

**THE EVALUATION OF THE MOTIVATIONAL STRATEGIES
EMPLOYED IN A PHARMACEUTICAL ORGANISATION**

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THE EVALUATION OF THE MOTIVATIONAL STRATEGIES EMPLOYED IN A PHARMACEUTICAL ORGANISATION

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ABSTRACT

The pharmaceutical industry is currently a very competitive industry, and pharmaceutical companies need to outperform each other in order to succeed. Pricing regulations are forcing pharmacies to increase their turnover in order to attain the same or even a smaller profit than in previous years. For this reason, employee motivation, resulting in increased employee productivity, is crucial for the survival of a pharmaceutical company.

In this study the motivation strategies employed in a local retail pharmacy group were evaluated. It is important for this organisation to measure the efficiency of the different pharmacies in the group in order to make plans to ensure sustainable growth. This evaluation reflects the employee productivity of the pharmacies. Currently, the focus of senior management is on increasing the turnover in each retail pharmacy, without increasing the number of employees.

The problem which this dissertation focuses on is that no information exists regarding the motivational strategies employed by managers in the organisation to motivate employees. It is also not known whether motivational strategies are in fact used, and if so, what their effect is; and whether there is a relationship between the motivational strategies employed and the measured productivity.

Based on the results obtained from the two questionnaires it can be concluded that the strategies employed by managers are based upon and/or related to acknowledged theories of motivation and motivational strategies. The empirical study revealed that the performance ranking of the individual retail pharmacies are directly proportional to the number of motivation strategies employed by management.

Sustained emphasis on the importance of motivation and the use of motivation techniques are recommended, as well as training with regard to the creation of a motivating climate.

OPSOMMING

Die aptekersbedryf is tans 'n baie kompeterende bedryf, en om te oorleef moet farmaseutiese maatskappye beter presteer as ander farmaseutiese maatskappye. Prysregulering dwing apteke om hulle omset te verhoog ten einde dieselfde of selfs 'n kleiner wins as vorige jare te maak. Daarom is werknemermotivering, wat lei tot verhoogde werknemerproduktiwiteit, uiters belangrik vir die oorlewing van 'n farmaseutiese maatskappy.

In hierdie studie is die motiveringstrategieë wat gebruik word deur 'n plaaslike kleinhandel- farmaseutiese groep geëvalueer. Dit is belangrik vir hierdie organisasie om die doeltreffendheid van die verskillende apteke in die groep te bepaal, sodat planne gemaak kan word om volhoubare groei te verseker. Hierdie evaluering weerspieël die werknemerproduktiwiteit van die apteke. Tans fokus die senior bestuur daarop om die omset van elke kleinhandelapteek te verhoog, sonder om die aantal werknemers te vermeerder.

Die probleem waarop hierdie verhandeling fokus is dat daar geen inligting bestaan ten opsigte van die motiveringstrategieë wat deur bestuurders in die organisasie gebruik word om werknemers te motiveer nie. Dit is ook nie bekend of motiveringstrategieë gebruik word nie, en indien wel, wat die effek daarvan is nie; en of daar 'n verband is tussen die motiveringstrategieë wat gebruik word en die gemete produktiwiteit nie.

Gegrand op die resultate wat verkry is uit die twee vraelyste, kan daar afgelei word dat die strategieë wat gebruik word deur bestuurders berus op en/of verband hou met erkende motiveringsteorieë en –strategieë. Die empiriese ondersoek het getoon dat die prestasieposisie van die afsonderlike kleinhandelapteke direk ooreenstem met die aantal motiveringstrategieë wat deur die bestuur gebruik word.

Daar word aanbeveel dat daar volgehoue klem geplaas word op die belangrikheid van motivering en dat motiveringstegnieke voortdurend toegepas word, en dat daar ook opleiding plaasvind ten opsigte van die skepping van 'n motiveringsklimaat.

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CHAPTER 1

NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

A company's gross profit can be increased by constantly increasing turnover. Turnover can be increased through the enhancement of employee performance, productivity or efficiency. One method of improving employee performance is to improve employee motivation. Coetsee (2003:10.) remarked that "The improvement of performance and productivity, which includes the unlocking of the potential of people and motivating their efforts to perform, is probably the greatest challenge facing South African managers and supervisors." This argument also proves to be true for the retail pharmacy group evaluated for the purpose of this study.

The pharmaceutical industry is currently very competitive, and pharmaceutical companies need to outperform each other in order to succeed. Pricing regulations are forcing pharmacies to increase their turnover in order to attain the same or even a smaller profit than in previous years. For this reason employee motivation, which results in increased employee productivity, is crucial for the survival of a pharmaceutical company.

Fargus (2000:12) explains that an organisation may be resized, delayed and re-engineered but its competitive edge always relies upon the competency and creativity of its people: that and their motivation to apply themselves in support of their organisation's goals. Gill (2003:316.) elaborates on this by remarking: "Effective leaders motivate and inspire people to want to do what needs to be done." Managers are therefore required to be informed about the different motivational theories and the employment of motivational strategies.

In this study the motivation strategies employed in a local retail pharmacy group will be evaluated. It is important for this organisation to measure the efficiency of different pharmacies in order to make plans to ensure sustainable growth. The success and efficiency of the retail pharmacy are evaluated on a monthly basis by making use of the following seven indicators:

- Net profit;
- turnover
- number of scripts;
- average rand value per script;
- average number of items per script;
- average gross value per dispensed item; and
- number of items dispensed.

This evaluation can be seen to reflect the pharmacy's employee productivity. The company initiated this system because of a belief in the vital role which performance management plays in this pharmaceutical organisation. Currently the focus of senior management is to increase the turnover in each retail pharmacy without increasing the number of employees.

1.2 PROBLEM STATEMENT

If turnover must be increased to a maximum without employing more personnel, employee performance levels must be increased. Motivational strategies can be used as a starting point to improve the situation at hand. The problem which will be the focus is that no information exists regarding the strategies employed by managers in the organisation to motivate employees. It is also not known if motivational strategies are in fact used, and if used, what their effect is, and if there is a relationship between the motivational strategies employed and measured productivity.

In the pharmaceutical retail industry, effectiveness involves a compilation of turnover, gross profit, items sold and the amount of scripts processed.

Employee effort and motivation play a vital role in producing these outcomes and in sustaining all of the above.

1.3 OBJECTIVES OF THE STUDY

The objectives of the study involve primary objectives as well as secondary objectives.

PRIMARY OBJECTIVES

The primary objectives of the study are to establish:

- Which motivational strategies are employed by managers;
- whether these strategies are based upon and/or related to acknowledged theories of motivation and motivational strategies;
- whether a relationship exists between the specific motivational strategies used and effectiveness indicators (turnover, gross profit, items sold, number of scripts processed) of the different outlets; and
- to make recommendations and provide guidelines to enhance the motivation of employees.

SECONDARY OBJECTIVES

The secondary objectives, as a means of achieving the primary objective, include:

- Performing a literature study on particularly the more modern motivational theories and their application in motivational strategies;
- developing and applying an instrument to determine which motivation theories and strategies are employed in a number of retail pharmacies and how effective they are; and
- comparing the result obtained from this research with the different performance indicators of each retail pharmacy.

1.4 SCOPE OF THE STUDY

1.4.1 FIELD OF STUDY

This study will involve a literature study and an empirical study.

The literature study will include a brief discussion of the concept *motivation* and motivational theories. This will include a brief discussion of content theories and a more in-depth discussion of process theories of motivation. The application of motivational theories in motivational strategies to motivate employees will then be discussed.

The empirical study will be conducted by means of an instrument which was developed to determine which specific motivational strategies are employed and to evaluate the relationship between these motivation strategies and the effectiveness of outlets of a local retail pharmacy group. In this regard the results obtained by applying the instrument will be compared with different performance indicators in each retail pharmacy.

The literature and the empirical studies will lead to conclusions and recommendations with regard to motivational strategies which should be employed to improve the motivation of the employees.

1.4.2 GEOGRAPHICAL SCOPE

The research for the study was conducted in a small to medium size pharmaceutical company. The company's first retail pharmacy was opened in 1993 in the Western Deep Levels village, near Carletonville. During 1999 a Training & Development Academy (Pty) Ltd was registered. In 2001, Script Wise Courier Pharmacy was opened and in 2003 the company was registered as a full-line pharmaceutical wholesaler with the South African Department of Health and with the Medicines Control Council. Today the pharmaceutical company's retail division consists of eleven growing retail pharmacies situated in the provinces of Gauteng, Free State and Mmpumalanga. To ensure

comprehensiveness, the total managerial population of the retail pharmacies participated in this study.

1.4.3 STRUCTURE OF THE STUDY

The research is reported in the following chapters:

CHAPTER 1 outlines the nature and scope of the study, including the problem statement and objectives of the study.

CHAPTER 2 reports the findings of a literature study on motivational theories and the motivational strategies based on those theories (with the emphasis on the more modern theories and strategies). This chapter will also look at how these motivational strategies are implemented.

CHAPTER 3 will focus on the questionnaire design to gather data, the analysis of the data and the results of the research. A comparison will be made between the motivational strategies used by management and the performance of their department.

CHAPTER 4 will present the conclusions resulting from the study as well as the recommendations to improve the motivation of employees.

1.5 LIMITATIONS OF THE STUDY

This study will be limited to the research of motivational theories and the motivational strategies employed in the retail outlets of a selected pharmaceutical group. The results only apply to this particular company's retail outlets.

1.6 SUMMARY

Pharmaceutical companies rely on the performance of their employees to increase turnover and profitability. Increased company turnover and

profitability are essential for constant company growth. A crucial factor related to employee performance is the motivation, dedication and commitment of employees. The study aims to identify and evaluate the motivational strategies employed in a pharmaceutical company. A local small to medium size pharmaceutical company is used for the purpose of the study.

The study commences with a literature study, which is followed by an empirical investigation. The literature study is used to provide a background against which the empirical investigation can be done and also for the purpose of interpreting the results of the empirical study. Two questionnaires are used to perform the empirical investigation and the data obtained through these questionnaires is used to identify and evaluate the motivational strategies used in this pharmaceutical company. Final conclusions are reached and recommendations are made to the organisation in this regard.

CHAPTER 2

LITERATURE STUDY: MOTIVATIONAL THEORIES AND STRATEGIES

2.1 INTRODUCTION

In this chapter the concepts *motivation*, *motivation theories* (with emphasis on the modern theories) and *motivational strategies* (based on the motivation theories) will be discussed.

One method to increase employee performance is by increasing employee motivation. Drawn from Kreitner and Kinicki (2004:259), figure 2.1 illustrates how different elements of motivation theories are integrated to lead to performance. According to this model, individual inputs and job context factors are the two key categories of factors that influence motivation.

Shani and Lau (2005:229.) explain the relationship between productivity and motivation as follows: "Global competition, productivity, and quality have become buzzwords of this decade. Productivity and quality have many definitions. Most are related to motivation – whether it is the "zero defect" ratio in manufacturing, individual production averaged over a number of people, hours of work and dollar cost of labor, or individual effort and performance, the implied, ever-present question is, How do you get the individual to accomplish more, achieve better quality, all at a lesser cost?"

Because of the dynamic changes pharmacies have to cope with in order to maintain a competitive advantage over rivals, the quality of staff they employ is crucial. Those employed in the pharmacy are responsible for the growth of the business. In the pharmacy retail industry, pricing competitiveness will play a lesser role once the newly created pricing regulations are enforced. These

regulations will ensure that scheduled medicines are sold at the same price at all pharmacies.

Stern and Borcia (2000:18) maintain that nothing is more critical to the goal of being competitive and profitable than human energy and motivation. For this reason employee's knowledge, skills and abilities, their emotions, beliefs and values (i.e. individual inputs), in relation with the characteristics of the organisation (i.e. organisational culture), task design, supervisory mentorship and support (i.e. job content factors) give rise to motivational processes, and these three factors combine in motivated behaviours, which then leads to performance. This is explained by Kreitner and Kinicki's (2004:259) "Job Performance Model of Motivation", reproduced in figure 2.1.

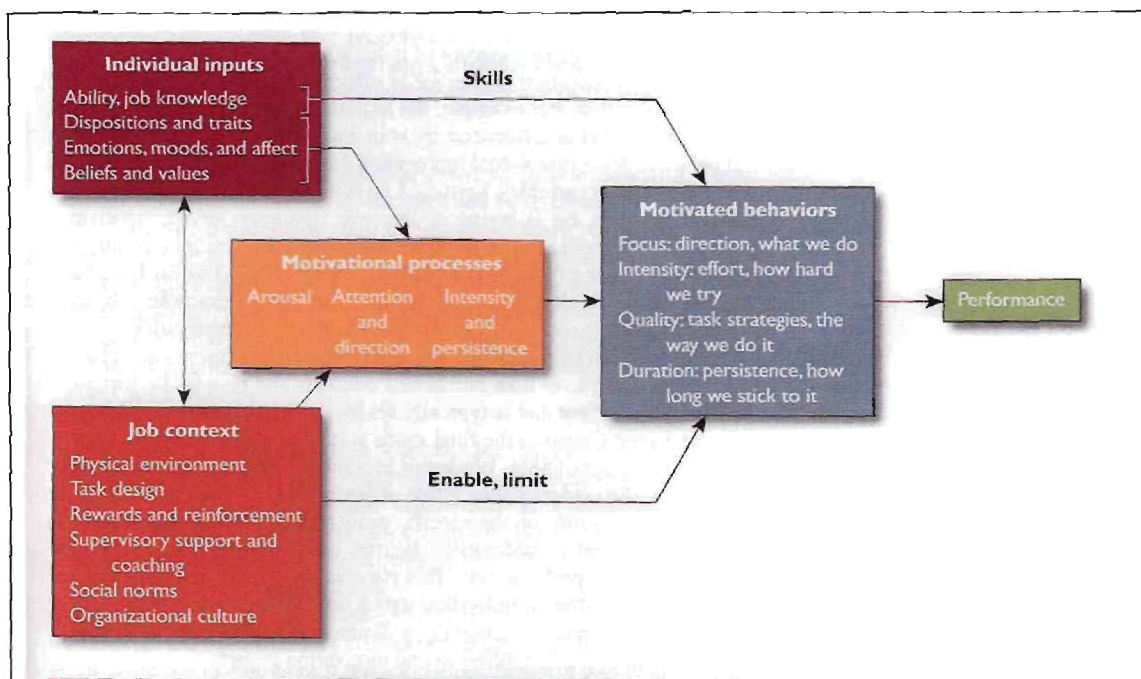


Figure 2.1: A Job Performance Model of Motivation (Kreitner and Kinicki, 2004:259)

Although productivity is related to motivation, motivation on its own may not necessarily lead to positive job performance outcomes. According to Katerberg and Blau (quoted by Robbins & DeCenzo, 2005:320.), "When someone is motivated, he or she tries hard. However, high levels of effort are unlikely to lead to favourable job performance outcomes unless the effort is

channelled in a direction that benefits the organization.” Therefore motivation strategies should include employee guidance elements with regard to organisational advancement in order to achieve favourable job performance outcomes. It may be concluded that motivation is a crucial, but not the only, contributor to productivity and achievement. This is explained by Ivancevich and Matteson's (2002:224) “Performance Diagnosis Model”, reproduced in figure 2.2. Figure 2.2 illustrates that lack of performance may be caused by a perception problem, inadequate subordinate ability or inadequate subordinate motivation. Inadequate subordinate ability may be caused by insufficient resources, training or aptitude. Inadequate subordinate motivation may be the result of expectations, incentives or salience problems.

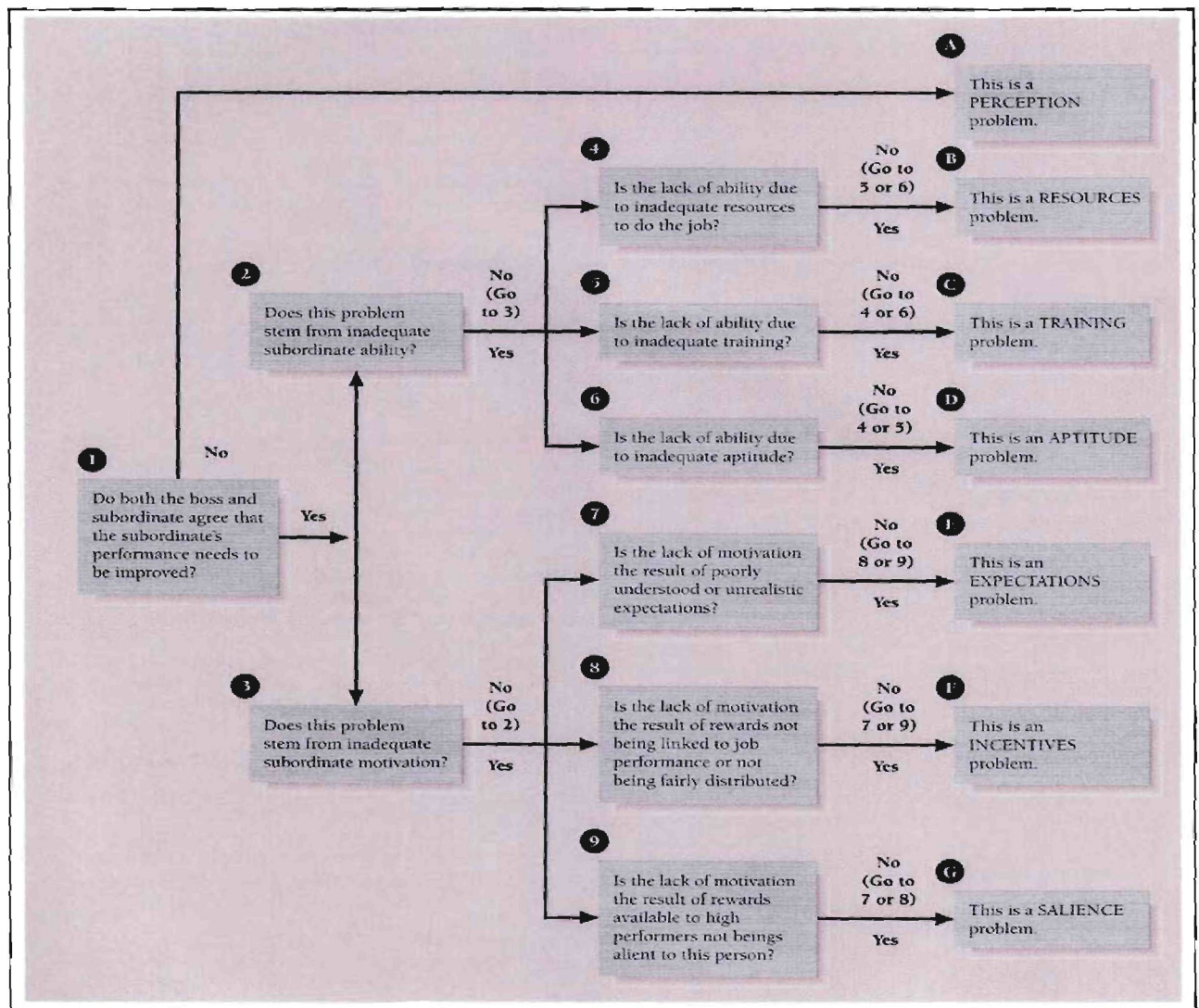


Figure 2.2: Performance Diagnosis Model (Ivancevich & Matteson, 2002:224)

In this study, employee motivation as a contributing factor of company performance will be evaluated. Motivation and its dynamics are explained by various motivation theories. In order to employ motivation theories in the workplace, motivation strategies are created. These strategies are based on the motivation theories developed by theorists, psychologists and organisational behaviour researchers.

