

**THE IMPACT OF MOTIVATION ON EMPLOYEE PERFORMANCE IN TOORO
TEA ESTATES COMPANY (TTEC)**


**BY
NYAMUTALE MARK
BHR/38283/123/DU**

**A RESEARCH REPORT SUBMITTED TO THE FACULTY OF ECONOMICS AND
MANAGEMENT IN PARTIAL FULFILMENT OF THE REQUIREMENTS
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DECLARATION

I declare that this research report is my original work compiled from my personal exposure in the stated fields and never previously submitted by anyone to any other university or institution for any award.

Signature.....

Name..... NYAMUTALE MARK

Date..... 19/05/2015.

APPROVAL

This research report on the topic Impact of motivation on employee performance in Tooro Tea Estates Company has been under my supervision and it is now ready for submission to the faculty of economics and management of Kampala International University with approval.

Signature.....

Name.....

Date.....

DEDICATION

This work is affectionately dedicated to my dad, mum, sisters and to Rock Star management for their support they gave me during my education.

ACKNOWLEDGMENT

I thank the Lord Almighty for having blessed me with the basic necessities in my life that have furthered me up to this level of education i have reached. I spend special thanks to Tooro Tea Estates Company for giving me the opportunity to be attached to their Organization where I have carried out my research.

I really have to owe special thanks to my dad Mr Nyamutale Peter , my mum Mrs Nyamutale violet and my sisters Miriam and Lillian my class group members for the support, advice and prayers they have always given me from day one up to now without any regrets. May the good lord keep blessing you.

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ACRONYMS

TTEC	Tooro Tec Estates Company
IV	Independent Variable
DV	Dependent Variable

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ABSTRACT

The purpose of the study was to evaluate methods used to motivate employees at TTEC.

The specific objectives of the study were to identify the relationship between motivation and performance of employees at TTEC.

Questionnaires and focus groups discussions were applied to collect data from 50 respondents selected purposively from 100 members of the TTEC groups namely women, men, managers. The findings of the study indicate that shareholders at TTEC are appreciating how they can use motivation to boost performance of employees to become more competitive.

The study may also help employers of TTEC in appreciating how their methods of motivating employees affect the company's levels of competitiveness. Once the recommendations of this study are implemented it is hoped that stagnating sales at TTEC may improve or increase.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Motivation has been defined as; the psychological process that gives behavior, purpose and direction (Kreitner, 1995), a predisposition to behave in a purposive manner to achieve specific, unmet needs (Buford, Bedeian, and Lindner, 1995) an internal drive to satisfy an unsatisfied need (Higgins, 1994) and the will to achieve (Bedeian, 1993). Motivation is operationally defined as the inner force that drives individuals to accomplish personal and organizational goals.

Employee performance on their other hand refers to expressions of the performance threshold(s), requirement(s) or expectation(s) that must be met for each element at a particular level of performance. They must be focused on results and include credible measures such as quality, quantity, timeliness and cost effectiveness (Chandra & Frank, 2004).

At TTEC work is planned in advance. This includes setting performance expectations and goals for individuals in order to channel efforts towards achieving company's objectives. Involving employees in the planning and the decision making process is essential to their understanding of the goals of the company, what needs to be done, why it needs to be done and the expectations for accomplishing goals.

TTEC operates a number of tea estates that plant and manufacture tea as the core business, TTEC employs about 50 staff many of whom are casual labourers that work as tea pluckers in the various tea estates and a few who work in the manufacturing department.

The management of TTEC emphasizes high performance among staff and this is partly communicated in weekly meetings held at the firm's premises. The last decade has seen TTEC investing a lot of resources in their staff with a view to improve on their performance standards and later on become more competitive. However this shift has also caused an increase among many people who think that without other interventions giving both intrinsic and extrinsic rewards cannot improve the

performance of their employees. For instance in spite of management investing a lot of financial resources to improve workers' salaries and wages, their staff continue to display a negative attitude towards work as some of them report late for work and therefore putting in a few productive hours and the staff are generally disgruntled (Management Report, 2014). Against this background, there is need to investigate the extent to which motivation affects performance of employees.

1.2 Statement of the problem

The management of TTEC is pushing for higher sales by setting higher sales targets for example each estate is expected to sell 1000kgs of tea per day (figures) which has been found hard to achieve by the estate managers. Due to lack of enough resources to use in the company such as tea leaves. There is also a problem of competition in the market from other companies; poor management also limits the expected sell of tea per day. Despite management's efforts, sales have stagnated at 50-55 million Uganda Shillings per month for the last two years since 2013 Sales Report, 2014.

1.3 Purpose of the study

The aim of the study is to examine the relationship between motivation and performance of employees at TTEC.

1.4 Objectives of the study

- i. To evaluate methods used to motivate employees at TTEC.
- ii. To evaluate measures used in employee performance at TTEC.
- iii. To establish the relationship between motivation and performance of employees at TTEC.

1.5 Research questions

- i. What are the methods used to motivate employees at TTEC?
- ii. What are the measures used in determining employee performance at TTEC?
- iii. What is the relationship between motivation and performance of employees at TTEC?

1.6 Scope of the study.

Conceptual scope: The study covered motivation in regard to intrinsic and extrinsic motivation and performance of employees in terms of sales, employee productivity, attendance, supervision levels and customer care.

Geographical scope: The study was conducted at TTEC, Toro-Kahuna Tea Estate situated in Kabarole District, Kijura Town Council.

