used by the business is lower than the amount of your equity (Solvency)	127.0000	714.524	.645	.937
Company prioritizes customer satisfaction	127.2326	723.230	.607	.937
Company encourages new product introduction	127.4651	722.302	.577	.937
Company ensures employee satisfaction	127.3721	734.620	.371	.939
Company updates its Information systems	127.7209	736.682	.375	.939
Work environment at your company is favorable and conducive	128.1395	732.504	.510	.938
The salary and remuneration are good and motivating	128.3256	734.891	.440	.938
There is teamwork and various efforts towards team building	128.0930	727.896	.549	.937
The office layout is ample and conducive	127.6279	713.287	.655	.937
Job description is clear and static	126.7442	729.957	.494	.938
The furniture used is comfortable and efficient	127.2791	730.444	.439	.938

The departmental relationships among employees and their seniors are good	126.9302	726.162	.442	.938
Office resources (printers, computers) are well distributed	127.4186	728.916	.432	.938
The company reorganizes and rewards individual talents	127.3721	740.906	.258	.939
The company takes care of Occupational Safety and Health of all employees.	128.2791	721.301	.567	.937
Sale representatives are greatly affected by Job security in the work place	125.9535	767.807	-.161	.942
Company gives long term contracts to employees	128.8140	741.631	.388	.938
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
In enriched jobs, people complete activities with increased freedom	128.0698	722.447	.568	.937
The rate of turnover is very high and it affects the sale representatives	127.9535	716.807	.704	.936
The company respects independence, as far as task completion is concerned	128.1395	713.551	.644	.937
Every member of staff has a clear responsibility in the work place	127.0000	714.524	.645	.937

There are frequent job rotations in the work place	127.2326	723.230	.607	.937
All employees have a say when it comes to job planning and executing	127.4651	722.302	.577	.937
Company management ensures that workers are given the opportunity to use a variety of skills	127.3721	734.620	.371	.939
Employee has a clear path for career advancement	127.7209	736.682	.375	.939
Sale representatives are greatly affected by Job compensation programs	128.1395	732.504	.510	.938
Straight commission	128.3256	734.891	.440	.938
Straight salary	128.0930	727.896	.549	.937
Bonus	127.6279	713.287	.655	.937
Non-cash incentives such as gifts, travel vouchers and competition prizes	126.7442	729.957	.494	.938
Promotions	127.2791	730.444	.439	.938
Training opportunities	126.9302	726.162	.442	.938
Sale representatives are greatly affected by employee recognition	127.4186	728.916	.432	.938
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Recognition plus a sense of achievement are central to the motivation process	127.3721	740.906	.258	.939

The management identifies individual needs and achievements of every staff	128.2791	721.301	.567	.937
The management takes keen interest in an effort to identify interpersonal skills	125.9535	767.807	.161	.942
The management reorganizes the extra effort staff do to ensure success in the company	128.2791	721.301	.567	.937
To recognize achievement the management concentrates on the key of individual competence	125.9535	767.807	.362	.943
Sale Representatives are greatly affected by motivation in the work place	128.8140	741.631	.388	.938
Poor selection	128.0698	722.447	.568	.937
Unclear goals	127.9535	716.807	.704	.936
Inadequate performance-appraisal system	128.1395	713.551	.644	.937
Unsatisfactory reward systems	127.0000	714.524	.645	.937
Manager's inability to communicate the appraisal and reward systems	127.2326	723.230	.607	.937

APPENDIX IV: LIST OF TOP 100 FMCG COMPANIES IN KENYA (AKM, 2015)

- 1 Africa kaluworks (Aluware) division K
- 2 Africa oil kenya b.v
- 3 African cotton industries limited
- 4 Alpha dairy products ltd
- 5 Alpha fine foods ltd
- 6 Apex steel ltd
- 7 Aquamist limited
- 8 Ashut quality products
- 9 Bidco oil refineries limited
- 10 Blue ring products ltd
- 11 Bobmil industries limited
- 12 Bogani industries ltd
- 13 Caltex oil (K) ltd
- 14 Chandaria industries limited
- 15 Cirio delmonte ltd
- 16 Coastal bottlers
- 17 Creative innovations ltd.
- 18 Crown-berger (K) ltd.
- 19 Del monte kenya
- 20 Doshi group of companies
- 21 East africa glassware mart ltd
- 22 Ecolab east africa (K) ltd
- 23 Energy pak (K) ltd
- 24 Equator bottlers
- 25 Equatorial tea ltd
- 26 Eveready east africa limited
- 27 Excel chemical ltd.
- 28 Farmers choice ltd
- 29 Foam mattress ltd.

- 30 Haco industries
- 31 Highlands min. water
- 32 Hills converters [K] ltd
- 33 Interconsumer products
- 34 Jakharia packers
- 35 Jet chemicals (Kenya) ltd
- 36 Jetlak foods ltd
- 37 Kabazi canners
- 38 Kakuzi limited
- 39 Kam industries
- 40 Kapa oil refineries limited
- 41 Kenbro industries
- 42 Kensil ltd
- 43 Kenya nut co. ltd
- 44 Kenya petroleum refineries ltd
- 45 Kerio water company
- 46 Kevian kenya ltd
- 47 Kingsource plastic machinery co.,ltd.
- 48 Kisii bottlers
- 49 Lake turkana wind power limited
- 50 Milly fruits processors
- 51 Miritini kenya ltd
- 52 Modern soap factory
- 53 Mumias sugar company limited
- 54 Nairobi bottlers
- 55 Nighthrose cosmetics
- 56 Njoro canning factory ltd
- 57 Octagon express (Kenya) limited
- 58 Orbit chemical industries ltd
- 59 Partec ltd manufacturer
- 60 Patco industries ltd

- 61 Pioneer foods
- 62 Platinum packaging limited
- 63 Polythene industries ltd
- 64 Premier foods industries
- 65 Print fast kenya ltd.
- 66 Pwani oil products limited
- 67 Pz cussons east africa ltd.
- 68 Rea vipingo sisal estate
- 69 Revital healthcare epz manufacturer
- 70 Rhino special products ltd
- 71 Ridgeways springs
- 72 Rift valley bottlers
- 73 Rock plant kenya ltd.
- 74 Rom east africa limited
- 75 Rosewood office systems limited
- 76 Rotam sub-saharan africa
- 77 Rupa cotton mills epz ltd
- 78 Rhino special products ltd
- 79 Sameer group
- 80 Samic enterprises
- 81 Sanpac africa ltd
- 82 Saralee household limited
- 83 Sasini tea and coffee
- 84 Seven sees investiment
- 85 Shade systems(EA)ltd
- 86 Shanti industries
- 87 Sheena food products
- 88 Slumberland kenya ltd
- 89 Softa bottling company
- 90 Stainless steel products ltd
- 91 The kensta group

- 92 The kilimanjaro mineral
- 93 Tripac chemical industries ltd
- 94 Unga farm care (EA) ltd
- 95 Unga group ltd.
- 96 Unilever kenya company limited
- 97 United biscuits
- 98 Uzuri manufacturers
- 99 Welfast kenya ltd
- 100 Wigglesworth exporters ltd