2.2 THE CONCEPT OF MOTIVATION

According to the Concise Oxford Dictionary (1990:773), "to motivate" means to cause a person to act in a particular way or to stimulate the interest of a person in an activity. Kreitner and Kinicki (2004:258) explain that the word *motivation* is derived from the Latin word *movere*, meaning "to move".

This meaning of the concept *motivation* is illustrated by Schermerhorn *et al.* (2005:120), who define motivation as the individual forces that account for the direction, level and persistence of a person's effort expended at work. "Direction refers to an individual's choice when presented with a number of possible alternatives. Level refers to the amount of effort a person puts forth. Persistence refers to the length of time a person sticks with a given action." (Schermerhorn *et al.*, 2005:120.)

Mullins (1994:444.) explains the concept of motivation as follows: "The underlying concept of motivation is some driving force within individuals by which they attempt to achieve some goal in order to fulfil some need or expectation." He further explains that this concept gives rise to the basic motivational model which is illustrated in figure 2.3.

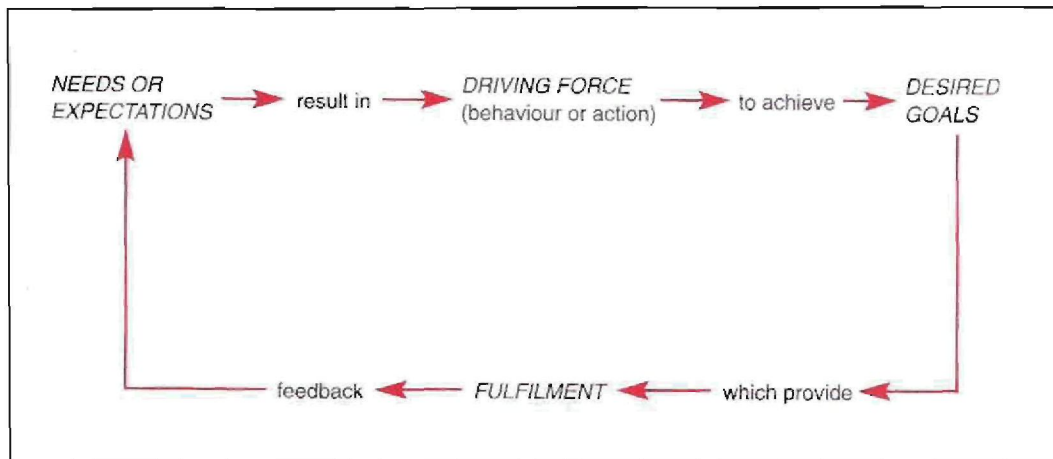


Figure 2.3: A Simplified Illustration of the Basic Motivational Model (Mullins, 1994:444)

The concept *motivation* thus implies a process resulting in actions performed willingly by an individual to achieve specific goals.

Mullins' definition regarding the concept *motivation* and its representation in figure 2.3, however, only relate to the older theories of motivation. In the more modern theories of motivation, characteristics of the situation (e.g. of the organisation) in which individuals find themselves are seen as being in interaction with personal factors, and these combined factors lead to motivation. An example of this is Greenberg and Baron's (1993:114.) definition: "We define motivation as the set of processes that arouse, direct, and maintain human behaviour toward attaining a goal." Du Biun's (2002:88.) definition is similar to that of Greenberg and Baron: "Motivation (in a work setting) is the process by which behaviour is mobilized and sustained in the intent of achieving organizational goals."

In this study, strategies employed to motivate employees are addressed: some strategies focus on need fulfilment (the older views of motivation), while the "newer strategies" are probably more related to the process theories, emphasising the arousal, direction and maintaining of human behaviour (Greenberg and Baron, 1993:114).

Thus, for the purpose of this study the concept *motivation* is defined as processes by means of which employee behaviour is aroused, directed, maintained, mobilised and sustained in order to achieve organisational goals.

2.3 MOTIVATION THEORIES

Motivation theories may therefore be described as "explanations" of the causes and effects of goal-directed human behaviour. These "explanations" include, among others, cognitions, needs, wants, desires, expectations, job characteristics, achievements, growth, reinforcement and factors in the work environment, and the interaction between these, which influences human behaviour. These concepts underlie the evolution of motivation theories developed by psychologists and other theorists.

Motivation theories are commonly divided into two categories: content theories and process theories. The content theory category includes more of the older motivation theories, while the process theory category includes the more modern theories. Ivancevich and Matteson (2002:150) explain that content approaches focus on identifying specific motivation factors (e.g. needs) while process approaches focus on describing how behaviour is motivated by an interaction between individual and organisational factors.

In this literature study only a limited discussion of the content theories is provided, for the reasons explained above. The emphasis will subsequently be on the process theories.

2.3.1 CONTENT THEORIES OF MOTIVATION

Ivancevich and Matteson (2002:150) explain that the content theories of motivation establish the specific needs that motivate people and focus on the factors within the individual that direct, sustain, strengthen and stop behaviour. Adding to this, Mullins (1994:451) explains that the content theories describe the factors which motivate the individual at work. These factors include the individual's needs, strengths and the goals which he/she

pursues. Steers *et al.* (1996:9) elaborate on this by explaining that the content theories of motivation are concerned with the recognition of significant internal dynamics and the explanation of how these dynamics may be prioritised within the individual.

Robbins (2000:44) makes reference to three specific theories which were formulated during the 1950s that are probably still the best-known explanations for employee motivation. The three theories include Maslow's hierarchy of needs, McGregor's Theory X and Theory Y and the Herzberg's two-factor theory (motivator hygiene theory). However, these theories have inherent shortcomings which led to them being heavily attacked and their validity called into question. Robbins (2000:44) further explains that although more valid explanations of motivation have since been developed, these early theories are still important for at least two reasons: firstly they established a foundation on which the process theories could be built, and secondly the terminologies used in these theories are easily understood and often used to explain employee motivation.

Content theories are often criticised by modern theorists for their shortcomings. According to Kreitner and Kinicki (2004:263) one shortcoming of these theories is that individual's needs vary over time and place because these needs are physiological or psychological deficiencies that arouse behaviour, and are influenced by environmental factors.

Ivancevich and Matteson (2002:155) explain that critics revealed a number of shortcomings regarding Herzberg's two-factor theory, including his methodology, which requires people to look at themselves retrospectively, and the fact that he has directed little attention toward testing the motivational and performance consequences of the theory. According to Ivancevich and Matteson (2002:155), however, there is also one appealing aspect of Herzberg's explanation of motivation, namely the terminology used; it is work-oriented and therefore there is no need to translate psychological terminology into everyday language.

Content type theories also include Alderfer's ERG theory and McClelland's need theory. A concise description of the most important of these theories and a comparison of these are outlined by Ivancevich and Matteson (2002:159) as indicated in figure 2.4.

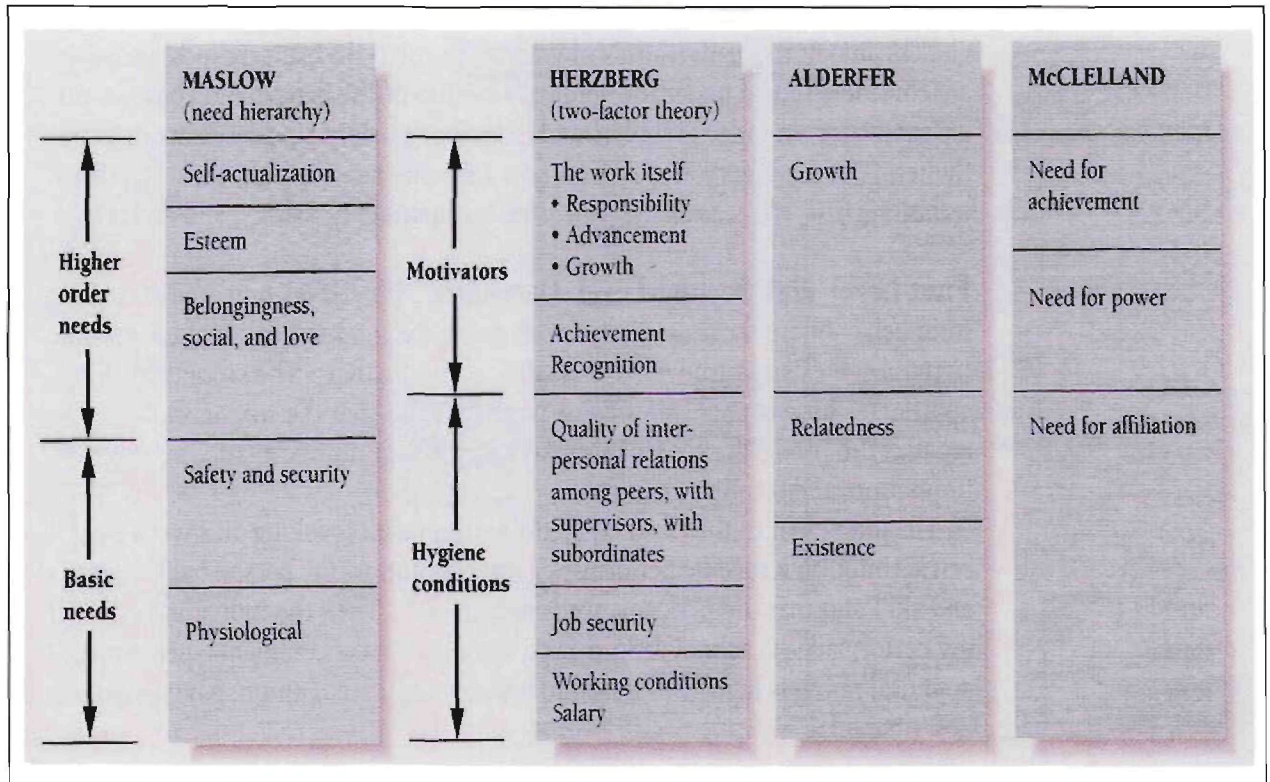


Figure 2.4: A Graphic Comparison of Four Content Approaches to Motivation (Ivancevich & Matteson, 2002:159)

Maslow's need hierarchy theory, Alderfer's ERG theory and McClelland's need theory are all similar in one aspect: they are based on individual's needs. Robbins and DeCenzo (2005:325.) explain that although there are similarities among the early theories of motivation there is also a distinct difference among them: "Ironically, this difference is one of focus rather than context. That is, while each looked at motivation of individuals, they did so from a different perspective."

To conclude, Schermerhorn *et al.* (2005:125) explain that content theories remain popular in management circles because of their straightforwardness

and the obvious direct linkage from needs to behaviour. These authors further significantly explain that at the same time, none of the theories link needs directly to the motivated behaviour desired by the manager; rather, managers just misinterpret the theories and often inappropriately assume that they know the needs of their subordinates. Schermerhorn *et al.* (2005:125) thus advise extreme care in the simplistic application of content theories.

Job design approaches as a motivation strategy specifically based on Herzberg's two-factor theory is discussed in section 2.4.1.1. Motivation strategies based on Alderfer's ERG theory includes alternative work arrangements (discussed in section 2.4.1.2) and human resource development (discussed in section 2.4.3.1). Skill-based pay (discussed in section 2.4.3.3) can be linked to Maslow's need hierarchy, while employee involvement and commitment (discussed in section 2.4.3.3) relates to McGregor's Theory X and Theory Y.

2.3.2 PROCESS THEORIES OF MOTIVATION

The more modern theories of motivation, called *process theories*, stand in contrast to content theories of motivation. According to Steers *et al.* (1996:9) the process theories of motivation describe how human behaviour is energised, directed and maintained. The authors explain that the process theories focus on certain psychological processes underlying human behaviour and in particular describe the functioning of the individual's decision-making method as it relates to behaviour.

Mullins (1994:463.) describes process theories as follows: "Process theories attempt to identify the relationships among the dynamic variables which make up motivation. They provide a further contribution to our understanding of the complex nature of work motivation." Schermerhorn *et al.* (2005:125) agree with this and add that process theories focus on thought processes, through which people choose one action over another in the workplace. Process theories include Adams' equity theory of motivation, the expectancy theory of motivation, Locke's goal-setting theory and the reinforcement theory.

2.3.2.1 ADAMS' EQUITY THEORY OF MOTIVATION

According to Kreitner and Kinicki (2004:290) the equity theory can be defined as a model of motivation that explains how people strive for fairness and justice in social exchanges or give-and-take relationships. This theory's application was pioneered by psychologist J Stacy Adams. One should be aware of key components of the individual-organisation exchange relationship in order to fully understand this theory. Kreitner and Kinicki (2004:291) explain that this relationship is pivotal in the formation of employees' perceptions of equity and inequity.

As described by Steers *et al.* (1996:54), inputs and outcomes are the key components of exchange relationships in Adams' equity theory. Inputs are the contributing behaviour of an individual to the exchange; these inputs may include previous work experience, education, training and general effort in order to perform the job. Outcomes, on the other hand, are those things that result from the exchange, which in an employment situation is most likely to be remuneration. In addition, fringe benefits, job assignments, supervisory behaviour and status symbols may also be considered outcomes in the exchange relationship.

Robbins and DeCenzo (2005:326) also explain that the equity theory postulates that individuals perceive what they get from an employment situation (outcomes) in relation to what they put into it (inputs) and then compare their input-outcome ratio with the input-outcome ratios of relevant others. This relationship is shown in figure 2.5, as illustrated by Robbins and DeCenzo (2005:328). According to these authors, equity exists if individuals recognise their ratio to be equal to those of the relevant others. Inequity occurs when the ratio of the individual is unequal to those of the relevant other – workers thus view themselves as under-rewarded or over-rewarded. Robbins and DeCenzo (2005:328) further point out that employees attempt to correct inequities. Therefore, by changing or allowing employees to change the ratios of their inputs to their outputs, equity can be established which will, according to Adams' equity theory, lead to employee motivation.

PERCEIVED RATIO COMPARISON*	EMPLOYEE'S ASSESSMENT
$\frac{\text{Outcomes A}}{\text{Inputs A}} < \frac{\text{Outcomes B}}{\text{Inputs B}}$	Inequity (underrewarded)
$\frac{\text{Outcomes A}}{\text{Inputs A}} = \frac{\text{Outcomes B}}{\text{Inputs B}}$	Equity
$\frac{\text{Outcomes A}}{\text{Inputs A}} > \frac{\text{Outcomes B}}{\text{Inputs B}}$	Inequity (overrewarded)
*Person A is the employee, and Person B is a relevant other or referent.	

Figure 2.5: Equity Theory Relationships (Robbins & DeCenzo, 2005:328)

Change procedures as a motivation strategy, based on Adams' equity theory, is discussed in section 2.4.2.1. Skill-based pay strategies (discussed in section 2.4.3.2) and the creation of a motivating climate (discussed in section 2.4.3.5) also involve the implementation of elements drawn from Adams' equity theory.

2.3.2.2 EXPECTANCY THEORY OF MOTIVATION

This theory was developed by Victor Vroom and later expanded by Porter and Lawler. According to Ivancevich and Matteson (2002:160) the numerous studies that have been done to test the accuracy of this theory have generally been supportive of it.

Ivancevich and Matteson (2002:160) explain that expectancy refers to the individual's belief regarding the likelihood or subjective probability that a particular behaviour (e.g. good performance) will be followed by a particular outcome (e.g. praise). People thus have a perceived likelihood that their efforts will enable them to successfully attain their performance goals.

According to Kreitner and Kinicki (2004:301), Porter and Lawler developed an expectancy model of motivation that refined and extended Vroom's work. The authors explain that Porter and Lawler's Expectancy Model identifies the source of people's valences (the value they place on specific outcomes) and expectancies and link effort with performance and job satisfaction. The essence of the expectancy theory is that employees' past experience with performance and rewards will influence their future effort and the reward probabilities they can expect.

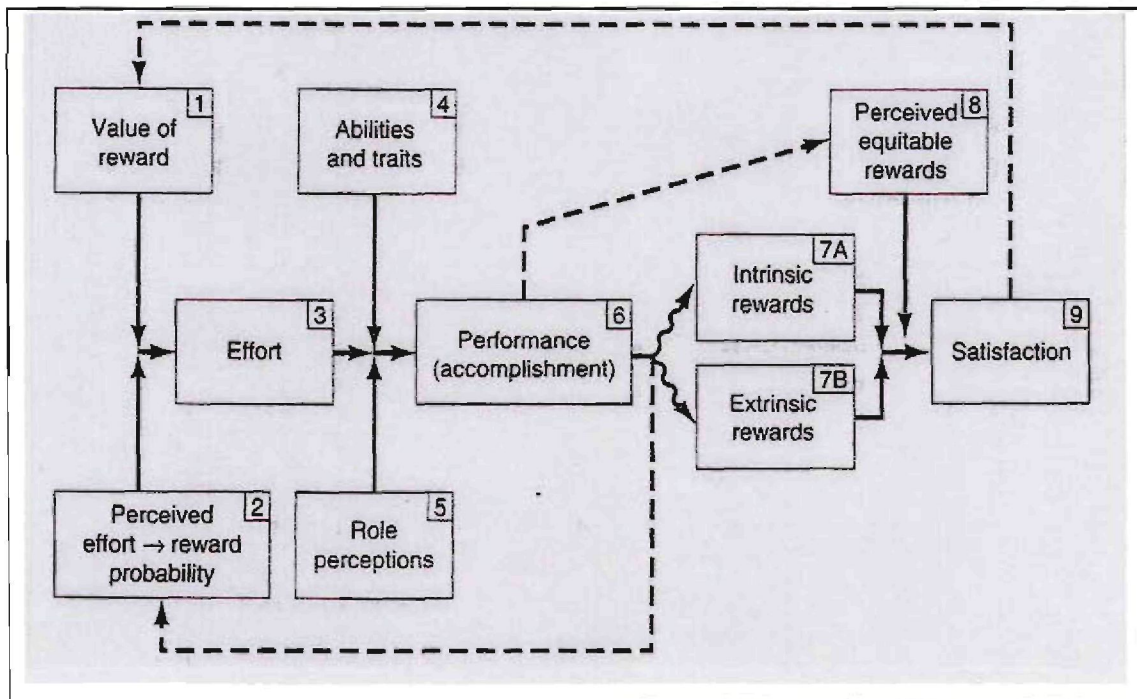


Figure 2.6: The Porter-Lawler Model of Work Motivation (Steers *et al.*, 1996:23)

The Porter-Lawler model of motivation (figure 2.6) is explained clearly by Steers *et al.* (1996:23). This model illustrates how reward value and the individuals' perceived effort and reward interaction affect the effort put in by the individual. Effort will lead to performance and the perceived equitable rewards received for the performance delivered will influence employee satisfaction.