Time scope: The period under review was 2012-2014

1.7 Significance of the study;

The study may be useful to the following parties;

- 1) The study findings may help shareholders at TTEC in appreciating how they can use motivation to boost performance of employees to become more competitive.
- 2) The study may also help employers of TTEC in appreciating how their methods of motivating employees affect the company's levels of competitiveness.
- 3) Once the recommendations of this study are implemented it is hoped that stagnating sales at TTEC may improve.
- 4) Management is likely to realize more revenues as a result of improved sales through a comprehensive approach to the results of the study.
- 5) Shareholders may also find this study vital and this may help them compete effectively so as to increase on their share capital.

1.8 Structure of the report

The report consists of five chapters:

Chapter one (introduction) consists of background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study and significance of the study.

Chapter two (literature review) shows the existing literature relating to the variables under the study

Chapter three is the methodology which consists of research design, area of the study, population and sample selection, data collection, methods data processing and analysis and limitations of the study.

Chapter four is the presentation, analysis and interpretation of findings and chapter five shows the conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter represents the existing literature both theoretical and empirical on motivation and performance of employees. The chapter is organized as follows: methods of motivating employees, measures of performance of employees and the relationship between motivation and performance of employees.

2.1 The theory of motivation

Understanding what motivation employs and how they were motivated was the focus of many researchers following the publication of the Hawthorne Study results (Terpstra, 1979) Five major approaches that led to our understanding of motivation are Maslows need-hierarchy theory, Herzberg's two factor theory, Vrooms expectancy theory, and skinner's reinforcement theory.

According to Maslow, employees have five levels of needs (Maslow, 1943): physiological, safety, social, ego, and self-actualising. Maslow argued that lower level needs had to be satisfied before the next higher level need would motivate the employees. Herzberg's work categorized motivation into two factors: motivators and hygiene (Herzberg's, Mausner and Syderman, 1959). Motivator or intrinsic factors such as achievement and recognition, produce job satisfaction. Hygiene or extrinsic factors, such as pay and job security, produce job dissatisfaction.

Vrooms theory is based on the belief that employees effort will lead in performance and performance will lead to rewards (Vroom, 1969) Rewards may be either positive or negative. The more positive the reward, the more likely the employee is likely to be highly motivated. Conversely the more the negative the reward the less likely the employee will be motivated.

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

Skinner's theory simply states those employees behaviors that lead to positive outcomes will be repeated and behaviors that lead to negative outcomes will not be

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

2.2 **Methods of motivating Employees**

The great majority of employees are quite enthusiastic about when they start a new job. But in about 85% of the companies our research finds employees morale sharply declines after their first six months-and continues to deteriorate for years afterward. That finding is based on surveys of about 30 employees at TTEC from 2012 through 2014. Available literature shows that methods employed in motivating employees are contributing to the problem and the paragraphs below discuss some of the methods used in motivating employees.

Job security: According to Stajkovic and Luthans (1997) the most important thing for management is to provide employees with a sense of security, one in which they do not fear that their jobs will be in jeopardy if their performance is not perfect and one in which layoffs are considered an extreme last resort not just another option for dealing with the hard times. But security is just the beginning, when handled properly each of the following practices will play a key role in supporting employees goals for achievement equity and camaraderie, and will enable them retain the enthusiasm they brought to their roles in the first place.

Instill an inspiring purpose. A critical condition for employee's enthusiasm is clear, credible, and inspiring organizational purpose: in effect a "reason for being" that translates for workers into a "reason for being there" that goes above and beyond money. According to Perry et al (2006) every manager should be able to expressly state a strong purpose for his unit. They add benefits are about people. It's not whether you have the forms filled or whether the checks are written; it's whether the people are cared for when they are sick, helped when they are in trouble. They also add stating a mission is a powerful tool. But equally important is the manager's ability to explain and communicate to subordinates the reason behind the mission.

Provide recognition. Consistent with Kasser and Ahuvia (2002) managers should be certain that all employees' contribution both large and small is recognized. The motto

of managers seems to be, “Why would I need to thank someone for doing something has paid to do?” Workers repeatedly tell us, and with great feeling, how much they appreciate a compliment. They also report how distressed they are when managers do not take the time to thank them for a job well done yet are quick to criticize them for making mistakes. Jenkins et al (1998) contend that receiving recognition for achievements is one of the most fundamental human needs. Rather than making employees complacent, recognition reinforces their accomplishments. For example they contend that apart on the pat on the back simply saying good going a dinner for two a note about their good work to senior executives some schedule flexibility a paid day off or even a flower on a desk with a thank you note area few of the hundreds of ways managers can show appreciation for good work. It works wonders if this is sincere, sensitively done and undergirded by fair and competitive pay-and not considered a substitute for it.

Be an expeditor for employees: Incorporating a command and control style is assure fire path to demotivation. Instead a manager should redefine his primary role as serving as his employee’s expeditor: It is his job to facilitate getting their jobs done. His reports are, in this sense their “customers.” His role as an expeditor involves a range of activities, including serving as linchpin to other business units and managerial levels to represent their best interests and ensure his people get what they need to succeed (Kasser & Kasser, 2001).

Coaching employees for improvement: According to Diener & Biswas-Diener (2002) a major reason why most managers donot assist subordinates in improving their performance is, simply, that they donot know how to do this without irritating or discouraging them. A few basic principles will improve this substantially.