Steers *et al.* (1996:23) explain that the model illustrates that effort may not necessarily result in job performance, for two reasons: firstly because of the individual's inability to accomplish the task at hand and secondly because the individual might lack understanding of the task to be performed. Therefore, according to these authors, elevated motivation will not affect job performance if the employee does not have a clear understanding of the ways in which effort ought to be appropriately directed.

Furthermore, the authors explain that the connection between performance and satisfaction exists because an employee is only likely to be satisfied in a situation in which the perceived equitable rewards are received. The authors indicate that the model identifies that the nature of the task influences the "satisfaction-performance linkage". The model also holds that an individual's self-evaluation has a significant impact on what he/she perceives as an equitable reward.

Lastly the model suggests that the employees' perception of the rewards received following a particular level of performance will determine satisfaction. According to Steers *et al.* (1996:24) one can thus conclude that "this model suggests that performance leads to satisfaction, rather than the opposite".

The use of compensation and rewards as motivation strategies is based on the expectancy theory (see division 2.4.2.2). These strategies are divided into the following "reward systems interventions" (Cummings and Worley, 2005:382): employee stock ownership plans, flexible benefits, gain-sharing plans, lump-sum increases, merit pay and profit-sharing plans. Compensation and reward strategy (discussed in section 2.4.2.2), employee involvement and commitment (discussed in section 2.4.3.3) and the creation of a motivating climate strategy (discussed in section 2.4.3.5) all relate to the expectancy theory.

2.3.2.3 LOCKE'S GOAL-SETTING THEORY

Robbins (2000:50) claims that considerable evidence supports the goal-setting theory. According to this author, Locke's goal-setting theory states how specific intentions – expressed as goals – can be a major source of work motivation. It is further explained that specific (difficult-to-achieve) goals produce a higher level of output than a generalised goal of "do your best". The effectiveness of Locke's goal-setting theory, as described by McShane and Von Glinow (2000:87), is based on the clear role perceptions and relevant goals which lead to increased employee motivation and performance.

Steers *et al.* (1996:109.) reveal that: "Herzberg never mentioned goal-setting as an element of job enrichment. In fact, the idea was explicitly rejected by him (Herzberg, 1975, pp.98-99) and his followers (Ford, 1969, p. 28)." Steers *et al.* (1996:109) explain that goal setting was unintentionally incorporated into the process of job enrichment under the name of *feedback*. These authors maintain that the explicit purpose of feedback in job enrichment programmes is to enhance the employee's feeling of achievement and to provide him or her with a sense of personal responsibility for the work. Steers *et al.* (1996:109) explain that two obvious questions arise in this context: how does an employee know when he or she has achieved something? And how does that employee know when he or she has adequately or successfully fulfilled his or her responsibility? These authors argue that the answer must be: when the feedback is compared, by management or by the employee, with some standard of appropriate performance, i.e., when the feedback is appraised in terms of some goal. The importance of this is thus that whenever management gives its employees feedback, one can be confident that some performance standard is involved.

Job enrichment (discussed in section 2.4.1.1), management by objectives (discussed in section 2.4.2.4), human resource development (discussed in section 2.4.3.1), the job characteristics model (discussed in section 2.4.3.4) and the creation of a motivating climate (discussed in section 2.4.3.5)

represent motivation strategies based, to a lesser or greater extent, on Locke's goal-setting theory.

2.3.2.4 REINFORCEMENT THEORY

Reinforcement theory, although one of the older theories, is regarded as a process theory because it describes the functioning of an individual's decision making system as it relates to behaviour in specific environments. As explained by Robbins (2000:51) this theory uses a behaviouristic approach which argues that reinforcers control behaviour. Any consequences following a specific behaviour will directly influence the probability that the behaviour will be repeated. Behaviour with encouraging consequences tends to be repeated, while behaviour with adverse consequences tends to disappear.

Reinforcement can be divided into positive and negative reinforcement. According to Kreitner and Kinicki (2004:346), positive reinforcement involves the fortification of behaviour through praise or any act that results in pleasing consequences. Praise and recognition for a job well done or putting in overtime are positive reinforcement. In contrast, as described by Steers *et al.* (1996:42), negative reinforcement involves fleeing from or avoiding negative consequences such as irritation or litigation. The reinforcement theory is practically applied in the following strategies: employee recognition (discussed in section 2.4.2.3), organisational behaviour modification (discussed in section 2.4.2.5), performance appraisal (discussed in section 2.4.2.6), the skill-based pay strategy (discussed in section 2.4.3.2) and the job characteristics model (discussed in section 2.4.3.4).

2.3.2.5 CONCLUSION REGARDING PROCESS AND CONTENT THEORIES OF MOTIVATION

According to Mullins (1994:475), there are many competing theories which attempt to explain motivation at work. These theories are not conclusive and all have their critics or have been subject to alternative findings, particularly the content theories. Mullins (1994:475), however, points out that it is because

of the complexity of motivation that these different theories are important to the manager. This author explains that both content and process theories illustrate that there are many motives which influence people's behaviour at work and also provide a framework within which the researcher or manager can direct attention to the problem of how best to motivate staff to work willingly and efficiently. This clearly underlines the importance of motivation theories and the relevance of their application in motivation strategies.

Job design approaches and alternative work arrangements are motivation strategies based on content motivation theories. These strategies are discussed in section 2.4.1.

Motivation strategies based on process theories include change procedures, compensation and rewards, employee recognition, management by objectives and performance appraisal. These strategies are discussed in more detail in section 2.4.2, because they represent the practical applications of the more modern process theories.

Motivation is a very complex phenomenon and therefore motivation strategies based on both content and process theories proved to be important in order to practically apply motivation theories in organisations. These strategies include human resource development, skill-based pay plans, employee engagement and involvement, the job characteristics model and creating a motivating environment. Motivation strategies based on a combination of content and process theories are discussed in section 2.4.3.

2.4 MOTIVATION STRATEGIES

A motivation strategy is typically based on one or more motivational theories and, in some cases, involves intervention steps to motivate the required employee behaviour. Different motivational strategies have gained varying degrees of acceptance in practice. In this section, these strategies will be linked to one or more of the motivation theories and it will be indicated how these may be practically applied.

For the purpose of this study, motivation strategies are divided into the following categories:

- Motivation strategies based on content theories;
- motivation strategies based on process theories; and
- motivation strategies based on a combination of content and process theories.

2.4.1 MOTIVATION STRATEGIES BASED ON CONTENT THEORIES

McShane and Von Glinow (2000:73) explain that the practical implications of content motivation theories differ from one generation to the next because different people have different needs at different times. The authors further suggest that when implementing a motivation strategy based on content theories, it should be kept in mind that different generations each has a unique set of needs that have been influenced by experiences while they were growing up.

The following motivation strategies, based on content theories, will be discussed:

- Job design approaches; and
- alternative work arrangements.

These approaches are linked to the content (need) theories and especially to Herzberg's two-factor theory and Alderfer's ERG theory.

2.4.1.1 JOB DESIGN APPROACHES

According to Kreitner and Kinicki (2004:267), job design may be used as a motivation strategy to provide a solution where an employee experiences inconveniences regarding the type of work, work characteristics or the work environment. Schermerhorn *et al.* (2005:127) also explain that job design

allows managers to plan and identify job tasks and work schedules to meet organisational requirements for increased performance. Job design also offers the opportunity for job satisfaction because it incorporates individuals' skills and needs with the organisational requirements.

For the purpose of the study, job design approaches will include (1) job enlargement, (2) job enrichment and (3) job rotation.

(1) JOB ENLARGEMENT

Steers *et al.* (1996:566) explain that the term "job enlargement" describes the horizontal extension of an individual's job by adding additional tasks or combining specialised tasks of the same difficulty level. According to Kreitner and Kinicki (2004:268), this motivation strategy was first used in the late 1940s to prevent the over-specialisation of individuals. Job enlargement therefore allows an individual to become more multi-skilled by becoming familiar with additional chores.

(2) JOB ENRICHMENT

In contrast with job enlargement, Steers *et al.* (1996:566.) concludes that: " 'Job enrichment', on the other hand, means a vertical expansion of an employee's job, requiring and increase in the skills repertoire, which ostensibly leads to increased opportunities." According to Schermerhorn *et al.* (2005:147), job enrichment is achieved through enhancing work content by including more motivating factors such as accountability, achievement, recognition, and personal growth. It thus differs from job enlargement because higher levels of individual inputs are required.

(3) JOB ROTATION

As defined by Schermerhorn *et al.* (2005:147), job rotation increases task variety by rotating workers between jobs involving tasks of similar difficulty. These authors explain that the rotation can be arranged according to almost

any time schedule, such as hourly, daily, or weekly schedules. According to Schermerhorn *et al.* (2005:147), an important benefit of job rotation is training, because it allows workers to become more familiar with different tasks and increases the flexibility with which they can be moved from one job to another. Similar to job enlargement, the more modern strategy of multi-skilling may probably also be linked to job rotation.

Thus, job enlargement involves a horizontal expansion of an individual's job, while job enrichment involves a vertical expansion of an individual's job. In comparison, job rotation does not involve the adding of additional tasks but rather the familiarisation with an additional job for the purpose of rotation or multi-skilling.

2.4.1.1.1 LINKING JOB DESIGN APPROACHES AND HERZBERG'S TWO-FACTOR THEORY

Job design approaches (job enlargement, job enrichment and job rotation) can be linked to Herzberg's two-factor theory because, as Steers *et al.* (1996:17) argue, the theory holds that individuals are likely to link a satisfying experience with the content of the job itself. Through job enlargement an individual may experience professional advancement or recognition, where job rotation may lead to perceptions of achievement and growth.

Schermerhorn *et al.* (2005:147) observe that job design, and especially job enrichment, differs from other motivating strategies because it adds to job content planning and evaluating duties that would otherwise be reserved for managers. According to these authors, this strategy can be linked to Herzberg's two-factor theory because it is a practical implementation of "what Herzberg calls *vertical loading* to increase *job depth*" – that is, job enrichment.

2.4.1.1.2 PRACTICAL APPLICATIONS OF JOB DESIGN

The practical application of Herzberg's two-factor theory is briefly described by Steers *et al.* (1996:566.): "The implications of his model of employee

motivation are clear: motivation can be increased through basic changes in the nature of an employee's job (that is, job enrichment). Thus, jobs should be redesigned to allow for increased challenge and responsibility, opportunities for advancement and personal growth, and recognition."

Job design allows employees to experience more challenging and responsible work through which a sense of personal achievement and recognition is created. Schermerhorn *et al.* (2005:147) summarised job enrichment advice from Frederick Herzberg as follows:

- Allow workers to plan;
- allow workers to control;
- increase task difficulty;
- help workers become task experts;
- provide performance feedback; and
- increase performance accountability.

Considerable research has been done regarding job design in a variety of work settings. In conclusion, Schermerhorn *et al.* (2005:150) point out that on average, job design affect performance but not nearly as much as it does satisfaction.

2.4.1.2 ALTERNATIVE WORK ARRANGEMENTS

Alternative work arrangements differ from job design because it focuses on the work hours and employment time periods, while (unlike the job design approaches) the content of the work remains unchanged.

Ivancevich and Matteson (2002:252.) describe alternative work arrangements as a motivation strategy which involves giving employees decision-making control with regard to when they perform their work, and point out that this approach to job-redesign is becoming increasingly popular. These authors argue that job-redesign has led to a variety of innovations to which can be collectively referred as alternative work arrangements. The popularity of this

motivation strategy might be linked to increasingly demanding lifestyles in which time management plays a significant role. Examples of alternative work arrangements include compressed workweeks, flexible working hours (flexitime), job sharing, work at home and part-time work. These are discussed in section 2.4.1.2.2.

2.4.1.2.1 LINKING ALTERNATIVE WORK ARRANGEMENTS TO MASLOW'S HIERARCHY OF NEEDS AND ALDERFER'S ERG THEORY

"Alternative work arrangements" as a motivation strategy is a practical application of Maslow's hierarchy of needs and Alderfer's ERG theory because it is based on employees' needs. Both theories are specifically aimed at understanding people's needs at work. By providing employees with opportunities for alternative work arrangements, their needs at work are acknowledged.

2.4.1.2.2 PRACTICAL APPLICATIONS OF ALTERNATIVE WORK ARRANGEMENTS

Although there are a variety of innovations regarding alternative work arrangements, only the following will be discussed for the purpose of this study: (1) compressed workweeks, (2) flexible working hours, (3) job sharing, (4) work at home and telecommuting and (5) part-time work.

(1) COMPRESSED WORKWEEKS

According to Ivancevich and Matteson (2002:252), one of the earliest forms of alternative work arrangement was that of the compressed work week. Schermerhorn *et al.* (2005:154) define a compressed workweek as "...any scheduling of work that allows a full-time job to be completed in fewer than the standard five days". The authors explain that this strategy presents many enjoyable benefits for the employee, including additional time off, three-day weekends, free workdays and lower commuting costs. According to

Schermerhorn *et al.* (2005:155), the organisation benefits as well because of lower employee absenteeism and improved recruiting of new employees. Potential disadvantages include work scheduling problems, employees experiencing exhaustion from the extended workdays and various labour law implications. But if well managed, compressed workweeks proved to be favourable among both employees and employers.

(2) FLEXIBLE WORKING HOURS

Another arrangement that provides employees even greater individual control over work scheduling is flexitime. As defined by Robbins and DeCenzo (2005:340), flexitime is a scheduling option that allows individuals, within specific parameters, to decide when to go to work. The authors point out that the potential benefits of flexitime are numerous; the disadvantage of this strategy is that it is not applicable to every job and should be applied selectively.

(3) JOB SHARING

According to Ivancevich and Matteson (2002:253), job sharing is yet another approach which increases employee discretion. Job sharing is the description of an arrangement where two or more individuals share one job.

The advantages of this strategy to the employer is that multiple employees are able to perform the same task; the opportunity is provided to acquire skilled employees who may only be available on a part-time basis; and it makes it possible to draw upon the talents of two or more individuals. According to Robbins and DeCenzo (2005:341), the main disadvantage of job sharing, from management's perspective, is assigning compatible pairs of employees to successfully manage all aspects of the job.

Job sharing can also be related to multi-skilling and job rotation, as discussed in section 2.4.1.1 above.

(4) WORK AT HOME AND TELECOMMUTING

Continuous advances in technology contribute to allowing employees to work from home and what is described as telecommuting. Schermerhorn *et al.* (2005:156) define telecommuting as work done at home or in a remote location via use of computers and advanced telecommunication linkages with a central office or other employment locations. Robbins and DeCenzo (2005:341) declare that the advantages of telecommuting capabilities include global employee mobility without the loss of productivity; the benefit of lower wage cost options; and the fact that a company does not have to be located near its workforce.

(5) PART-TIME WORK

According to Schermerhorn *et al.* (2005:156), part-time work has become an increasingly prominent and controversial work arrangement. These authors explain that temporary part-time work allows an individual to work less than the standard 40-hour work week as well as to be categorised as a “temporary” employee. In contrast, with permanent part-time work the individual is categorised as a “permanent” employee, although he/she also works less than the standard 40-hour work week.

This strategy proves to be favourable because of the different organisational advantages it presents. Advantages identified by Schermerhorn *et al.* (2005:157) include benefits to employees who prefer part-time work for any number of personal reasons and the company benefits because employees are hired as needs dictate.

Although both job design and alternative work arrangement strategies are based on the content theories, which are the older motivational theories, they are still discussed in modern literature. The reason for this is that they still provide a solid base for these strategies, by acknowledging employee needs.

For the purpose of this study, the following motivation strategies based on content theories will be evaluated:

- Job enlargement;
- job enrichment;
- job rotation;
- compressed workweeks;
- flexible working hours;
- job sharing;
- work at home and telecommuting; and
- part-time work.

2.4.2 MOTIVATION STRATEGIES BASED ON PROCESS THEORIES

The more modern process theories provide a further contribution to our understanding of work motivation. The principles of the process theories proved to be important but of even greater importance is the practical application of these theories.

The following motivation strategies, based on process theories, will be discussed:

- Change procedures directed at measuring motivation;
- compensation and rewards;
- employee recognition;
- management by objectives; and
- performance appraisal.

2.4.2.1 CHANGE PROCEDURES

Ivancevich and Matteson (2002:163) suggest that change procedures can be implemented to restore a feeling or sense of equity.

2.4.2.1.1 LINKING CHANGE PROCEDURES AND ADAMS' EQUITY THEORY

Ivancevich and Matteson (2002:164) explain that pay is mostly focussed on as the basic outcome of the equity theory, and the failure to incorporate other relevant outcomes limits the impact of the equity theory in work situations. For this reason, other incentives – or in Adams' terminology 'outcomes' – can be implemented as a motivational strategy instead of the pay incentive.

Change procedures are strategies that can be implemented instead of the pay incentive. Change procedures allow employees to change the ratios of their inputs to their outputs; therefore equity can be established which will lead to employee motivation, according to Adams' equity theory.

2.4.2.1.2 PRACTICAL APPLICATIONS OF CHANGE PROCEDURES BASED ON ADAMS' EQUITY THEORY

Cummings and Worley (2005:379) explain that when performance is linked to rewards an individual might experience internal and/or external equity concerns. According to these authors, internal equity concerns the comparison of individual rewards with the rewards of those who are performing similar jobs or those who are performing equally in the organisation. Internal inequities typically occur when employees are paid a similar salary or hourly wage regardless of their position or level of performance. Many organisations work hard to establish practices (e.g. performance appraisal) to ensure that people who are doing similar kinds of activities have similar levels of compensation. External equity involves comparing the organisation's rewards and remuneration with those of other organisations in the same labour market. Most human resource policies commit to a rewards and compensation systems relative to the market. Transparency is therefore one method to restore and sustain equity.

According to Ivancevich and Matteson (2002:253), the following are alternative ways individuals may use to restore a feeling or sense of equity:

- **Changing inputs.** The amount of effort and time put into a job remains the decision of the employee.
- **Changing outcomes.** The amount of units produced by the employee is linked to a bonus pay plan and it remains the choice of the employee to decide how many units he/she is willing to produce.
- **Changing attitudes.** Instead of changing inputs or outcomes, the employee may decide that he or she has put in enough time to make a good contribution.
- **Changing the reference person.** Input or outcome ratios can be compared to another employee.
- **Changing the inputs or outcomes of the reference person.** An attempt to alter the reference person's input or outcome ratio may restore equity.

These alternatives are mostly based on individuals' perceptions of equity. Transparency may be introduced in order for individuals to evaluate the inputs and/or outcomes of their relevant others.

Transparency as a practical application of Adams' equity theory can be successfully implemented by means of:

- Eliminating secrecy practices regarding rewards, as far as possible, and by implementing a transparent policy regarding employee remuneration; and
- clarifying and revealing individual performance ratings to all employees.

According to Adams' equity theory, employees tend to constantly compare either themselves with a relative other or their organisation with another organisation. Change procedures, as a motivation strategy based on Adams'

equity theory, are thus developed to attempt to create and sustain what each individual perceives as equitable.

2.4.2.2 COMPENSATION AND REWARDS

The design and implementation of a compensation and reward system is a general feature of organisations but could also be used as an essential motivation strategy. Schermerhorn *et al.* (2005:177) propose that reward systems, when used for motivating purposes, emphasise a mix of extrinsic and intrinsic rewards: "... *extrinsic rewards* are positively valued work outcomes that are given to an individual or group by some other person or source in the work setting. In contrast, *intrinsic rewards* are positively valued work outcomes that the individual receives directly as a result of task performance; they do not require the participation of another person or source." Because intrinsic factors are difficult and often impossible to measure, for the purpose of this study the focus will be on the link between pay as an extrinsic reward and individual and/or outlet performance.

According to Phillips and Phillips (2002:9), employees have a need for rewards that are based on performance. More employees are seeking reward systems that reflect individual contribution and individual performance. If the rewards at a company are not in direct proportion to each individual's achievement, employees often will find jobs at organisations where the rewards are more in balance.

2.4.2.2.1 LINKING COMPENSATION AND REWARDS TO THE EXPECTANCY THEORY

Using compensation and rewards as motivational tools is compatible with the expectancy theory. Robbins (2000:69) explains that individuals should recognise a link between the rewards they receive and their performance in order to maximise motivation. According to the author, if rewards are entirely based on non-performance factors (seniority or job title), individuals are likely to reduce their effort. This relates to the essence of the expectancy theory,

which adequately demonstrates that an individual's past experiences regarding performance and rewards (outcomes) will influence their future effort and thus performance, and the reward probabilities they can expect.

2.4.2.2.2 PRACTICAL APPLICATIONS OF COMPENSATION AND REWARDS

According to Kerr (quoted by Cummings and Worley (2005:381)), the ability of rewards to motivate desired behaviour depends on the following five factors:

- **Availability.** For rewards to reinforce desired performance, they must be not only desired but also available.
- **Timeliness.** Like effective performance feedback, rewards should be given in a timely manner. The motivation potential of a reward decreases when it is separated in time from the performance it is intended to reinforce.
- **Performance contingency.** The clearer the linkage between performance and rewards, the better able rewards are to motivate desired behaviour.
- **Durability.** Intrinsic rewards tend to last longer than extrinsic rewards. Verbal praise and recognition might last longer than an occasional salary increase.
- **Visibility.** The reward system must be visible to all organisational members in order to send signals to employees that rewards are available, timely and performance contingent.

To summarise the above, Cummings and Worley (2005:382.) remark that: "To the extent that rewards are available, durable, timely, visible, and performance contingent, they can support and reinforce organizational goals, work designs, and employee involvement."

The following section describes six reward system interventions: flexible benefits, gain-sharing plans, profit-sharing plans, employee stock ownership

plans, lump-sum increases and merit pay. These reward system interventions can be useful in improving employee performance and satisfaction.

(1) FLEXIBLE BENEFITS

Schermerhorn *et al.* (2005:180) observe that flexible benefit plans are remuneration systems that allow employees to select benefits according to their individual needs. These authors explain that an employee's total compensation package not only includes direct pay but also fringe benefits. They suggest that the organisation should let the employee choose from a list of fringe benefits, up to a certain amount, which benefits he or she would like to include in the compensation package according to his or her individual needs. That way the motivational incentive of fringe benefits will be used optimally.

(2) GAIN-SHARING PLANS

According to Schermerhorn *et al.* (2005:179), gain-sharing links pay and performance by giving workers the opportunity to share in productivity gains through enhanced earnings. These authors explain that employee motivation increases because of this pay-for-performance incentive and employees experience a greater sense of personal responsibility for making performance contributions to the organisation.

Ivancevich and Matteson (2002:212) maintain that the practical application of gain sharing includes straightforward cash awards for innovative yet practical ideas that are implemented. These authors explain that any programme that divides cost reductions among employees may be considered as gain sharing.

Gain-sharing plans are also incorporated into the employee engagement and involvement motivation strategy discussed in section 2.4.3.1.

(3) PROFIT-SHARING PLANS

Profit-sharing plans are similar to gain-sharing plans but, as explained by Schermerhorn *et al.* (2005:179), profit-sharing plans differ from gain sharing because they reflect things such as economic conditions, over which employees have no control. Robbins (2000:69.) claims that "Profit-sharing plans are organization wide programs that distribute compensation based on some established formula designed around a company's profitability." Therefore profit-sharing plans use a mechanistic formula for profit distribution and do not utilise employee performance.

(4) EMPLOYEE STOCK OWNERSHIP PLANS

Schermerhorn *et al.* (2005:180) explain that employee stock ownership is based on the total organisation's performance, but measured in terms of stock price. According to these authors, the stock may be awarded to employees, or employees may purchase it at a price below market value. Schermerhorn *et al.* (2005:180) further construe that, because employee stock ownership plans are non-taxable until the employee redeems the stock, it is often used by organisations as a low-cost retirement benefit.

Employee stock ownership plans are also incorporated into the employee involvement and commitment motivation strategy discussed in section 2.4.3.1.

(5) LUMP-SUM PAY INCREASES

Schermerhorn *et al.* (2005:180) describe a lump-sum pay increase as a pay system in which employees choose to receive their remuneration increase in one or more lump-sum payments. Employees may choose to receive this payment either in the beginning or end of the year or as a holiday bonus. Schermerhorn *et al.* (2005:180) note that this is a motivation strategy because an employee may enjoy the lump-sum payment on its own or use it as a down payment on something highly valued.

(6) MERIT PAY

Schermerhorn *et al.* (2005:178) define this motivation strategy as follows: "Merit pay is a compensation system that bases an individual's salary or wage increase on a measure of the person's performance accomplishments during a specified time period." These authors argue that in order to work effectively, merit pay systems should be based on realistic and accurate measures of individual work performance and the system should clearly discriminate between high and low performers. A merit pay system is thus also a "pay for performance" system, which was explained in paragraph 2.4.2.2 as well as in gain-sharing plans (2.4.2.2.2, point 2).

According to Robbins (2000:68) all of the above-mentioned compensation and reward plans can be summarised as "variable-pay programs". Robbins expresses the opinion that gain sharing is undoubtedly the most popular programme in recent years and has been found to increase productivity and has a positive impact on employee attitudes.

Chang (2005:28) warns that if top producers are always going to get incentives, other groups may be alienated. The author suggests that by segmenting incentives to the group you want to motivate, and by setting goals that would be relevant to them, the risk of demotivating your future stars would be eliminated.

2.4.2.3 EMPLOYEE RECOGNITION

Coetsee (2002:160) claims that: "Intrinsic rewards are not something that an organisation can give its employees. Manager-leaders can, however, create an environment which makes it possible for employees to experience intrinsic rewards." Giving employee recognition is one example of an extrinsic reward. Employee recognition as a motivation strategy is based on extrinsic rewards; similarly, compensation and rewards (discussed in section 2.4.2.2) also focus on the management of pay as an extrinsic reward.

According to Robbins (2000:63), employee recognition programmes can take numerous forms and the best ones recognise both individual and group accomplishments. Robinson observes that managers may use movie tickets, time off, cash rewards and Friday afternoon get-togethers to acknowledge such accomplishments. Managers may also send a handwritten note or an e-mail message acknowledging something positive an employee has completed. Recognition may be given by publicly recognising accomplishments, contributions and achievements as well. All of the above are examples of extrinsic rewards.

2.4.2.3.1 LINKING EMPLOYEE RECOGNITION AND REINFORCEMENT THEORY

Employee recognition as a motivation strategy is based on the reinforcement theory. Robbins (2000:63) explains that consistent with reinforcement theory, a behaviour is likely to be repeated if it is rewarded with recognition immediately after the behaviour. Management's recognition and appreciation for a job well done will reinforce the behaviour that leads to the pleasant results. As explained in section 2.3.2.4, employee recognition is an example of positive reinforcement.

2.4.2.3.2 PRACTICAL APPLICATIONS OF EMPLOYEE RECOGNITION

Ventrice (2003:4) reports that Remedy Corporation, a software company that employed more than twenty-five thousand employees, survived bankruptcy and even thrived because they set challenging goals for themselves, listened to employees and – most importantly – showed their appreciation. Remedy Support Services employed both visible and invisible recognition strategies to motivate their employees. According to Ventrice (2003:6), Managers at Remedy have built recognition into everything they do. Recognition is not just on their to-do list; it is the header on their to-do list, and that makes all the difference to employees.

The success of recognition as a motivation strategy seems to depend on the way it is presented to the employee. Key ingredients include praise, thanks giving opportunity and respect. Recognition is not difficult to accomplish: a simple thank-you delivered in front of a group, one-to-one or by e-mail will portray acknowledgement of an accomplishment. All too often employees say that small gestures usually mean the most.

2.4.2.4 MANAGEMENT BY OBJECTIVES (MBO)

As defined by Robbins and DeCenzo (2005:94), management by objectives (MBO) is “[a] system in which specific performance objectives are jointly determined by subordinates and their supervisors, progress toward objectives is periodically reviewed, and rewards are allocated on the basis of that progress”. Cummings and Worley (2005:370) explain that this strategy is mainly an attempt to align individuals’ goals with the organisation’s strategy by increasing communications and shared perceptions between the manager and subordinates, either individually or as a group, and by resolving conflict where it exists.

Robbins (2000:58) identify certain elements which are significant in MBO programmes, namely objective specificity, participative decision making, a clear time period, and performance feedback. This author explains that the objectives in MBO should be concise statements of expected outcomes: it is not sufficient merely to state a desire to decrease expenses, improve service, or increase quality. Such desires have to be converted into concrete objectives that can be measured and evaluated. Robbins (2000:58) further explains that the objectives in MBO are not just set by management and assigned to employees; the following contributes towards the success of MBO as a motivation strategy:

- Management by objectives makes use of participatively determined goals and replaces imposed goals;
- objectives should be accomplished in stipulated time periods; and
- continuous feedback must be given on the progress toward goals.

2.4.2.4.1 LINKING MANAGEMENT BY OBJECTIVES AND LOCKE'S GOAL-SETTING THEORY

According to Robbins (2000:59), management by objectives can be clearly linked to Locke's goal-setting theory because the strategy of MBO involves setting specific goals and giving feedback on the progress for monitoring and correcting purposes. This author emphasises that MBO would be most effective when the goals are difficult enough to necessitate the employee to make an extended effort.

2.4.2.4.2 PRACTICAL APPLICATIONS OF MANAGEMENT BY OBJECTIVES

Robbins and DeCenzo (2005:97) argue that firstly employees should have a clear understanding of what they are attempting to accomplish and secondly management is responsible for assisting employees in setting the goals in order to accomplish the task at hand. The authors identify the ability to set objectives as a skill that every manager needs to perfect.

Robbins and DeCenzo (2005:94) recommend the following steps to facilitate the process of objective setting:

- 1.) Identify an employee's key job tasks.
- 2.) Establish specific and challenging goals for each key task.
- 3.) Allow the employee to actively participate.
- 4.) Prioritise goals.
- 5.) Build in feedback mechanisms to assess goal progress.
- 6.) Link rewards to goal attainment.

According to Robbins (2000:60), aspects such as unrealistic expectations, lack of managerial dedication, and the inability or reluctance of management to allocate rewards based on goal accomplishment may cause MBO as a motivation strategy to fail. Nevertheless, he indicates that MBO provides management with an instrument to implement the goal-setting theory.

Ivancevich and Matteson (2002:640) postulate that the anticipated outcome of MBO includes enhanced contribution to the organisation, positive job attitude and satisfaction and improved role clarity. In spite of its applicability, Cummings and Worley (2005:372) warn that many MBO programmes are short-lived because they have been installed without adequate diagnosis of the context factors. These authors warn that MBO, in particular, can focus too much on vertical alignment of individual and organisational goals and not enough on the horizontal issues that exist when tasks or groups are interdependent.

Thus, if adequately implemented, MBO as a motivation strategy proves to be an effective implementation of Locke's goal-setting theory.

2.4.2.5 ORGANISATIONAL BEHAVIOUR MODIFICATION (OB MOD)

As defined by Schermerhorn *et al.* (2005:131), organisational behaviour modification (OB Mod) "is the systematic reinforcement of desirable work behaviour and the non-reinforcement or punishment of unwanted work behaviour". Employees are rewarded for desirable work behaviour which in turn stimulates the reinforcement process. Over time this reinforced work behaviour will occur automatically and a following OB Mod process may be initiated.

2.4.2.5.1 LINKING ORGANISATIONAL BEHAVIOUR MODIFICATION (OB MOD) AND REINFORCEMENT THEORY

Robbins (2000:62.) describes the link between OB Mod and reinforcement theory as that "[r]einforcement theory relies on positive reinforcement, shaping, and recognizing the impact of different schedules of reinforcement on behavior. OB Mod uses these concepts to provide managers with a powerful and proven means for changing employee behavior." Organisational behaviour modification is therefore based on the reinforcement theory.

2.4.2.5.2 PRACTICAL APPLICATIONS OF ORGANISATIONAL BEHAVIOUR MODIFICATION (OB MOD)

According to Luthans and Kreitner (quoted and elaborated upon by Robbins, 2000:60), the typical OB Mod programme follows a five-step problem solving model:

1. Identify the performance-related behaviours that have a significant impact on the employee's job performance.
2. Measure the number of times the identified behaviour is occurring under present conditions.
3. Identify behavioural contingencies or consequences of performance.
4. Develop and implement an intervention strategy to strengthen desirable performance behaviours and weaken undesirable behaviours.
5. Evaluate performance improvement.

The practical implementation of this model will lead to the reinforcement of desirable work behaviour and therefore to organisational behaviour modification.

2.4.2.6 PERFORMANCE APPRAISAL

Cummings and Worley (2005:372) define the strategy of performance appraisal as being “a feedback system that involves the direct evaluation of individual or work group performance by a supervisor, manager, or peers”. They explain that most organisations make use of performance evaluation systems for multiple reasons, including feedback, remuneration issues and employee development. Performance appraisal therefore represents an important connection between goal-setting processes and reward systems.

Schermerhorn *et al.* (2005:168) explain that performance appraisals are intended to:

- Define the specific job criteria against which performance will be measured;
- measure past job performance accurately;
- justify the rewards given to individuals and/or groups, thereby discriminating between high and low performance; and
- define the development experiences (which performances should be enhanced in the current job and future responsibilities).

Performance appraisal therefore plays a critical role in employee motivation.

2.4.2.6.1 LINKING PERFORMANCE APPRAISAL AND REINFORCEMENT THEORY

Performance appraisal is consistent with the reinforcement theory because positive appraisal will encourage the repetition of the behaviour that led to the appraisal.

2.4.2.6.2 PRACTICAL APPLICATIONS OF PERFORMANCE APPRAISAL

Schermerhorn *et al.* (2005:171) divide performance appraisal methods into comparative methods and absolute methods. These authors explain that comparative methods aim to compare individuals' performance, and that comparative methods indicate that one individual performs better than another, but not how much better. Absolute methods of performance appraisal identify specific measurements in order to calculate to what extent one individual performs better or worse than another.

Cummings and Worley (2005:374) point out that recent performance appraisal approaches are more customised to balance the numerous organisational and individual needs. According to these authors this is accomplished by

dynamically involving the appraisee, colleagues and supervisors in assessing the purpose of the appraisal at the time it takes place and regulating the process to fit that purpose.

Robbins and DeCenzo (2005:207) have listed the more common absolute rating procedures for performance appraisal (figure 2.7) and indicate that a written essay, critical incidents, rating scales, behaviourally anchored rating scales (BARS), multi-person, management by objectives (MBO) and the 360-degree appraisal can be used. Each of these methods has its advantages and disadvantages.

Performance appraisal methods can thus be applied through comparative and absolute measures, actively involving all parties in an assessment process or through the implementation of rating procedures for performance appraisal.

METHOD	ADVANTAGE	DISADVANTAGE
Written essay	Simple to use	More a measure of evaluator's writing ability than of employee's actual performance
Critical incidents	Rich examples; behaviorally based	Time-consuming; lack quantification
Graphic rating scales	Provide quantitative data; less time-consuming than others	Do not provide depth of job behavior assessed
BARS	Focus on specific and measurable job behaviors	Time-consuming; difficult to develop measures
Multiperson	Compares employees with one another	Unwieldy with large number of employees
MBO	Focuses on end goals; results oriented	Time-consuming
360° appraisal	More thorough	Time-consuming

Figure 2.7: Performance Appraisal Methods (Robbins and DeCenzo, 2005:207.)

Because process theories are based on the actual process of motivation, it provides management with the understanding of how individuals make choices based on preferences, rewards, and accomplishments. The strategies based on process theories will therefore provide management with an instrument to increase employee motivation.