First and foremost employees whose overall performance is satisfactory should be made aware of that. According to De Matteo and Sundstrom (1998) it is easier for employees to accept and welcome feedback for improvement if they know management is basically pleased with what they do and is helping them to even do it better. Managers should also recognize that workers need to know when they have done work poorly. They should not succumb to the fear of giving appropriate criticism your workers need to know when they are not performing well. At the same time they should not forget to give positive feedback. It’s after all their goal to create a team that warrants praise. Besides, comments concerning desired improvements

should be specific, factual, and unemotional and directed at performance rather than at employees personally. They should therefore avoid making overall evaluative remarks (such as, “that work was shabby”) or comments about employee’s personalities or motives (such as “you have been careless”). Instead, provide specific, concrete details about what you feel needs to be improved and how.

They equally should keep the feedback relevant to the employee’s role. Don’t let your comments wander to anything not directly tied to the tasks at hand. More so they should listen to employees for their views of problems. Employees experience and observation often are helpful in determining how performance issues can be dealt with including how managers can be most helpful. It is equally important to follow up and reinforce praise improvement or engage in course correction while praising the effort as quickly as possible (Hall 2004)

Communicate fully: According to Kasser (2001) one of the most counterproductive rules in business is to distribute information on the basis of “need to know”. It is usually a way of severely, unnecessarily and destructively resisting the flow of information in an organization. Workers frustration with an absence of adequate communication is one of the most negative findings expressed on employee attitude surveys. Consistent with Milkovich Wigdor (1991) good communication requires managers to be attuned to what employees need and need to know, the best way to do this is to ask them. They assert that most managers must discipline themselves to communicate regularly. Often it is a natural instinct. This requires them to schedule regular employee meetings to have no purpose other than two way communication.

Meetings among management should conclude with a specific plan for communicating the results of the meetings to employees. According to Kasser (2001) many employees are quite skeptical about management’s motives and can quickly see through a “spin”. They add that one of the biggest communication problems is the assumption that a message has been understood.

Follow-up often finds that messages are unclear or misunderstood. They argue that companies and managers that communicate not only help the employees do their jobs but also is a powerful sign of respect.

Face up to poor performance: Consistent with Sergy (1998) managers should identify and deal decisively with the 5 percent of their employees who do not want to work. Most people do not want to work and be proud of what they do (the achievement needed). But there are employees who are allergic to work-they will do just about anything to avoid it. They are unmotivated and a disciplinary approach – including dismissal-is about the only way they can be managed. It will raise the morale and performance of other team members to see an obstacle to their performance removed.

Promote team work: According to Srivastava et al (2001) most work requires a team effort in order to be done efficiently. Research shows repeatedly that the quality of a group's effort in areas such as problem solving is usually superior to that of individuals working on their own. In addition most workers get a motivation boost from working in teams. Whenever possible managers should organize employees into self-managed teams with the teams having authority over matters such as quality control scheduling and many work methods. Such teams require less management and normally result in a healthy reduction in management layers and costs.

According to Tolchisky& King (2007) creating teams has as much to do with camaraderie as core competences. A manager needs to access who works best with whom. At the same time it is important to create the opportunity for cross-learning and diversity of ideas methods and approaches. However the manager must be clear with the new team about its role how it will operate and his expectations for its output.

Listen and involve: Employees are a rich source of information about how to do job and how to do it better. This principle has been demonstrated over and over again with all kinds of employees-from hourly workers doing the most routine tasks to the high-ranking professionals. Managers who operate with a participative style reap enormous rewards in efficiency and work quality (Srivastava et al, 001) Participative managers continuously announce their interest in employees' ideas. They do not wait for these suggestions to materialize through formal upward communication or suggestion programs. They find opportunities to have direct conversations with

individuals and groups about what can be done to improve effectiveness. They create an atmosphere where “the past is not good enough” and recognize employees for their innovativeness.

According to Tolchinsky & King (2007) participating managers, once they have defined task boundaries, give employees freedom to operate and make changes on their own commensurate with their knowledge and experience. Indeed, there may be no single motivational tactic more powerful than freeing competent people to do their jobs as they see fit.

2.3 Measures of Performance of Employees

The performance standards are expressions of the performance threshold(s), requirement(s), or expectation(s) that must be met for each element at a particular level of performance. They must be focused on results and include credible measures such as:

And/or the accuracy or effectiveness of the final product (Nicolas and Prigogine, 1989). According to Scott & Einstein (2001) this refers to accuracy, appearance, usefulness, or effectiveness. Measures can include error rates (such as the number or percentage of errors allowable per unit of work) and customer satisfaction rates (determined through a customer survey/feedback.)

Quantity considers how much work the employee or work unit is expected to produce. Measures are expressed as a number of products or services expected, or as a general result to achieve Scott & Einstein (2001).

Timelines looks at how quickly, when, or by what date the employee or work unit is expected to produce the work Roberts (2002).

Cost-Effectiveness addresses dollar savings or cost control. These should address cost-effectiveness on specific resource levels (money, personnel, or time) that can generally be documented and measured. Cost-effectiveness measures may include such aspects of performance as maintaining or reducing unit costs, reducing the time it takes to produce or provide a product or service, or reducing waste (Roberts, 2002).

Other measures of employee performance are discussed in the paragraphs below;

i) Non-supervisory standards

Exceptional:

According to Roberts (2002) an employee demonstrates particularly excellent performance that is of such high quality that organizational goals have been achieved that would not have otherwise. In other words the employee demonstrates mastery of technical skills and a thorough understanding of the mission of the organization and has a fundamental impact on the completion of program objectives. In line with Scott & Einstein (2001) the employee exerts a major positive influence on management practices, operating procedures and/or program implementation, which contribute substantially to organizational growth and recognition. In this case the employee plans for the unexpected and uses alternate ways of reaching goals. Difficult assignments are handled intelligently and effectively. The employee has produced an exceptional quantity of work, often ahead of established and with little supervision.