For the purpose of this study, the following motivation strategies based on process theories will be evaluated in the empirical study:

- Change procedures, which focus on motivation (including moving to more transparency);
- compensation and rewards (including: flexible benefits, gain-sharing plans, merit pay and profit-sharing plans);
- employee recognition;
- management by objectives; and
- performance appraisal.

2.4.3 MOTIVATION STRATEGIES BASED ON A COMBINATION OF CONTENT AND PROCESS THEORIES

Some strategies are based on several motivation theories, either both content and process theories or more than one process theory. Some of these strategies include:

- Human resource development;
- skill-based pay plans;
- employee involvement and commitment;
- job characteristics model; and
- creating a motivating climate.

2.4.3.1 HUMAN RESOURCE DEVELOPMENT

According to Schermerhorn *et al.* (2005:180.), "A key managerial activity involved in performance management and rewards is human resource

development (HR) and person-job fit.” The following, as described by Schermerhorn *et al.* (2005:181), are key components of this strategy:

- Staffing;
- training; and.
- career planning and development.

2.4.3.1.1 LINKING HUMAN RESOURCE DEVELOPMENT TO MOTIVATION THEORIES

Human resource development can be linked to Alderfer’s ERG theory (which is expressly aimed at understanding people’s needs at work), the reinforcement theory (which demonstrates that people repeat behaviours followed by favourable consequences and avoid behaviours resulting in unfavourable consequences), and also Locke’s goal-setting theory. The reason for this is that if all three key components mentioned above are effectively executed by management, human resource development as a motivation strategy is related to the above mentioned motivation theories.

2.4.3.1.2 PRACTICAL APPLICATION OF HUMAN RESOURCE DEVELOPMENT

(1) STAFFING

Schermerhorn *et al.* (2005:181) postulate that staffing begins with a procedure called job analysis: “Job analysis assists in the understanding of job activities required in a work process and it helps define jobs, their interrelationships, and the demographic, aptitude and ability, and personality characteristics needed to do these jobs.” (Schermerhorn *et al.*, 2005:181.) According to them, recruitment, employee selection, decision to hire and socialisation are the steps following on job analysis. All are equally important in the context of employee motivation because it addresses employees’ needs (see section 2.3.1). The accuracy of the employee-job fit is likely to influence employee motivation and therefore employee performance.

(2) TRAINING

The purpose of training, according to Mullins (1994:580), is to improve knowledge and skills, and to change attitudes. This author explains that training can lead to many potential advantages for both individuals and the organisation. Employees have the advantage of gaining additional knowledge and experience while becoming more motivated through recognition by their employer. The advantages for the organisation include employee commitment and the improvement in staff availability and quality. Training may also be associated with the modern approaches of multi-skilling (discussed in job enlargement; see section 2.4.1.1), job rotation (section 2.4.1.1) and job sharing (section 2.4.1.2).

Tripp (quoted by Robbins and DeCenzo, 2005:204.) describes the importance of training as follows: "On the whole, planes don't cause airline accidents, people do. Most collisions, crashes, and other airline mishaps – nearly three-quarters of them – result from errors by the pilot or air traffic controller, or inadequate maintenance." By initiating employee training programmes, costly errors made by employees can be limited and to some extent eliminated.

Robbins and DeCenzo (2005:205) explain that providing training to employees need not be an expensive exercise, since most training takes place on the job. These authors argue that the prevalence of on-the-job training can be attributed to its simplicity and its usually lower cost. Training contributes towards employee motivation because it addresses need aspects (discussed in section 2.3.1) and results in multi-skilled individuals. These need aspects include the individual's need for affiliation, achievement, recognition and self-actualisation.

(3) CAREER PLANNING AND DEVELOPMENT

Stuart (2005: 68) explains that once the right semantics and expectations are in place, the best long-term strategy for making all employees feel valued is to

encourage career development in a way that lays out a path to the top for those who want to follow it.

Stuart (2005:68) quotes Peter LeBlanc, managing partner of Chicago-based Axiom Consulting Partners LLC, as saying that the most powerful way to stimulate the average performing employee is through non-financial rewards such as career development, rational assignment, training opportunities, special projects and more exposure to executives.

Human resource development through activities such as workshops enhances employees' opportunities for promotion from within and appeal to their desire to grow and to learn. This proves to be an effective motivational strategy if used effectively because employees feel appreciated and valued.

2.4.3.2 SKILL-BASED PAY

Lawler (quoted by McShane & Von Glinow, 2000:100) claims that "In skill-based pay plans, employees earn higher pay rates with the number of skill modules they have mastered." This strategy can be connected to job rotation (section 2.4.1.1), job sharing (section 2.4.1.2) and employee training (section 2.4.3.1.2).

Ivancevich and Matteson (2002:207) explain that skill-based pay is being used by an increasing number of organisations. In conventional compensation systems, employees are paid on the basis of their job occupation, while the hourly remuneration rate depends primarily on the job performed. These authors further point out that in skill-based plans, employees are remunerated based on their personal skills.

Ivancevich and Matteson (2002:207) identify four advantages of skill-based pay:

- The increase in employee skills leads to organisational flexibility because different employees can be assigned to different jobs;

- the organisation requires fewer employees because of employee interchange ability;
- there are fewer job classifications because pay is not determined on the basis of the classification to which the job is assigned; and
- employee turnover and employee absenteeism may decrease.

2.4.3.2.1 LINKING SKILL-BASED PAY TO MOTIVATION THEORIES

Robbins (2000:71) expresses the opinion that “Skill-based pay plans are consistent with several motivation theories. Because they encourage employees to learn, expand their skills, and grow, they are consistent with Maslow’s hierarchy of needs theory.” This author goes on to explain the linkage between the reinforcement theory (discussed in section 2.3.2.4) and skill-based pay. According to Robbins (2000:71), skill-based pay encourages individuals to expand their flexibility, to continue to be taught, to be generalists rather than specialists, and to work together with others in the organisation. Skill-based pay acts as a “reinforcer” of these behaviours.

Robbins (2000:7) describes how skill-based pay plans may also have equity implications, and therefore can be linked to the equity theory (discussed in section 2.3.2.1): “When employees make their input-outcome comparisons, skills may provide a fairer input criterion for determining pay than factors such as seniority or education. To the degree that employees perceive skills as the critical variable in job performance, the use of skill-based pay may increase the perception of equity and help optimize employee motivation.” The more modern practise of “multi-skilling” will probably underline skill-based pay strategies. Multi-skilling was also discussed in job rotation (section 2.4.1.1.2) and in the human resource management strategy (section 2.4.3.1).

2.4.3.2.2 PRACTICAL APPLICATION OF SKILL-BASED PAY

According to Robbins (2000:72) skill-based pay as a motivation strategy is increasingly used by Fortune 1000 companies. Rowland (quoted by Robbins, 2000:72.) reports that “Slowly, but surely, we’re becoming a skill-based

society where your market value is tied to what you can do and what your skill set is. In this new world where skills and knowledge are what really counts, it doesn't make sense to treat people as jobholders. It makes sense to treat them as people with specific skills and to pay them for those skills." The acknowledging of employees' skills will increase the employees' sense of worth and significance in the organisation, which in itself includes motivating aspects.

2.4.3.3 EMPLOYEE INVOLVEMENT AND COMMITMENT

According to Coetsee (1999:211), involvement is manifested by willing co-operation and participative behaviour and can be created by practices known as high-involvement management.

Coetsee (1999:212) explains employee involvement in terms of the following four elements:

**Involvement = Information x Knowledge x Empowerment x
Rewards and Recognition**

Coetsee has found that the adding of shared visions (shared goals and values) completes the transformation of the involvement equation to one of commitment. Coetsee (1999:213) subsequently describes commitment as follows:

**Commitment = Knowledge x Information x Empowerment x
Rewards and Recognition x Shared Visions**

Although involved employees are valuable to an organisation, committed employees are even more valuable. Coetsee (1999:218) compares involvement and commitment and finds that committed employees display long-term enthusiasm and they are passionately attached because, instead of only "taking part in the working environment" (involvement), they are "being part of the working environment" (commitment).

Kimball and Nink (2006:67) estimate that uncommitted employees cost the American economy up to \$350 billion per year in lost productivity, including absence, illness and other problems that result when employees are not engaged. Employee commitment is critical because it also affects the physical and psychological well-being of employees, which has a direct influence on employee motivation.

Robbins (2000:64) distinguishes three programmes which contribute to employee involvement and commitment: participative management, quality circles, and employee stock ownership plans. Participative management involves programmes in which individuals contribute a noteworthy degree of decision-making authority with their immediate superiors. This links up with the job characteristics model discussed in section 2.4.3.4.

2.4.3.3.1 LINKING EMPLOYEE INVOLVEMENT AND COMMITMENT TO MOTIVATION THEORIES

Robbins (2000:67) indicates that employee involvement and commitment can be linked to several motivation theories. Theory Y, for instance, is consistent with participative management, while Theory X aligns with the more traditional autocratic style of managing people. According to Robbins (2000:67), employee involvement and commitment programmes provide employees with intrinsic motivation by increasing opportunities for growth, responsibility, and involvement in the work itself. This is related to Herzberg's motivator hygiene theory, discussed in section 2.3.1.

Employee involvement and commitment can also be based on the expectancy theory because of the compensation and reward elements which were discussed in section 2.4.2.2.

2.4.3.3.2 PRACTICAL APPLICATION OF EMPLOYEE INVOLVEMENT COMMITMENT

According to Kimball and Nink (2006:67) employees are committed when they know what is expected of them; when they have the right materials and equipment to do their work correctly; and when they have the opportunity to do what they do best every day. These authors further explain that commitment is also accomplished when employees experience that their supervisor, or other significant people at work, seem to care(s) about the individual as a person.

Kimball and Nink (2006:67) hold the opinion that the first step to implementing the strategy of committing employees is through employee-manager relationships: through a sincere sense of caring and support demonstrated by management, relationships can be formed on which employee commitment relies.

As described by Robbins (2000:66), “quality circles” is a programme in which a group of eight to ten employees and supervisors share an area of accountability. The “quality circle” meets regularly to discuss quality problems, investigate the origin of problems, recommend resolutions, and take corrective actions. With reference to the applicability of quality circles, Robbins (2000:65) reports that “[t]he quality circle concept is frequently mentioned as one of the techniques that has allowed Japanese firms to make high-quality products at low costs”. The quality circle members will also participate in brain storming sessions, and initiatives derived from these sessions will reinforce employee commitment.

Robbins (2000:67) observes that “Employee stock ownership plans are company-established benefit plans in which employees acquire stock as part or their benefits. Approximately 20 percent of Polaroid, for example, is owned by its employees. 40 percent of Canadian-based Spruce Falls, Inc. is owned by its employees. Employees own 71 percent of Avis Corporation. And Weirton Steel is 100 percent owned by its employees.” In South Africa,

abundant examples of employees owning stock exist, the most recent being Sasol Limited. Employee stock ownership plans were discussed in section 2.4.2.2.2.

Gain sharing, discussed in section 2.4.2.2.2, can be linked to employee involvement. Cummings and Worley (2005:385) explain that although not traditionally associated with employee involvement and commitment, gain sharing increasingly has been incorporated in comprehensive employee involvement projects. These authors reveal that many organisations are noticing that when designed correctly, gain-sharing plans can contribute to employee motivation, involvement, and performance.

Marcus (2007:33) explains that Bob Lyons, president of Sunleaf Nursery LLP, believes employee involvement and commitment in the company to be a key motivational strategy. This author further explains that workers give their best performance when the culture of a company fosters an environment of innovation, creativity, participation and ownership. Employee involvement and commitment therefore prove to be very significant motivation strategies to employ in order to enhance and sustain employee performance.

2.4.3.4 THE JOB CHARACTERISTICS MODEL

Kreitner and Kinicki (2004:272), two organisational behaviour researchers, discuss the vital role played by Hackman and Oldham in developing the job characteristics approach. These authors explain that Hackman and Oldham tried to determine how work can be prearranged so that employees are intrinsically motivated. As defined by Hackman *et al.* (quoted by Kreitner & Kinicki, 2004:272), intrinsic motivation arise when an employee is excited by his/her work because of the constructive internal feelings that are generated by doing well, rather than being dependent on external factors (such as bonuses or constant recognition) for motivation to work productively.

2.4.3.4.1 LINKING THE JOB CHARACTERISTICS MODEL TO MOTIVATION THEORIES

The job characteristics model includes a number of “core job characteristics”, as illustrated in figure 2.8 (Schermerhorn *et al.*, 2005:148). In the section on human resource management (section 2.4.3.1), it was indicated that employee training leads to “multi-skilling”, which can be linked to skill variety. This is related to Alderfer’s ERG theory as well as Locke’s goal-setting theory. Feedback can be linked to the reinforcement theory because of its relatedness to performance appraisal (discussed in section 2.4.2.6).

2.4.3.4.2 PRACTICAL APPLICATION OF THE JOB CHARACTERISTICS MODEL

Figure 2.8 illustrates the job characteristics model. According to Coetsee (2003:160), five groups of factors could lead to encouraging intrinsic outcomes and could therefore contribute to a motivating climate. As illustrated in figure 2.8 and explained by Coetsee (2003:160), these factors include skill variety, task identity, task significance, autonomy and feedback. Figure 2.8 further illustrates how these five groups of factors, if effectively applied, will lead to the so-called “critical psychological states” within a team member which then leads to motivation, growth, satisfaction, and effectiveness or performance.

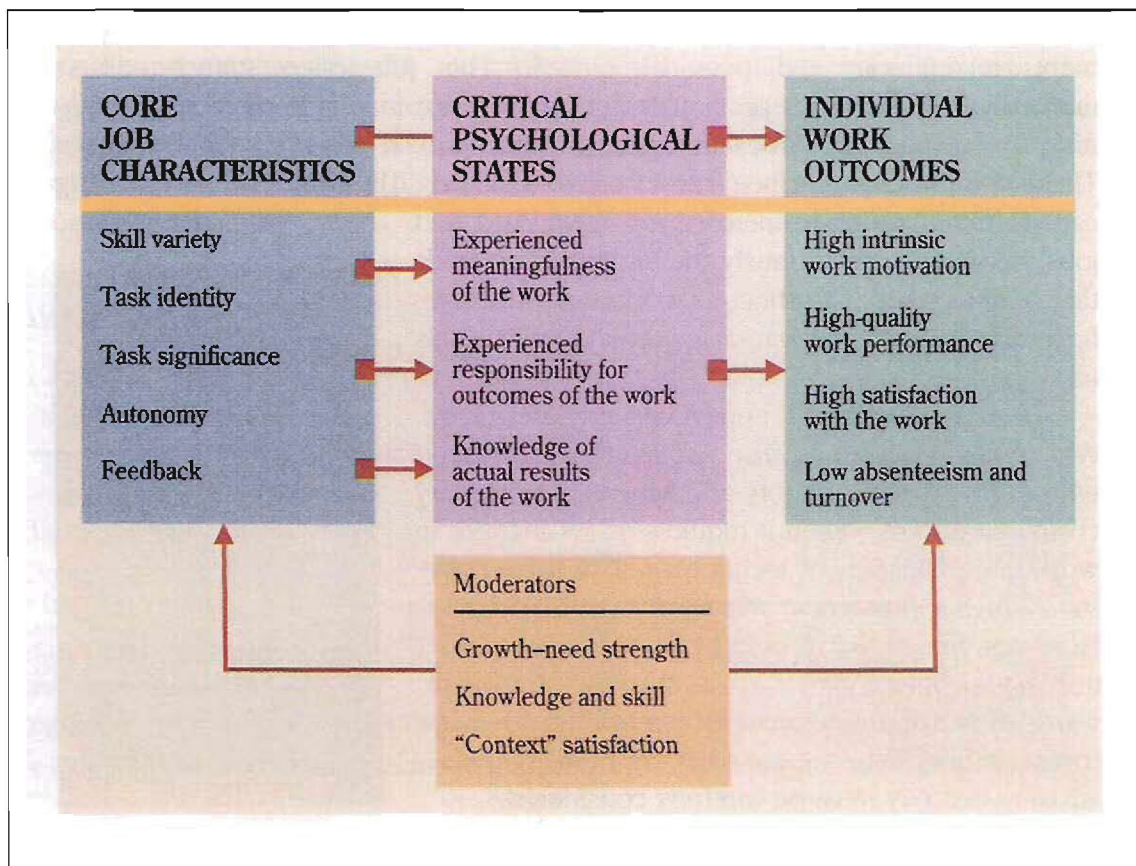


Figure 2.8: The Job Characteristics Model of Hackman and Oldham (Schermerhorn *et al.*, 2005:148)

According to Kreitner and Kinicki (2004:273) the following steps can be used to apply the job characteristics model:

- 1.) Diagnose the work environment to determine if a performance problem is due to demotivating job characteristics. The job diagnostic survey of Hackman and Oldham can be used as a determining instrument.
- 2.) Determine whether job redesign is appropriate for a given group of employees. A participative environment is necessary and employees should have the necessary skills and knowledge to perform the enriched tasks.
- 3.) Determine how to best redesign the job. Employee input is essential to determine how to increase those core job characteristics that are low.

The job characteristics model incorporates essential elements of skill variety, task identity, task significance, autonomy and feedback, which lead to physiological states in individuals that stimulate outcomes and results of improved employee performance.

2.4.3.5 CREATING A MOTIVATING CLIMATE

Defined by Coetsee (2003:92.), "A motivating climate is an organisational environment in which employees are aligned, committed, productive and satisfied and one in which manager-leaders focus more on leadership and put less emphasis on traditional management roles." Coetsee (2003:92) compares a motivating climate in an organisation to an ecosystem consisting of separate identifiable elements which find their individual and collective meaning and roles in their behavioural synergistic interaction. These individual elements are the essences that link the creation of a motivation climate strategy to various motivation theories.

2.4.3.5.1 LINKING THE CREATION OF A MOTIVATING CLIMATE TO MOTIVATION THEORIES

The creation of a motivating climate is based on a number of motivation theories. Coetsee (2003:117) systematically links this strategy to Locke's goal-setting theory, the expectancy theory and the equity theory of motivation. This linkage is also explained in figure 2.9 (Coetsee, 2003:97).

2.4.3.5.2 PRACTICAL APPLICATION OF THE CREATION OF A MOTIVATING CLIMATE

The practical application of the creation of a motivating climate can be drawn from the elements of creating a motivating climate. According to Coetsee (2003:96), the manager-leader needs to focus on the elements of a motivating climate to create that climate in his/her organisation. These elements are illustrated in figure 2.9 and include elements drawn from the expectancy; equity; and Locke's goal-setting theories.