The employee's oral and written communications are exceptionally clear and effective. He/she improves cooperation among participants in the workplace and prevents misunderstandings. Complicated or controversial subjects are presented or explained effectively to a variety of audiences so that desired outcomes are achieved.

Superior:

According to Losyk (2002) this is where an employee demonstrates unusually good performance that exceeds expectations in critical areas and exhibits a sustained support of organizational goals. In other words the employees shows a comprehensive understanding of the objectives of the job and the procedures for meeting them. In this case, effective planning by the employee improves the quality of management practices , operating procedures, task assignments and/or program activities. The employee develops and/or implements workable and cost-effective approaches to meeting organizational goals. Besides, the employee demonstrates an ability to get the job done well in more than one way while handling difficult and unpredicted problems, The employee produces a high quantity of work, often ahead of established schedules with less than normal supervision.

In addition, the employee writes and speaks clearly on difficult subjects to a wide range of audiences and works effectively with others to accomplish organizational objectives.

Fully Successful:

The employee demonstrates good, sound performance that meets organizational goals. All critical activities are generally completed in a timely manner and supervisor is kept informed of work issues, alterations and status. The employee effectively applies technical skills and organizational knowledge to get the job done Roberts, (2002). The employee successfully carries out regular duties while also handling any difficult special assignments. Besides, the employee plans and performs work according to organizational priorities and schedules. In addition, the employee communicates clearly and effectively.

Minimally Successful:

The employee's performance shows serious deficiencies that requires correction. The employee's work frequently needs revision or adjustments to meet a minimally successful level Losyk(2002). Besides, all assignments are completed, but often require assistance from supervisor and/or peers. Organizational goals and objectives are met only as a result of close supervision. On one or more occasions, important work requires unusually close supervision to meet organizational goals or needs so much revision that deadlines were missed or imperiled. In addition, an employee shows lack of awareness of policy implications or assignments; inappropriate or incomplete use of programs or services; circumvention of established procedures, resulting in unnecessary expenditure of time or money; reluctance to accept responsibility; disorganization in carrying out assignments; incomplete understanding of one or more important areas of the field of work; unreliable methods for completing assignments; lack of clarity in writing and speaking; and/or failure to promote team spirit.

Unsatisfactory:

A number of bench marks can tell that the employee's performance is unsatisfactory. For instance, the quality and quantity of employee's work are not adequate for the position. Work products do not meet the minimum requirements expected Losyk(2002). Besides, the employee demonstrates little or no contribution to organizational priorities and administrative requirements; poor work habits resulting in missed deadlines and/or

incomplete work products; strained work relationships; failure to respond to client needs; and/or lack of response to supervisor's corrective efforts.

ii) Supervisory Performance Standards

Exceptional:

Supervisory: According to Scott & Einstein (2001) the employee demonstrates excellent leadership skills and with only rare exceptions develops effective working relationships with others. Besides, the employee immediately handles difficult situations with subordinates with professionalism and effectiveness, and demonstrates foresight in correcting situations that may cause future problems before they arise. In addition, the employee encourages independence and risk taking among subordinates, yet takes responsibility for their actions. The employee among subordinates yet takes responsibility for their actions. The employee is open to and solicits the views of others, and promotes cooperation among peers and subordinates, while guiding, motivating and stimulating positive responses.

Losyk (2002) observes that in such a situation the employee demonstrates a strong commitment to fair treatment equal opportunity and the affirmative action objectives of the organization and has a significant positive impact on achievement of the goals in the area. In addition the employee demonstrates innovation and specific positive achievements in meeting other management obligations such as safety, internal management controls, merit systems principles, performance management and management of ethics conduct and discipline issues.

Superior:

Supervisory: Consistent with Losyk (2002) the employee demonstrates good leadership skills and establishes sound working relationships. The employee almost always handles difficult relationships with subordinates with professionalism and effectiveness. The employee shows good judgment in dealing with others and considering their views. In addition the employee has a strong sense of mission and seeks out responsibility. The employee demonstrates a commitment to fair treatment and equal opportunity and the affirmative action objectives of the organization and has a positive impact on achievement of goals in this area. Besides, the employee promotes a safe working environment and solutions to problems encountered in meeting other management

obligations including internal management controls, merit obligations, managing performance and management of ethics, conduct and discipline issues.

Fully Successful:

Supervisory: The employee is a capable leader who works successfully with others and listens to suggestions. The employee generally handles difficult situations with subordinates with professionalism and effectiveness. The employee also works well as a team member supporting the group's effort and showing an ability to handle a variety of interpersonal situations (Fletcher, 2001). The employees work with others shows an understanding of the importance of fair treatment and equal opportunity and meets all managerial commitments related with providing a safe working environment merit, systems obligations, performance management, and internal controls, and management of ethics, conduct and discipline issues.

Minimally Successful:

Supervisory: The employee's supervisory performance shows serious deficiencies that require correction. The employee sometimes fails to motivate subordinates and promote team spirit; provide clear assignments and performance requirements or sufficient instructions to subordinates; provide sufficient explanation of organizational goals to subordinates: satisfy customer needs and/or meet customer service objectives; and/or meet production or mission goals in a timely and quality manner (Scott & Einstein, 2001). The employees work with others fails to show a consistent understanding of the importance of fair treatment and equal opportunity. The employee does not meet all management obligations related to internal controls, merit system obligations, performance management, and/or management of ethics, conduct and discipline issues.

Unsatisfactory:

Supervisory: The employee supervisory performance is unsatisfactory. The employee usually fails to motivate subordinates and promote team spirit; often provides requirements or insufficient instructions to subordinates; frequently fails to provide sufficient explanation of organizational goals to subordinates; generally fails to satisfy customer needs and/or meet customer service objectives; and/or frequently fails to meet production or mission goals in a timely and quality manner (Scott & Einstein, 2001). The employees work with others consistently fails to show an understanding of the importance of fair treatment and equal opportunity. Employee frequently fails to meet other

management obligations related to internal controls, merit systems obligations, performance management, and/or management of ethics, conduct and discipline issues.

2.4 Relationship between Motivation and Performance of Employees.

Motivated employees are needed in our rapidly changing work places. Motivated employees help organizations survive. Motivated employees are more productive. To be effective, managers need to understand what motivates employees within the context of the roles they perform. Of all the functions a manager performs, motivating employees is arguably the most complex. This is due, in part, to the fact that what motivates employees changes constantly (Bowen & Radhakrishna, 1991). For example, research suggests that employees income increases money becomes less of a motivator (Kovach, 1987). Also employees get older interesting work becomes less of a motivator.

The theory is that owning shares will provide employees with financial incentives and more motivated at work. If the company is more profitable employees will gain financially through dividend payments and an increased share price. Greater motivation will have a direct effect in improving productivity through greater effort and possibly innovation.

McNabb and Whitfield (1998, using the 1990 Workplace Industrial Relations Survey (WIRS) data, found financial rewards positively related to organizational performance. But they also show that strong interactions effects mean that the influence of financial participation schemes cannot be analyzed independently of other types of employee participation schemes and that the effects of problem-solving schemes for example are independent on the linkage with financial participation scheme, while downward communication tends to have a positive effect regardless. However, using the 1998 Workplace Employment Relations Survey (WERS) data. Addison and Belfield (2000) find different results, for example discerning no significant association between downward communication and performance. McNabb and Whitfield (2000) confirm that the two datasets generate different results concluding that while there are enduring links between employee motivation and employee performance.

Also using the 1998 WERS data, Conyon and Freeman (2001) found that firms and establishments with shared compensation arrangements perform better than other firms in productivity and financial performance. The stock price of firms with shared compensation also outperformed these with other firms. Conyon and Freeman (2001) then surveyed 1,518 UK listed companies and found that, of their 299 returns those with approved profit sharing or all-employee share schemes outperformed the FTSE All share index by 40%. They also found that firms and establishments with some form of shared compensation, particularly those with deferred profit sharing and employee share ownership are more likely to establish formal communication and consultation channels with workers than other establishments.

This raises the question of what is actually causing the improved performance it may be through increased commitment and motivation but what is causing this? Is it just the financial incentive or is it the improved communication and consultation which appears to be associated with employees share ownership?

Certainly there is a large body of literature suggesting that employee commitment and motivation can be enhanced through a range of progressive human resource management practices including but not restricted to employee share ownership. It may be that the key effect of employee share ownership on performance is through making it more likely that firms introduce these other Human Resource practices-of communication, involvement and participation. In addition, where such practices are pursued, the existence of employee share ownership may underpin and enhance the positive effect that these have on commitment and motivation, by increasing employees faith that such involvement and participation is genuine and long term (Kovach, 2003)

Literature by McNabb and Whitfield (2000) found a positive link from progressive HRM practices that encourage involvement and participation, through to motivation and commitment. They also find that employee share ownership may lead to employees feeling that they have a collective voice in the company. This feeling of having a collective voice may have a direct positive effect on commitment and motivation.

When employees are motivated by extrinsic rewards such as additional compensation gift certificates or material rewards managers may see improved performance. According to Fredrick Hertzberg's theory, the needs will motivate the worker but only by satisfying the workers lower-level need. The downside is the employee will want better rewards or expect the same rewards for maintaining the higher level of performance (McNabb and Whitfield, 2000).

Recent research by Morgan (2008) indicates that employee satisfaction does not necessarily contribute directly to productivity. Satisfaction maybe viewed as a passive attribute while more closely linked to behavior change, performance and ultimately to bottom line performance. While companies with the strongest financial performances often had to employee populations reporting high levels of employee satisfaction, companies with poor financial performance also had high levels of employee satisfaction.

The above suggests that employee productivity depends on the amount of time an individual is physically present at a job and also the degree to which he or she is "mentally present" or effectively functioning while present at a job. Companies must address both of these issues in order to maintain high worker productivity, and this may occur through a variety of strategies that focus on employee satisfaction, health and morale.

2.5 Conclusion

From the above review, it is evident that all factors equal motivation if managed well improves employee performance and the reverse is true. In this case of study not much is known in the Ugandan Situation in particular, the case of TTEC hence the need to conduct a primary study.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter deals with how data was collected and analyzed. It gives the description of the research design that were employed, the survey population, sampling method, data collection methods, data analysis and the general constraints of the study and how they were overcome.

3.2 Research Design

For the purpose of collecting data, a combination of descriptive, cross-sectional and analytical research design based on results from questionnaires and interviews were considered by research as being appropriate for the study.

3.3 Survey Population

The survey population considered for this study comprised of management and staff at TTEC Specifically these included supervisors, managers, pluckers and attendants from various business units such as pool and the company bar. In total 40 respondents were targeted for this study.

3.4 Sampling

3.4.1 Sampling Method

Purposive sampling method was used to select key subjects. This approach was used to ensure that only key informants were selected to give reliable and accurate data.

3.4.2 Sample size

Twenty (20) study subjects were selected all together. The sample was made up of (5) supervisors (5) managers (5) pluckers and (5) attendants.

3.5 Data collection methods

Participatory methods were used for collecting data including interviews, questionnaires and observations through field visits and review of documents.