Coetsee (2003:96) identifies the required inputs as manager-leadership, a shared value system and superior work ethics, which are the conditions for a motivating climate. The author also argues that manager-leaders must focus on the specific transformational elements of a motivating climate in order to endorse and reinforce it. Because it is so comprehensive, the strategy of creating a motivating climate is a broad approach and involves a large number of factors based on the various theories of motivation.

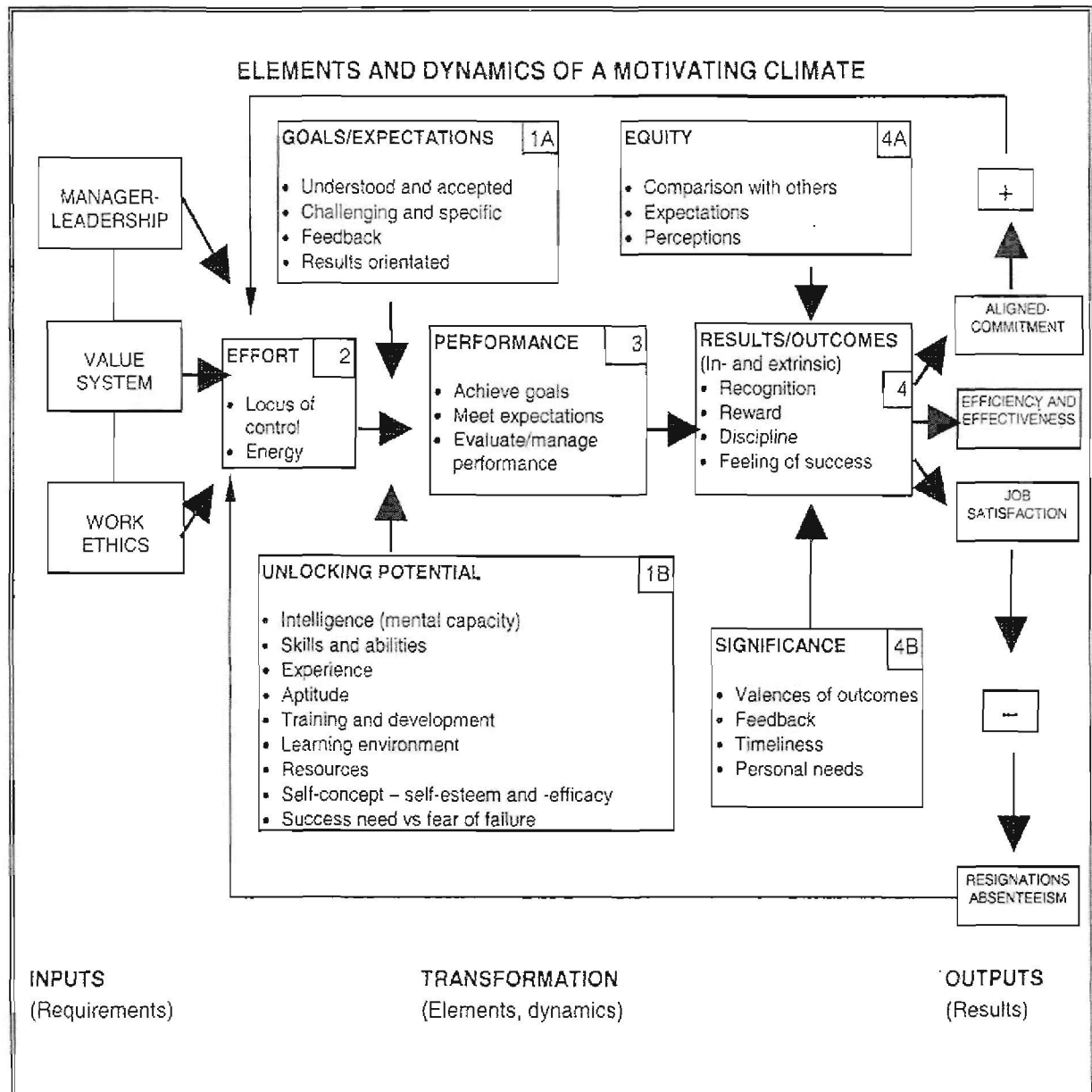


Figure 2.9: Elements and Dynamics of a Motivating Climate (Coetsee, 2003:97)

For the purpose of this study, the following motivation strategies based on a combination of content and process theories will be evaluated in the empirical study:

- Human resource development;
- employee involvement and commitment;
- the job characteristics model; and
- creating a motivating climate.

A number of motivation strategies have been formulated and tested through the years, some more successful than others. Marcus (2007:35) ascribes the use of so many strategies to the fact that there, naturally, is no magic formula for employee motivation. *Employees' needs and interests are as varied as the employees themselves, and understanding them is an art.*

The strategies employed in a small to medium size retail pharmaceutical company will be evaluated in order to determine whether there is a correlation between the specific motivational strategies used and effectiveness indicators. This issue is discussed in the following chapter.

2.5 SUMMARY

One reason why we seldom see a clear coherent approach to motivating people, according to Stern and Borcia (2000:18), is that most organisations do not give motivation much thought until something goes wrong. "Quick fix motivation strategies" such as inviting a so-called "motivational speaker" to address employees or to engage in a once-off team building activity are very popular in South Africa. The concept of motivation is often misunderstood by management, in that they do not consider the psychological processes of motivation and do not implement any motivational strategies based on acknowledged theories of motivation. For the purpose of this study, the concept *motivation* is defined as processes by means of which employee behaviour is aroused, directed, maintained, mobilised and sustained in order to achieve organisational goals.

Motivation theories are commonly divided into two categories: content theories and process theories. The content theory category includes more of the older motivation theories, while the process theory category includes the more modern theories. Table 2.1 provides a summary of the different content and process theories discussed in section 2.3.

Content Theories	Process Theories
▪ Maslow's Need Hierarchy	▪ Adams' Equity Theory
▪ Herzberg's Two-Factor Theory	▪ Expectancy Theory
▪ McGregor's Theory X & Theory Y	▪ Locke's Goal-Setting Theory
▪ Alderfer's ERG Theory	▪ Reinforcement Theory
▪ McClelland's Need Theory	

Table 2.1: Motivation Theories

A motivating strategy is typically based on one or more motivational theory and in cases consists of intervention steps to motivate the required employee behaviour. Different motivational strategies have gained varying degrees of acceptance in practice. In section 2.4, these strategies were linked to one or more of the motivation theories and it was indicated how these may be practically applied. Figure 2.10 provides a summary of the motivation strategies discussed in section 2.4.

Each motivation strategy was briefly explained, linked to one or more motivation theory and lastly the importance of the motivation strategy as a 'practical tool' to enhance employee motivation, was pointed out.

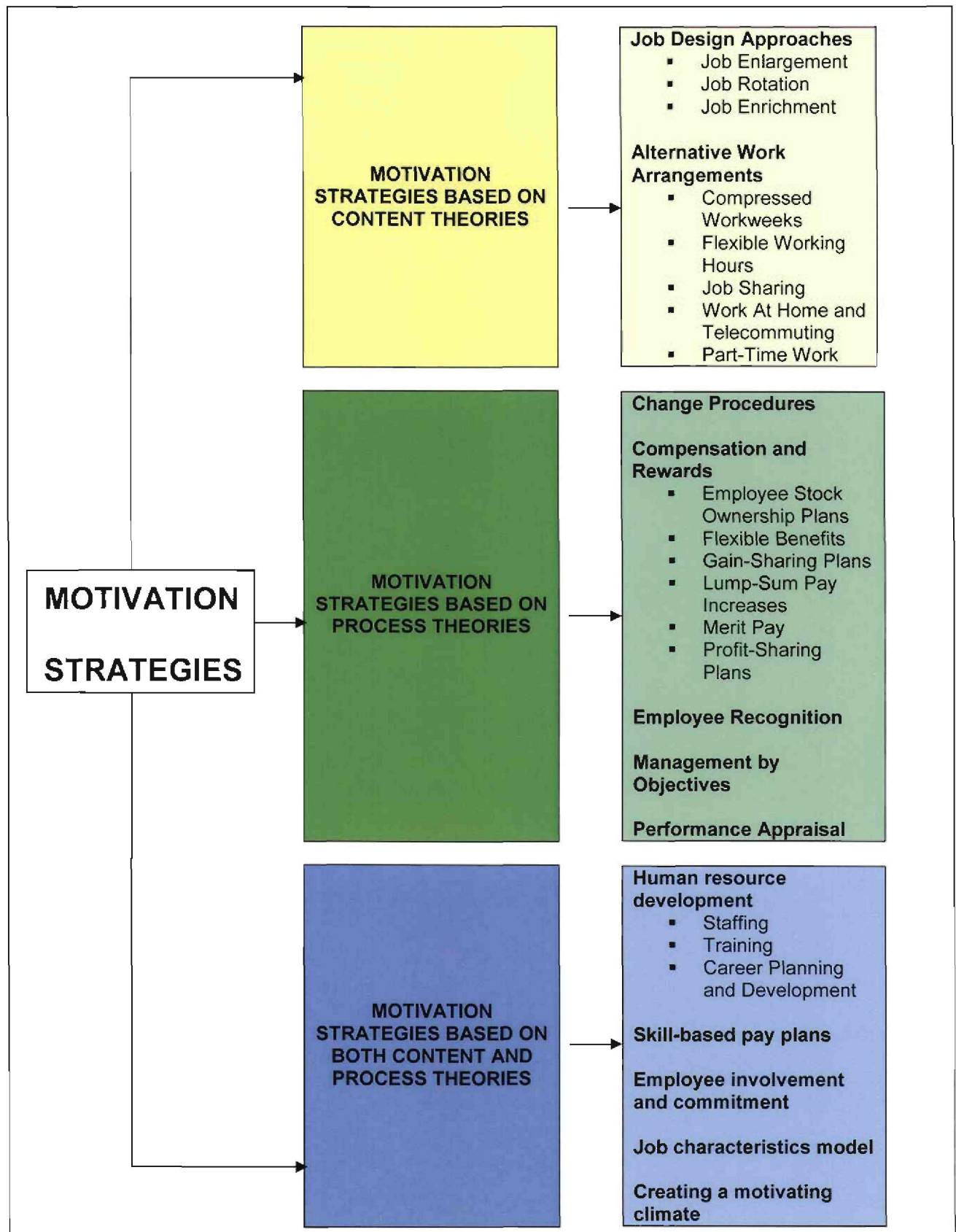


Figure 2.10: Model of Motivation Strategies Based on Motivation Theories

Figure 2.10 (Model of Motivation Strategies Based on Motivation Theories) can be linked to figure 2.2 (Performance Diagnosis Model). By comparing figure 2.2 to figure 2.10 it is clear that the performance diagnosis model, illustrated in figure 2.2, seems to be an over simplification especially in regard to factors relating to motivation and employee performance. Figure 2.2 does not include factors discussed under the headings alternative work arrangements, change procedures, employee recognition, employee involvement and commitment, and creating a motivating climate. Figure 2.10 may thus be a more complete model.

A number of motivation strategies exist because of the diversity of employee's needs and individual characteristics. The main reason for the implementation of motivation strategies seems to be the need for continuous performance increase. The empirical study, which follows in chapter 3, includes an evaluation of the motivation strategies employed in a pharmaceutical organisation.

CHAPTER 3

EMPIRICAL STUDY: DATA GATHERING AND DATA ANALYSIS

3.1 INTRODUCTION

"People are our most valuable asset." This is one of the oldest clichés in business. Kimball and Nink (2006:66) report that organisations worldwide are struggling to meet production and service demands, knowing that these outcomes are directly dependent on the ability, commitment and skill of a workforce that is predominantly disengaged. According to Kimball and Nink (2006:66), only 29 percent of employees are motivated and energised. It needs to be determined, then, why the other 71 percent are not. In order to increase the percentage of motivated employees, one should question management's ability to employ motivation strategies.

In this chapter, a detailed performance ranking of a pharmaceutical group's retail pharmacies will be done. This performance ranking is based on performance indicators recognised by the group's senior management. In order to continue the empirical study, two instruments will be developed and applied to determine which motivation theories and strategies are employed in the pharmaceutical organisation's retail pharmacies and how effective they are.

The empirical study will conclude with a data analysis and interpretation. A comparison of the motivational strategies used by management and the performance of their pharmaceutical outlet will be made.

3.2 RESEARCH METHODOLOGY

In order to conduct the empirical research for this study, the research methodology will involve the following phases:

- Questionnaire design;
- questionnaire application; and
- data analysis and interpretation.

The population surveyed represents the total management population of all the retail pharmacies. The relationship between performance (as determined by means of a calculated performance point) and motivation (as determined by means of two instruments) is studied by means of a comparison of sets of indicators of performance and motivation respectively.

The instruments developed in order to conduct the research will be discussed, as well as the analysis and interpretation of the results obtained.

3.3 THE SELECTED POPULATION

For the purpose of this study the retail managing director was requested to complete a separate questionnaire (the first questionnaire) and the area and retail managers were requested to complete the second questionnaire. Figure 3.1 illustrates the population involved in this research, and offers a summary of the current senior, middle and lower management of the retail pharmacy group.

The managing director of retail represents senior management; three area managers (Free State, Mmpumalanga and Gauteng) represent middle management; and the individual retail pharmacy managers represent lower management. These fifteen managers represent the total management of the retail division of the pharmaceutical organisation in which the research was conducted.

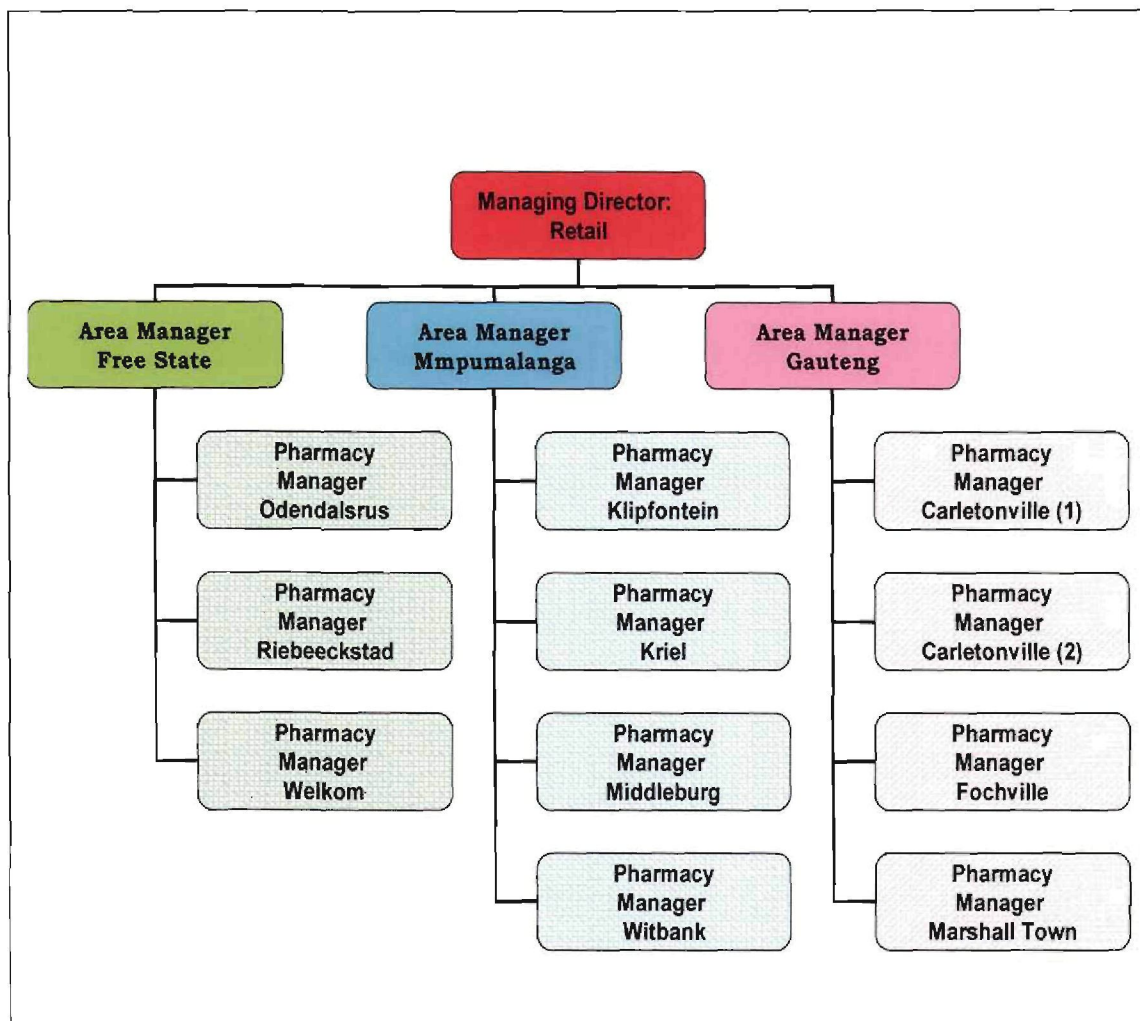


Figure 3.1: Representation of the Managerial Structure of the Retail Pharmacy Division

3.4 PERFORMANCE RANKING

Retail and area managers can both be ranked according to the performance of each individual retail pharmacy.

3.4.1 PERFORMANCE RANKING OF RETAIL PHARMACIES

In order to arrive at a performance ranking for each separate retail pharmacy or outlet, seven performance indicators which are recognised by the organisation as measures of the retail pharmacy's success and effectiveness, will be used. Management is aware that these indicators are influenced by

other factors and that they therefore also have an influence on outlet performance.

As indicated by the managing director, the following factors have a significant influence on the seven measured indicators:

- The physical well-being of the community surrounding the pharmacy;
- the financial status of the community surrounding the pharmacy;
- the conditions and regulations of the medical aid funds in the area where the pharmacy is situated; and
- the community size.

Apart from the factors mentioned above, this pharmaceutical organisation recognises the following seven indicators as reflections of the retail pharmacy's success and productivity. These indicators are evaluated on a monthly basis:

- Net profit;
- turnover;
- number of scripts;
- average rand value per script;
- average number of items per script;
- average gross value per dispensed item; and
- number of items dispensed.