3.5.1 Questionnaire

The major method of collecting information was the use of questionnaires which were administered on selected study subjects. This method was cheap and fast and this enabled the researcher to compile the report in time.

3.5.2 Documentary reviews

The researcher reviewed files relating the variables under the study. In the case a number of publications and journals as were as employees' payroll were reviewed.

3.6 Field data collection

Data was collected in the month of December 2012 and January 2014. A letter introducing the researcher to the respective study subjects were obtained from the university. The researcher collected data from various sources as described above.

3.7 Data Processing and Analysis

After collecting data from the field the data was processed using SPSS. Measures of central tendency were used to interpret the findings

3.8 Limitation of the study

The researcher faced a number of challenges but through hard work and prayer the study was completed. These challenges include:-

- It was not easy to access data especially textbooks which explicitly talk about the variables under study. This problem was solved by visiting a number of libraries and websites
- Besides there was insufficient time to conduct a study of this magnitude. The researcher however, made sure that this piece of work was given sufficient time and maximum concentration.
- It was not easy to get cooperation of study subjects as most of them reported to have busy schedules at their places of work. The researcher overcame this barrier by conducting exercise through telephone calls.
- It was not easy to collect information from the respondents because they thought that the information therein was confidential but the researcher persuaded them towards presentation of clear information which was key to the research.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

Competition has in recent times emerged as a driving force for corporate survival and is also true for services sector. This demands that companies use all means available if they are to compete others through higher employee productivity levels. This study obtained data from the field in regard to the effect of motivation on employee performance. Findings in this chapter reflect data obtained through questionnaires that were filled in by 20 management and staff of TTEC . The study was successful as most of the respondents gave the required data which has it made it possible to compile this report.

4.1 Demographic data of study subjects

The researcher collected data in respect of respondents sex and findings show that majority of the respondents were male constituting 60%. Females only 40% as seen in the table below;

Table 1: Sex distribution (N-20)

Sex	Frequency	Percentage
Male	12	60%
Females	8	40%
Total	20	100%

Source: Primary data

The above trend in sex distribution in the company could be explained by the fact that majority of women are in service rather than management positions.

The researcher asked respondents to state their highest level of education attained and findings indicate that all the respondents had attained tertiary education as seen in the table below;

Table 2: Showing highest level of education attained by respondents (N-20)

Level	Frequency	Percentage
Primary	-	-
Secondary	5	25%
Tertiary	15	75%
Total	20%	100%

Source: primary data

From the above table it is evident that all the respondents had received tertiary level of education. This finding is an indicator that respondents had a good idea about the problem being investigated. It also shows that management of Fortuna Ltd values educated employees as a weapon to become more competitive.

When asked to state the time they had worked respectively in their jobs, findings revealed that majority of the respondents had worked with TTEC for more than three years as seen in the table below;

Table 3: Duration of service with TTEC. (U) (N-20)

Duration of service (Years)	Frequency	Percentage
Below 2	4	20
2-3	5	25
3-4	6	30
4 and above	4	25
Total	20	100

Source: primary data

From the table majority (55%) of the respondents had worked with TTEC for more than 3 years. Only 20% had worked with the company for less than 2 years. This shows that the management of TTEC values job stability.

4.2 Study findings

4.2.1 Findings on remuneration system methods of motivating workers used by TTEC

The researcher further requested the respondents to state how they perceived methods of motivating workers by management of TTEC. Findings in respect of the above are presented and analyzed in the table below;

Statement	Expectation	Perception	Gap Mean Score
1.Management regularly recognizes performing employees	5.48	4.96	-0.52
2.Ever hard working employee is praised	5.57	4.13	-1.44
3. Management recognizes achievers	5.53	4.77	-0.76

4. There are financial incentives for high performers	5.06	4.42	-0.64
5. There are non-financial incentives for high performers	6.64	4.45	-2.19
6. The company offers bonus payment for exceptional performance	6.52	4.31	-2.21
7. Management pays employees over-time	6.32	4.10	-2.22
8. There are merit increases in the company	6.54	4.52	-0.02
9. Employees receive sick and leave pay	6.27	4.33	-1.94

Source: Primary data

From the above table it is evident that expectations of the respondents were high in regard to the above aspects of methods used to motivate workers in TTEC. However, these respondents have a lesser perception of the above aspects resulting into various gap mean as shown in the last column of the table. From the table, the bigger, the Gap Mean Score, the less effective that aspect of motivation is considered satisfactory. The highest mean score was -2.22 for respondents who said that management of Fortuna Ltd employs over-time meaning this aspect scored poorly. On the other hand, the lowest mean was -0.52; management regularly recognizes performing employees meaning this aspect scored highly as far as the perception of the respondents was concerned.

4.2.2 Employee performance levels in TTEC.

The importance of employee performance in any business cannot be over emphasized and several studies have indicated that firms are only viable when they have employees who are very productive as this serves as a competitive tool and helps achieve company goals. The researcher collected the views of the respondents

regarding how they perceive employee performance levels in TTEC and findings are summarized in the table below;

Table 5: Elevation of employee performance levels in TTEC (U) (N-20)

Statement	N	Mean	STD
Employee take more than the standard time to accomplish their assignments	20	3.36	1.12
Employees achieve less than the standard	20	3.48	1.20
Employees have to be supervised certain tasks	20	2.39	1.31
There are many employees whose output is low	20	1.81	1.64
Employees fail to complete certain assignments forever	20	2.27	1.21
Employees to sales ratio is low	20	2.44	1.13
Employee to assets ratio is low	20	1.78	1.23
Employees are making a lot of unnecessary mistakes	20	2.86	1.14
Employees are not creative	20	3.56	1.31
Employees are not perfectionists	20	3.58	1.43
Employs are not helpful	20	3.37	1.57
Employees are not courteous	20	3.15	1.06

Source: Primary data

Scale: Strongly agree =1; Agree=2, Not sure=3; Disagree 4; strongly disagree=5;
 Interpretation of the mean scores: 1.00-1.50="not true"; 1.51-2.50="somewhat true";
 2.51-3.50="true"; 3.51-4.50="very untrue"

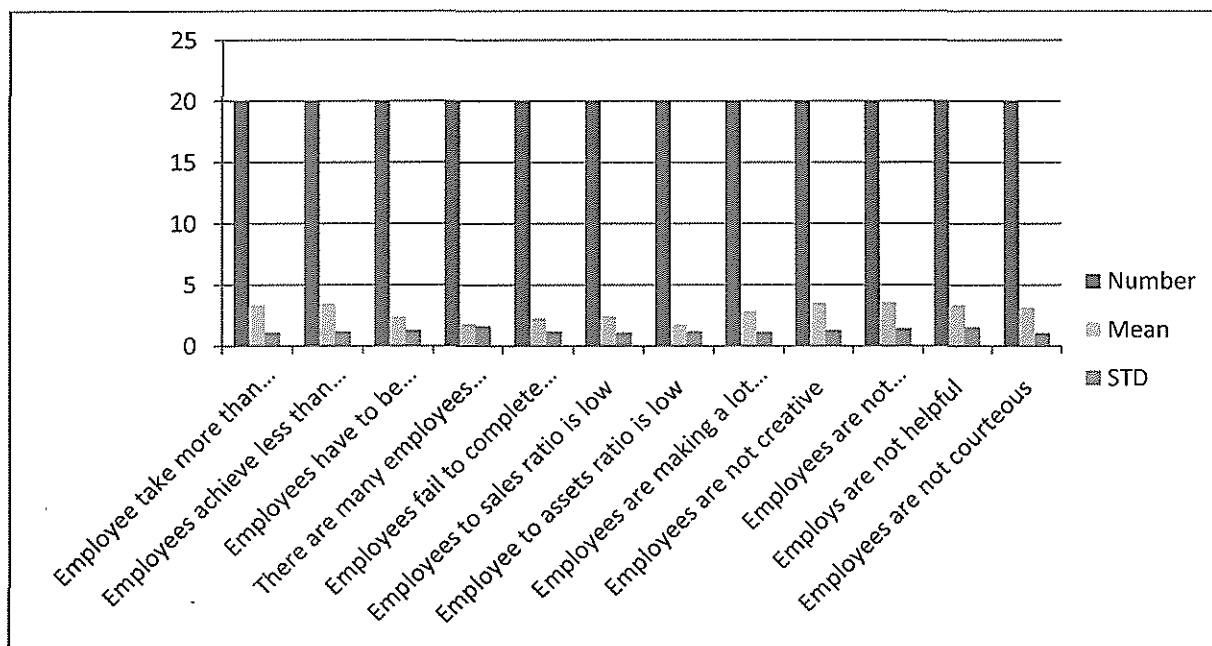
Using the interpretation framework indicated above, Table 5 indicates that of the twelve statements that depict the level of employee productivity in TTEC; half were rated by the 20 study subjects to be "true" and another half were rated by the 20 study subjects not to be "true". Of the six statements that were rated by the 20 subjects to be "true", four were rated as "very true". The four statements were: Employees are not perfectionists (mean score=3.58); Employees are not creative low (mean score=3.56); There are many employees whose output is low (mean score=3.59); Employees are not helpful (mean score=3.37); Employees take more than the standard time to accomplish their assignments (3.26). Of the six statements that were rated by the 20 study subjects to be "not true", three were rated as "not sure". These were (i)Employees are not courteous (mean score=3.15); (ii) Employees are making a lot of unnecessary mistakes (mean score=2.86); and (iii) Employee to sales ratio is low

(mean score=2.44). The three statements that were rated by the 20 study subjects to be “absolutely not true” were (i) Employees have to be supervised to accomplish certain tasks (mean score=2.39); and (ii) Employees fail to complete certain assignments forever (mean score=2.27); There are many employees whose output is low (mean score=1.81) and Employee to asset ratio is low (mean score=1.78).

4.2.3 Effect of motivation on employee performance

The researcher collected data to establish the effect of innovation on employee performance and findings are analyzed in the chart below;

Chart 5: Perceived relationship between motivation and employee performance in TTEC.



From the chart above, it is evident that motivation has a significant impact on employee performance. Up to 80% of the respondents strongly agreed that companies that don't carefully devise and execute their remuneration plans run the risk of including disincentives that can jeopardize high quality performance and adversely affect the company, its employees. 20% just agreed and none disputed this view. 48% strongly agreed that good pay and incentives make employees complete their work as quickly as possible with 52% agreeing to the observed view. It was also established through this study that some employees are so good that they can achieve 120 percent

to 150 percent or even double the standard output if their pay is fair. This view was supported by all the respondents. It was also established that too many incentives may result into employees rushing through work to maximize their incentive payout a view supported by 80% of the respondents but disputed by 20% of them. It was also established that the remuneration system in place encourages groups to work hard in order to attain the business goals and when the salary or wages are poor, employee productivity is affected negatively. Going by these findings it's apparent that motivation systems in place have significant effect on employee performance other factors equal.

The correlation between motivation and employee performance was checked and analysis showed that the results were statistically significant meaning there is a strong correlation between motivation and employee performance. Findings of the descriptive analysis of the variables are presented below:

Table 7: Descriptive Statistics of the Variables.