Outlet ratings were calculated based on the averages of the seven indicators and were gathered for the period January 2007 up until May 2007. A rating was given to each retail outlet according to the rating of that outlet's indicators compared to that of the other outlets. A rating of one (1) indicates the best performer regarding a specific indicator, and a rating of eleven (11) indicates the last (lowest) place or weakest performer.

Table 3.1 provides a categorisation of all the retail outlets and their performance rating in terms of each indicator and as compared to the other outlets.

Average Net Profit		Average Turnover	
Rating	Town	Rating	Town
1	Middelburg	1	Welkom
2	Kriel	2	Middelburg
3	Welkom	3	Fochville
4	Carletonville (1)	4	Kriel
5	Fochville	5	Klipfontein
6	Riebeeckstad	6	Witbank
7	Klipfontein	7	Riebeeckstad
8	Carletonville (2)	8	Carletonville (1)
9	Odendaalsrus	9	Marshalltown
10	Witbank	10	Carletonville (2)
11	Marshalltown	11	Odendaalsrus
Average Number of Scripts Processed		Average Value Per Script	
Rating	Town	Rating	Town
1	Kriel	1	Marshalltown
2	Middelburg	2	Riebeeckstad
3	Welkom	3	Welkom
4	Fochville	4	Middelburg
5	Witbank	5	Carletonville (1)
6	Klipfontein	6	Carletonville (2)
7	Carletonville (1)	7	Fochville
8	Odendaalsrus	8	Klipfontein
9	Carletonville (2)	9	Witbank
10	Riebeeckstad	10	Odendaalsrus
11	Marshalltown	11	Kriel
Average Number of Items per Script		Average Gross Value Per Dispensed Item	
Rating	Town	Rating	Town
1	Carletonville (1)	1	Marshalltown
2	Middelburg	2	Riebeeckstad
3	Welkom	3	Welkom
4	Riebeeckstad	4	Middelburg
5	Marshalltown	5	Carletonville (2)
6	Carletonville (2)	6	Fochville
7	Fochville	7	Klipfontein
8	Klipfontein	8	Witbank
9	Kriel	9	Odendaalsrus
10	Odendaalsrus	10	Carletonville (1)
11	Witbank	11	Kriel

Table 3.1: Continued

Number of Items Dispensed	
Rating	Town
1	Kriel
2	Middelburg
3	Welkom
4	Fochville
5	Carletonville (1)
6	Klipfontein
7	Witbank
8	Carletonville (2)
9	Odendaalsrus
10	Riebeeckstad
11	Marshalltown

Table 3.1: Retail Outlet Performance Rating

In order to calculate a final performance point based on all seven indicators, points are assigned to the above ratings of each retail pharmacy. For example: for a rating of one (1), ten (10) points are allocated to the outlet and for a rating of eleven (11), zero (0) points are allocated. The following scale illustrates the relationship between the rating and points:

Rating Obtained in table 3.3	1	2	3	4	5	6	7	8	9	10	11
Points Allocated	10	9	8	7	6	5	4	3	2	1	0

Table 3.2 summarises the different retail pharmacies' points as calculated according to the scale above. If all seven indicators are equally weighed, a total point can be calculated by adding the points of all seven indicators. This is illustrated in the last column of table 3.2, which indicates that the Middelburg outlet obtained the best result and the Odendaalsrus outlet the worst result among all the retail outlets.

Total Points Obtained by Each Retail Pharmacy								
Retail Pharmacy	Net Profit	Turnover	Number of Scripts	Average Value Per Script	Average Number Of Items Per Script	Average Gross Value Per Dispensed Item	Number of Items Dispensed	Total
Middelburg	10	9	9	7	9	7	9	60
Welkom	8	10	8	8	8	8	8	58
Fochville	6	8	7	4	4	5	7	41
Kriel	9	7	10	0	2	0	10	38
Carletonville (1)	7	3	4	6	10	1	6	37
Riebeeckstad	5	4	1	9	7	9	1	36
Klipfontein	4	6	5	3	3	4	5	30
Marshalltown	0	2	0	10	6	10	0	28
Carletonville (2)	3	1	2	5	5	6	3	25
Witbank	1	5	6	2	0	3	4	21
Odendaalsrus	2	0	3	1	1	2	2	11

Table 3.2: Total Points Obtained by Each Retail Pharmacy Calculated according to the Seven Indicators (equally weighted)

To ensure that the results were as reliable as possible, the retail managing director weighed each of the seven indicators according to its importance to the organisation. Table 3.3 lists the weight assigned to each indicator by the managing director.

INDICATOR	WEIGHT
Net profit	50%
Turnover	30%
Number of scripts	4%
Average rand value per script	4%
Average number of items per script	4%
Average gross value per dispensed item	4%
Number of items dispensed	4%
Total	100%

Table 3.3: Indicator Weight

According to table 3.3, the net profit and turnover are the most important indicators. The remaining five indicators are equally important. When this weighting is applied, it changes the results of table 3.2 because net profit and

turnover contributes significantly more to the total point of each retail pharmacy. In order to calculate a new total point for each pharmacy, the following method was applied:

Since the net profit is weighed at 50 percent of the total 70 points, the maximum points that can be achieved for net profit are 35 points. Therefore, if an outlet obtained 10 points (refer to table 3.2), 35 points will be rewarded (refer to table 3.4).

Since the turnover weighs 30 percent of the total 70 points, the maximum points that can be achieved for net profit are 21 points. Therefore, if an outlet obtained 10 points (refer to table 3.2), 21 points will be rewarded (refer to table 3.4). For example: the Middelburg pharmacy only obtained 9 points, therefore $(9 \times 21) / 10 = 18.9$, represents the final point and is recorded in table 3.4.

Since the number of scripts weights are 4% of the total 70 points, the maximum points that can be achieved for net profit is 2.8 points. Therefore if an outlet obtained 10 points (refer to table 3.2), 2.8 points will be rewarded (refer to table 3.4). For example: the Middelburg pharmacy only obtained 9 points, therefore $(9 \times 2.8) / 10 = 2.52$, which represents the final point recorded in table 3.4.

The average value per script, average number of items per script, average gross value per dispensed item, and number of items dispensed were all weighed at 4% of the total 70 points; in this manner, the above example is applied to all the cases.

Table 3.4 contains the new weighed scores, based on the calculations explained above.

Total Points Obtained by Each Retail Pharmacy								
Pharmacy	Net Profit (50% of total)	Turnover (30% of total)	Number of Scripts (4% of total)	Average Value Per Script (4% of total)	Average Number Of Items Per Script (4% of total)	Average Gross Value Per Dispensed Item (4% of total)	Number of Items Dispensed (4% of total)	Total out of 70 (Performance Point Achieved)
Middelburg	35.00	18.90	2.52	1.96	2.52	1.96	2.52	65.38
Welkom	28.00	21.00	2.24	2.24	2.24	2.24	2.24	60.20
Kriel	31.50	14.70	2.80	0.00	0.56	0.00	2.80	52.36
Fochville	21.00	16.80	1.96	1.12	1.12	1.40	1.96	45.36
Carletonville (1)	24.50	6.30	1.12	1.68	2.80	0.28	1.68	38.36
Riebeeckstad	17.50	8.40	0.28	2.52	1.96	2.52	0.28	33.46
Klipfontein	14.00	12.60	1.40	0.84	0.84	1.12	1.40	32.20
Carletonville (2)	10.50	2.10	0.56	1.40	1.40	1.68	0.84	18.48
Witbank	3.50	10.50	1.68	0.56	0.00	0.84	1.12	18.20
Marshalltown	0.00	4.20	0.00	2.80	1.68	2.80	0.00	11.48
Odendaalsrus	7.00	0.00	0.84	0.28	0.28	0.56	0.56	9.52

Table 3.4: Combined Weighed Scores of the Seven Performance Indicators

Table 3.4 shows that the Middelburg outlet achieved the highest score while the Odendaalsrus outlet remains the weakest performing retail pharmacy, based on this calculation. Compared to table 3.2, the Kriel outlet moved up one place and the Marshalltown outlet moved up two places because of the indicators being weighed. Because the total point in table 3.4 is the total of the weighed seven indicators, the total score represents the final performance point achieved by each retail pharmacy.

This total performance point achieved (refer to table 3.4) thus reflects each pharmacy's employee productivity. The company initiated this "productivity system" because of their belief regarding the vital role which performance management plays in this pharmaceutical organisation. Based on the categorisations made in table 3.5, the Middelburg, Welkom and Kriel outlets can be regarded as above-average performers. Fochville, Carletonville (1), Riebeeckstad and Klipfontein are regarded as average performers, while the Carletonville (2), Witbank, Marshalltown and Odendaalsrus outlets can be grouped as the below-average performers.

Outlet	Performance Point Achieved (Table 3.4)	Performance point expressed as a percentage.	Area Manager	Performance
Middelburg	65.38	93.4%	Mmpumalanga	Above-Average
Welkom	60.20	86.0%	Free State	Above-Average
Kriel	52.36	74.8%	Mmpumalanga	Above-Average
Fochville	45.36	64.8%	Gauteng	Average
Carletonville (1)	38.36	54.8%	Gauteng	Average
Riebeeckstad	33.46	47.8%	Free State	Average
Klipfontein	32.20	46.0%	Mmpumalanga	Average
Carletonville (2)	18.48	26.4%	Gauteng	Below-Average
Witbank	18.20	26.0%	Mmpumalanga	Below-Average
Marshalltown	11.48	16.4%	Gauteng	Below-Average
Odendaalsrus	9.52	13.6%	Free State	Below-Average

Table 3.5: Outlet Rankings and Groupings Based on the Performance Point Achieved

3.4.2 AREA MANAGER PERFORMANCE RANKINGS

The area managers (refer to figure 3.1) are ultimately responsible for the performance and productivity of the pharmacies in their areas. Therefore, an indication of the area manager's productivity is reflected by the performance of the retail pharmacies he/she manages.

Table 3.6 provides an average performance point, expressed as a percentage, achieved by each area manager. This performance point is the average of the performance points of the retail pharmacy (under the specific area manager's supervision).

Area Manager	Performance point, illustrated as a percentage, obtained by each outlet.				Average performance point, expressed as a percentage
Mmpumalanga	Middelburg 93.4%	Kriel 74.8%	Klipfontein 46.0%	Witbank 26.0%	60.05%
Free State	Welkom 86.0%	Riebeeckstad 47.8%	Odendaalsrus 13.6%		49.13%
Gauteng	Fochville 64.8%	Carletonville (1) 54.8%	Carletonville (2) 26.4%	Marshalltown 16.4%	40.60%

Table 3.6: Average Performance Point Achieved by Each Area Manager

Based on the calculated scores in table 3.6 and on the weighed combined scores of the seven indicators, the Mmpumalanga Area Manager's retail pharmacies performed the best, while the Gauteng Area Manager's retail pharmacies are the weakest performing outlets.

3.5 QUESTIONNAIRE DESIGN

To obtain the required information with regard to the motivational strategies employed, two instruments in the form of questionnaires were developed. The two questionnaires were designed based on the motivation theories and strategies discussed in the literature study (chapter 2).

The first questionnaire, questionnaire 1 (included here as Appendix A), was aimed at the managing director only. This questionnaire was designed to identify motivation theories and strategies used officially in the organisation. Since the managing director of the pharmaceutical retail division has been involved in this organisation since 1995, she is in the best position to provide this information.

The following motivation theories and strategies (as discussed in chapter 2) were addressed in the first questionnaire:

Question	Motivation Theory and/or Strategy	Section Discussed in Chapter 2
1	Creating a motivating climate	2.4.3.5
2	Alternative work arrangements based on Maslow's hierarchy of needs and Alderfer's ERG theory	2.4.1.2
3	Adams' equity theory (internal equity) Change procedures based on Adams' equity theory	2.3.2.1 2.4.2.1
4	Adams' equity theory (external equity) Change procedures based on Adams' equity theory	2.3.2.1 2.4.2.1
5	Change procedures based on Adams' equity theory	2.4.2.1
6	Individual performance appraisal based on the reinforcement theory	2.4.2.6
7; 9 & 11	Expectancy theory Compensation and rewards and pay for performance	2.3.2.2 2.4.2.2
8; 10 & 12	Reinforcement theory Employee recognition	2.3.2.4 2.4.2.3
13	Human resource development in order to stimulate employee motivation	2.4.3.1

Table 3.7: Motivation Theories and Strategies Addressed In Questionnaire 1 (answered by the managing director, retail division)

The second questionnaire, questionnaire 2 (included here as Appendix B), was aimed at the area managers and the individual retail pharmacy managers. This questionnaire included questions aimed at evaluating whether the area and individual retail pharmacy managers used motivation theories and strategies to motivate employees, and if so, which theories and strategies they used and how they employed these theories and strategies.

The following motivation theories and strategies (as discussed in chapter 2) were addressed in the second questionnaire:

Question	Motivation Theory and/or Strategy	Section Discussed in Chapter 2
1	Creating a motivating climate	2.4.3.5
2 - 3	Content theories (need theories)	2.3.1
4 - 5	Job design approaches (Job Enlargement)	2.4.1.1
6 - 7	Job design approaches (Job Enrichment)	2.4.1.1
8 - 9	Job design approaches (Job Rotation)	2.4.1.1
10 - 11	Multi-Skilling	2.4.1.1; 2.4.1.2; 2.4.3.1; 2.4.3.2
12	Alternative work arrangements (Job Sharing)	2.4.1.1
13 - 14	Reinforcement theory	2.3.2.4
	Employee recognition	2.4.2.3
15 - 17	Locke's Goal-Setting Theory	2.3.2.3
	Management by objectives	2.4.2.4
18 - 19	Performance appraisal	2.4.2.6
20 - 21	Reinforcement theory	2.3.2.4
	Organisational behaviour modification	2.4.2.5
21 a,b,c	Content theories (need theories)	2.3.1
	Employee involvement and commitment	2.4.3.3

Table 3.8: Motivation Theories and Strategies Addressed In Questionnaire 2 (answered by the area and individual retail pharmacy managers)

Table 3.7 and table 3.8 differ to the extent that the two questionnaires do not evaluate the same motivation theories and strategies. Table 3.7 summarises the motivation theories and strategies employed by the organisation (addressed in questionnaire 1), while table 3.8 summarises the motivation theories and strategies employed by the individual retail manager (addressed in questionnaire 2).

3.6 QUESTIONNAIRE INTERPRETATION

Table 3.9 offers an overview of the first questionnaire, as completed by the managing director. The complete questionnaire is included as Appendix C.

Questionnaire and Data Comparison (Questionnaire 1)	
Motivation Theory and/or Strategy	How is it employed by the organisation?
Creating a motivating climate	± Positive attitude displayed by management. Motivate by setting an example of hard work. Providing feedback regarding work done. Three aspects of the strategy are employed.
Alternative work arrangements based on Maslow's hierarchy of needs and Alderfer's ERG theory:	± Most of the strategies regarding alternative work arrangements are employed.
Flexitime	√ Allow employees to work flexitime.
Job Sharing	√ Allow employees to share a job.
Work from home	X Employees are not allowed to work from their homes.
Part-time employment	√ Part-time employees are employed.
Compress full time jobs	X Employees are not allowed to complete full time jobs in less than the standard five days (shorter work weeks are not allowed).
Adams' equity theory (internal equity). Change procedures based on Adams' equity theory.	√ Linking pay to job levels.
Adams' equity theory (external equity). Change procedures based on Adams' equity theory.	√ Salaries are compared to what other companies offer: this information is obtained from employment agencies and news papers.
Change procedures based on Adams' equity theory.	X Confidentiality: no employee needs to know what a colleague earns or how a colleague performs. This is contradictory to equity theory principles.
Individual performance appraisal based on the reinforcement theory.	X No sense in drawing attention to one individual for an outstanding performance delivered; only the creation of a "growth-fostering" environment can enhance performance. This is contrary to the principles of the need theory.

Table 3.9 Continued

Expectancy theory Compensation and rewards and pay for performance.	X No contingency regarding rewards and performance. The organisation rewards an employee for services rendered. No employee stock ownership plans, gain-sharing plans or profit sharing-plans.
Reinforcement theory Employee recognition	± Monthly performance bonuses are allocated to individuals if the retail outlet's monthly target is reached.
Human resource development in order to stimulate employee motivation.	√ Staffing practices including employee training, career planning and development are employed.

Table 3.9: Motivation Theories and/or Strategies Employed by the Organisation, as Indicated by the Managing Director ('√ indicates an employed strategy, "±" indicates that some aspects of a strategy are employed and "x" indicates a strategy not employed)

Table 3.9 is a summary of the responses of the managing director. Table 3.9 illustrated that most of the motivation theories are practically applied by the organisation. Cases where there was obviously some insight but where the particular item was implemented only to a limited degree, were awarded a "±". Theories not practically applied by the organisation include content theories, Adams' equity theory, reinforcement theory and expectancy theory.

Table 3.10 illustrates the correspondence between the performance ranking achieved and the number of motivation strategies practically applied by each area and retail manager. The results indicated in table 3.10 are a strict representation of the second questionnaire.

Questionnaire and data comparison (Questionnaire 2)															
Motivation Theory and/or Strategy	Above-Average Performance Ranking				Average Performance Ranking					Below-Average Performance Ranking					Strategies employed frequency
	Mpumalan. AM	Middelburg	Welkom	Kriel	Free State AM	Fochville	Carletonville (1)	Riebeeckstad	Klipfontein	Gauteng AM	Carletonville (2)	Witbank	Marshalltown	Odendaalsrus	
Creating a motivating climate	√	√	√	√	√	√	X	√	√	√	√	√	√	√	92%
Content theories	√	X	√	√	X	√	√	√	√	X	√	√	X	X	64%
Job design approaches (Job Enlargement)	√	√	√	√	√	√	√	√	√	√	X	√	√	√	92%
Job design approaches (Job Enrichment)	X	√	√	√	√	√	X	√	√	X	X	X	√	X	64%
Job design approaches (Job Rotation)	√	√	√	√	√	√	X	X	√	√	√	√	√	X	78%
Multi-skilling	√	√	√	√	√	√	√	√	√	√	√	√	√	X	92%
Alternative work arrangements (Job Sharing)	√	√	√	X	X	√	X	X	√	X	√	√	X	X	50%
Reinforcement theory Employee recognition	√	√	X	√	√	√	√	X	√	√	√	√	√	X	78%
Locke's Goal-Setting Theory Management by objectives	√	√	X	√	√	X	√	X	√	√	√	√	√	X	71%
Performance appraisal	√	√	X	√	√	X	√	X	√	√	√	√	X	X	64%
Reinforcement theory OB Mod	√	√	X	√	X	√	X	X	√	X	√	√	√	X	57%
Content theories Employee involvement and commitment	√	√	√	X	√	√	√	√	√	√	√	√	√	√	92%
Total number of "√"	11	11	8	10	9	10	7	6	12	8	10	11	9	3	
Number of strategies employed (indicated as an average percentage)	83.33%				73.33%					68.33%					

Table 3.10: Motivation Theories and/or Strategies Employed by Individual Managers ('√' indicates an employed strategy, '±' indicates that some aspects of a strategy are employed and 'x' indicates a strategy not employed).