N	25
Missing	0
Mean	4.05
Std. Deviation	.809
Variance	.654

Source: Researcher's computation.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The study sought data from management and staff of TTEC in regard to the relationship between motivation and employee performance. However, it ought be noted that the structure of an effective motivation system at TTEC lacked definition of the accomplishment to be recognized; the population eligible for recognition; the period of time over which performance will be rewarded; provisions for measuring an evaluating accomplishments; paying any dollar costs associated with the program; and reviewing program effectiveness all which affected its effectiveness in ensuring employee performance is improved. It was found out that management of TTEC has tried a number of motivation techniques at various times, with less success. Their problems included lack of money, administrative difficulties, philosophical differences, and conflict which other management programs incentive programs to foster and reward employee performance make sense in theory and carry an intrinsic appeal. Most people agree that the programs work in varying degrees if the criteria are objective, the employees can influence the factors on which the rewards are based, the evaluation is objective beyond reproach, and there is certainty that the incentives will come as promised. Although these programs have been common elements of compensation in private enterprises for a long time, they still must be established and operated with great care. In TTEC Where incentive programs remain a relatively minor part of the total human resources management scheme, their development is even more complex.

5.2 Recommendations

The following suggestions can help employees craft an incentive plan that sets employees and the company up for success without incorporation disincentives that can reduce the incentives effectiveness.

The first step in devising an effective remuneration system is to determine whether incentives are right for the company and its employees. Therefore, it is important to dig deep and determine what the company really wants to accomplish before designing an incentive plan. If the company is not able to articulate why it needs an incentive plan, it becomes more difficult to design a plan that will be successful.

The following actions can help ensure that employers don't implement an incentive plan that is unnecessary or ineffective:

Involves employees. To get a sense of whether and what kind of incentives will help the company meet its goals. It makes sense to get a few managers and employees together to discuss what the company wants to accomplish and how an incentive can support that line employees generally have a better view of how to do that we give them credit for. While incentives may be revised, they need to carry credibility from the start. Criteria should be easily understandable, attainable, and applied consistently. Again, credibility is one key to success. Employees need to fully comprehend management's goal, and equally important, the goal must be attainable with effort. Probably most important is the need to administer criteria in an absolutely evenhanded way.

Ensure that incentives are linked to key business goals and objectives. Rewarding achievements that further the company's mission sends powerful messages about what behavior is valued.

Management should publicize positive results. Focusing attention on what has been accomplished through incentives builds support for management and strengthens its believability.

Management should budget enough to meet expectations. While companies do not need to be lavish, they do need to offer a meaningful incentive that is worth the effort.

5.3 Areas for further research

Further research should be conducted on the effect of [participative budgeting on employee productivity. Tools like the Questionnaire can be used to ascertain information from selected respondents as shown below.

KAMPALA INTERNATIONAL UNIVERSITY

QUESTIONARE

Dear respondent

I am a final year student at Kampala International University. It is a requirement that I conduct a research on a business problem. My research is aimed at the assessing the effect of motivation on employee performance in TTEC. I intend to administer a questionnaire on the above topic and would be grateful if you can share your experiences and identify any relevant issues that you feel is missing from your company. The results of this research study will be used strictly for academic purposes and all the results will be anonymous. I wish to collect a wide sample and your responses would be valuable to this project.

Thanks for your co-operation.

Section A: bio data

1. Name:.....(Optional)
2. Age: Below 20 21 – 30 31 – 40 41-50
3. Sex: Male Female
4. Education level: Primary Secondary Tertiary
5. Designation:.....
6. Duration of service: Below 2 2 -3 3 -4 4-5 above 6 years
7. Department.....

Section B: Employee motivation programs at TTEC.

1. Respond to the statements below in respect of how you perceive motivation methods used in your organization;

Statement	1	2	3	4	5
1.Management regularly recognizes performing employees					
2.Every hard working employee is praised					
3.Management recognizes achievers					
4.There are financial incentives for high performers					
5.Thre are non-financial incentives or high performers					
6.The company offer bonus payment for exceptional performance					
7.Management pays employees over-time					
8.There are merit increases in this company					
9.Employees receive sick and leave pay					

Section C: Employee performance at TTEC.

- 1.Respond to statements below in respect to how you perceive employee performance in your organization;

Statement	1	2	3	4	5
Employees take more than the standard time to accomplish their assignments					
Employees achieve less than the standard					
Employees have to be supervised to accomplish certain tasks					
There are many employees whose output is low					
Employees fail to complete certain assignments forever					
There are many employees whose output is low					
Employees fail to complete certain tasks forever					
Employee to sales ratio is low					
Employee to assets ratio is low					
Employees are making a lot of unnecessary mistakes					
Employees are not creative					

Employees are not perfectionists					
Employees are not helpful					
Employees are not courteous					

Section D: Effect of motivation on employee performance

1. Respond to the statements below in respect of how you perceive employee performance in your organization is affected by motivation.

Statement			
Employees take more than the standard time to accomplish their assignments			
Employees achieve less than the standard			
Employees have to be supervised to accomplish certain tasks			
There are many employees whose output is low			
Employees fail to complete certain assignments forever			
Employees to sales ratio is low			
Employee to assets ratio is low			
Employees are making a lot of unnecessary mistakes			
Employees are not creative			
Employees are not perfectionists			
Employees are not helpful			
Employees are not courteous			

What can be done to improve employee performance in regard to motivation?

.....

.....

.....

END

THANKS FOR YOUR CO-PERATION

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