Table 3.10 is a summary of the responses of the individual area and retail pharmacy managers and although correspondences exist between the performance ranking achieved and the number of motivation strategies practically applied, the question remains whether the respondents really knew and understood the theories and their applications. In the questionnaires, respondents were requested to provide examples of the strategies employed. Some of these examples, however, do not illustrate knowledge and understanding of the specific theory and/or application. For example:

With regard to creating a motivating climate (second questionnaire, question 1), the following examples were provided:

- The Kriel retail manager gave the example of being positive and doing team building exercises (for example visiting a restaurant together).
- The Odendaalsrus retail manager provided a social event as an example.
- The Free State area manager provided maintaining good employee relationships as the only example.

These inadequate or invalid examples imply that the particular respondents did not employ the particular motivation theory and/or strategy. However, in cases where there was some, albeit limited insight, a particular example was awarded a “±”. For example, with regard to creating a motivating climate (second questionnaire, question 1) the following “valid” example was provided:

- The Mmpumalanga area manager responded that setting a positive example, providing recognition and goal-setting elements were used.

Therefore table 3.10 is changed to portray “valid” responses (in other words, indications supplemented with valid examples of the strategies employed). Table 3.11 then illustrates the changes made to table 3.10. Table 3.11 is therefore regarded as the valid result obtained from the second questionnaire.

Questionnaire and data comparison (Questionnaire 2)															
Motivation Theory and/or Strategy	Above-Average Performance Ranking				Average Performance Ranking					Below-Average Performance Ranking					
	Mmpumalan AM	Middelburg	Welkom	Kriel	Free State AM	Fochville	Carletonville (1)	Riebeeckstad	Klipfontein	Gauteng AM	Carletonville (2)	Witbank	Marshalltown	Odendaalsrus	Strategies employed frequency
Creating a motivating climate	±	±	±	X	X	√	±	X	±	±	±	√	√	X	46%
Content theories	√	X	√	√	X	√	√	√	√	√	√	√	X	X	71%
Job design approaches (Job Enlargement)	X	√	X	√	√	X	√	√	√	√	X	√	X	X	57%
Job design approaches (Job Enrichment)	X	√	√	√	X	√	X	X	X	X	X	X	√	X	36%
Job design approaches (Job Rotation)	X	√	√	X	√	√	X	X	√	X	√	√	√	±	61%
Multi-skilling	√	√	√	√	√	√	√	√	√	X	X	√	√	X	79%
Alternative work arrangements (Job Sharing)	√	√	√	X	X	√	X	X	√	X	X	√	X	X	43%
Reinforcement theory Employee recognition	√	√	X	X	√	√	√	X	√	√	X	√	√	X	64%
Locke's Goal-Setting Theory Management by objectives	√	√	X	√	√	X	X	X	√	√	√	√	√	X	64%
Performance appraisal	√	√	X	√	√	X	X	X	√	±	√	√	X	X	50%
Reinforcement theory OB Mod	X	√	X	X	X	√	X	X	X	X	√	√	√	X	36%
Content theories Employee involvement and commitment	√	√	±	X	±	√	±	X	±	±	√	√	√	X	57%
Total number of “√”	7.5	10.5	6	6	6.5	9	5	3	9	5.5	6.5	11	8	1	
Number of strategies employed (indicated as an average percentage)	63.54%				54.17%					53.33%					Average: 57.01%

3.7 QUESTIONNAIRE ANALYSIS AND DATA COMPARISON

Twelve motivation theories and/or strategies were evaluated in each questionnaire. According to the results obtained from the managing director and captured in table 3.9, the organisation is currently employing eight of the twelve motivation theories and/or strategies evaluated.

Table 3.11 combines the results of both table 3.5 and table 3.6 with regard to the above-average, average and below-average performance rankings. Table 3.11 also provides a summary of the motivation theories and/or strategies evaluated in the second questionnaire; a more inclusive summary of the answers obtained by means of the second questionnaire is included in Appendix D. If the answer to the question indicated that other motivation theories and/or strategies were used, then these were noted in Appendix D.

When the number of the motivation theories and/or strategies employed by the individual managers is compared with the performance ranking, a correlation becomes clearly visible. This correlation will be discussed in the following chapter (chapter 4). Although the number of theories and/or strategies is an indicator of the application of these theories/strategies, it should be kept in mind that if a comprehensive motivation approach (e.g. creating a motivating climate) is employed well, it would lead to motivated behaviour, even it were the only strategy to be used.

3.8 SUMMARY

This chapter reported on a comprehensive ranking of retail pharmacy performance, based on seven performance indicators which are recognised by the pharmaceutical group's senior management. Two instruments were developed and applied in order to determine which motivation theories and strategies are employed in the pharmaceutical organisation's retail pharmacies and how effective these are, compared to the performance indicator.

This empirical study concluded with a data analysis and interpretation of the results to determine which of the motivational strategies are used by management and how these relate to the pharmaceutical outlet's performance. The number of the motivation theories and/or strategies employed by the individual managers was compared to the performance ranking of the individual area managers and the separate retail pharmacies: the result of this comparison pointed towards a definite correlation. This relationship will be discussed in the following chapter (chapter 4).

CHAPTER 4

RESULTS OF THE STUDY, CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

Norgaard (2001:19) explains that people can be capricious, and that the yearning remains for a management panacea that ensures predictable employee performance. We continuously try to identify the levers that would move people to behave predictably and reliably, and motivation theories and strategies provide “levers” to influence individuals’ behaviour.

In order to address the problem described in chapter 1, an inclusive literature study was conducted (chapter 2) and two instruments were developed (chapter 3) in order to gather the required information regarding the motivational strategies employed by managers in the organisation.

4.2 RESULTS

The two questionnaires which were discussed in chapter 2 probed the motivational strategies employed by managers. It was found that the following strategies are employed by the organisation as shown in table 3.9:

- Three aspects of creating a motivating climate;
- alternative work arrangements, including:
 - flexitime;
 - job sharing; and
 - part-time employment;
- Adams’ equity theory with regard to internal equity;
- Adams’ equity theory with regard to external equity;
- some aspects regarding employee recognition; and

- human resource development in order to stimulate employee motivation.

The managing director indicated that by presenting a positive attitude, by motivating by example and by providing feedback, senior management is creating a motivating climate. This is a limited perspective of creating a motivating climate, compared to the theory and model of creating a motivating climate (refer to chapter 2, section 2.4.3.5).

Confidentiality seems to be a priority: the managing director indicated that individuals' salaries, especially those of senior employees, are strictly confidential. The outcomes of performance ratings are also regarded as confidential information in this organisation. In this regard the managing director replied: "Why is any person concerned about another individual's ranking? One should rather work on his/her own shortcomings." This is wholly contradictory to equity theory principles and probably points to an important motivational facet not receiving attention.

The managing director did not mention any incentives beside basic monthly salaries to reward employees for their performance.

All the motivation strategies addressed in the second questionnaire were employed by the individual managers; some managers employ all the strategies, while others indicated that only employed some. These results were outlined in table 3.11. According to table 3.11, the following motivation strategies (as indicated by the strategies employed frequency) were mainly employed by the individual managers:

- Multi-skilling (employed by 79%); and
- content theories of motivation (employed by 71%).

According to table 3.11, the following motivation strategies (as indicated by the frequency of strategies employed) were least employed by the individual managers:

- Job design approaches with specific regard to job enrichment (employed by 36%); and
- reinforcement theory and organisational behaviour modification (OB Mod) (employed by 36%).

Content theories are easily understood and often used to explain employee motivation, as discussed in section 2.3.1; this is illustrated by the high frequency of strategy employment, as indicated in table 3.11. Multi-skilling strategies are employed because of the increasing requirement for employee performance and also because employees who resigned are usually not replaced.

Job design approaches in specific job enrichment and organisational behaviour modification (OB Mod) are seldom used by the individual managers. These motivation strategies require additional skills and training in terms of motivation theories and strategies.

Table 3.11 further illustrates some correspondence between the number of strategies employed and the performance ranking of the specific retail pharmacies and of the individual area managers.

Figure 4.1 summarises the correspondences between the average percentage of motivation strategies employed and the performance ranking of the individual retail pharmacies:

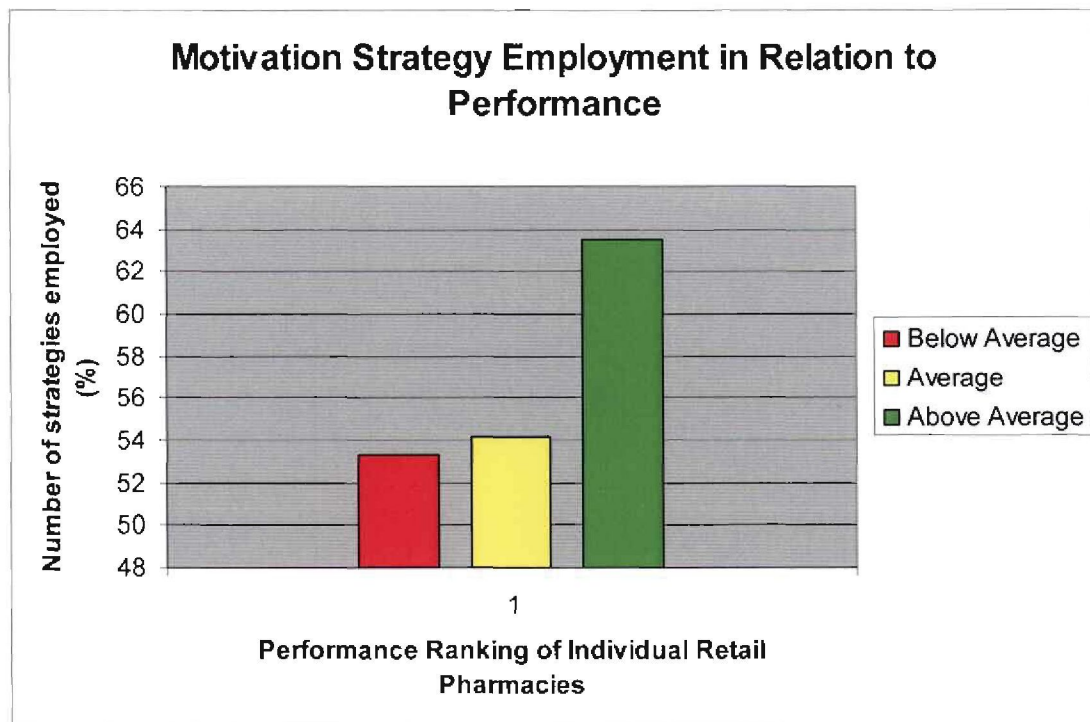


Figure 4.1: Number of Theories and/or Strategies Employed in Relation to Performance

Figure 4.1 shows that the performance ranking of the individual retail pharmacies and the retail area managers combined, and the number of motivation strategies employed by management, correspond in general. The highest ranking outlets employed significantly more motivation theories and/or strategies than the average and below-average ranking outlets.

According to table 3.11, the Welkom and Kriel outlet managers both indicated employing only six out of the twelve motivation theories and/or practical applications; yet their outlets achieved above-average performance rankings.

The Carletonville (1) manager reported employing only five and the Riebeeckstad manager only three out of the evaluated twelve motivation theories and strategies. In spite of the low number of strategies employed, both the Carletonville and the Riebeeckstad managers achieved an average performance ranking. One reason for this might be that the number of theories and/or strategies is an indicator of use, but not of how well or effective these were employed. It could also be expected that if more comprehensive

motivation approaches, i.e. creating a motivating climate, job characteristics model and employee involvement and commitment, were employed properly, this would lead to motivated behaviour. For example, the Fochville retail manager indicated a thorough understanding with regard to creating a motivating climate and also with regard to employee involvement and commitment. Because this manager employs comprehensive motivation approaches, motivated behaviour can be expected, even though the total number of strategies employed is only nine out of the possible twelve evaluated.

Although the Witbank retail manager employs the most motivation theories and strategies, the outlet achieved a below-average performance ranking. The reason for this might be the factors indicated by the managing director (chapter & section 3.4.1):

- The physical wellbeing of the community surrounding the pharmacy;
- the financial status of the community surrounding the pharmacy;
- the conditions and regulations of the medical aid fund in the area where the pharmacy is situated; and
- the community size.

As indicated in table 3.11, the Odendaalsrus outlet achieved a below-average performance ranking and very few if any motivation theories and/or strategies were employed. The examples provided by this outlet manager illustrate little knowledge with regard to motivation theories and/or strategies. For example, when asked: "Do you make a special effort to determine what the needs of your employees are?" the Odendaalsrus pharmacy manager replied: "No. WHAT NEEDS?" This pharmacy manager also indicated that there is no time for motivation: the workload is too much and they are only implementing a "survival" strategy.

4.3 CONCLUSION

4.3.1 PRIMARY OBJECTIVES

The following conclusions are reached with regard to the objectives indicated in chapter 1.

The primary objective was to find answers to the following research questions (4.3.1.1-4.3.1.3):

4.3.1.1 WHICH MOTIVATIONAL STRATEGIES ARE EMPLOYED BY MANAGERS?

A secondary objective was to determine the motivation theories and/or strategies employed by the retail pharmaceutical organisation. The following were found:

- Some aspects of creating a motivating climate;
- alternative work arrangements including:
 - flexitime;
 - job sharing; and
 - part-time employment;
- Adams' equity theory with regard to internal equity;
- Adams' equity theory with regard to external equity;
- Some aspect regarding employee recognition; and
- human resource development in order to stimulate employee motivation.

Motivation theories and/or strategies employed by the individual retail and area managers included:

- Content theories of motivation;
- job design approaches (job enlargement);
- job design approaches (job rotation);

- multi-skilling;
- reinforcement theory and employee recognition;
- Locke's goal-setting theory and management by objectives (MBO); and
- employee involvement and commitment.

4.3.1.2 ARE THESE STRATEGIES BASED UPON AND/OR RELATED TO ACKNOWLEDGED THEORIES OF MOTIVATION AND MOTIVATIONAL STRATEGIES?

The valid examples which were provided indicated that the strategies employed are indeed based upon and/or related to acknowledged theories and/or of motivation. Other examples, however, indicated little knowledge with regard to motivation theories and/or motivation; these were regarded as "invalid". As indicated in table 3.11, an average of 57.01% of the motivation theories and/or strategies evaluated is employed by the individual retail and area managers.

4.3.1.3 IS THERE A RELATIONSHIP BETWEEN THE SPECIFIC MOTIVATIONAL STRATEGIES USED AND EFFECTIVENESS INDICATORS (TURNOVER, GROSS PROFIT, ITEMS SOLD, NUMBER OF SCRIPTS PROCESSED) OF THE DIFFERENT OUTLETS?

As indicated in figure 4.1, the performance ranking, of the individual retail pharmacies and the retail area managers combined, and the number of motivation strategies employed by management, correspond in general. The highest ranking outlets employed significantly more motivation theories and/or strategies than the average and below-average ranking outlets.

4.3.2 SECONDARY OBJECTIVES

The secondary objectives, which contributed towards achieving the primary objective, included the following:

4.3.2.1 PERFORMING A LITERATURE STUDY ON ESPECIALLY THE MORE MODERN MOTIVATIONAL THEORIES AND THEIR APPLICATION IN MOTIVATIONAL STRATEGIES

A complete literature study regarding motivation theories and motivation strategies is provided in chapter 2.

4.3.2.2 DEVELOPING AND APPLYING AN INSTRUMENT TO DETERMINE WHICH MOTIVATION THEORIES AND STRATEGIES ARE EMPLOYED IN A NUMBER OF RETAIL PHARMACIES AND HOW EFFECTIVE THEY ARE

Two instruments were developed and applied in order to determine which motivation theories and strategies were employed in the pharmaceutical organisation's retail pharmacies and how effective these were when compared to the performance indicator. This was discussed in the empirical study in chapter 3.

4.3.2.3 COMPARING THE RESULTS OBTAINED FROM THIS RESEARCH WITH THE DIFFERENT PERFORMANCE INDICATORS OF EACH RETAIL PHARMACY

A relationship was found between the number of specific motivational strategies used and the performance ranking (calculated by means of the effectiveness indicators) of the different retail outlets. Comparing the result obtained from this research with the different performance indicators of each retail pharmacy (table 3.11 and figure 4.1) made it is clear that the managers of above-average performing outlets use more motivation theories and employ more motivation strategies than managers of average or below-average performing outlets.

4.4 RECOMMENDATIONS

It is often assumed that all people are motivated by the same things. The literature study stresses that people are motivated by a whole range of different factors due to our individual differences. Individuals can be motivated by, for example, financial rewards, status, praise, acknowledgement, competition, job security, public recognition, fear and/or any combination of these. According to Norgaard (2001:19), managers who see people as assets will discover a surprising reservoir of talent, initiative, and ingenuity, and they will be rewarded with a tremendous capacity for breakthrough performance if they could motivate people to use these potentialities.

Management may employ a specific motivation theory and its practical application in different situations or make use of a comprehensive motivation approach, thus creating a motivating climate, the job characteristics model or employee involvement and commitment. Naturally, there is no magic formula for employee motivation. Employees' needs and interests are as varied as the employees themselves, and understanding them is an art. But looking through a well-focussed "employee motivation" lens will turn up commonalities, as well as idiosyncrasies. These can be worked with to motivate employees in order to enhance employee productivity.

Sustained elevation of management's awareness of motivation theories and motivation strategies and how to apply motivational strategies, will lead to increased understanding of these motivation theories and motivation strategies and will increase productivity. Senior, middle and lower management training with regard to the creation of a motivating climate will eliminate inadequate insight and knowledge regarding motivation and will provide senior, middle and lower managers with strategies to practically implement motivation theories in order to increase employee productivity and therefore to increase outlet performance. For example, knowledge of and implementation of reward practices in line with the equity theory could contribute to higher pay satisfaction and decrease employee turnover.

Examples of the application of motivation theory were analysed to determine a manager's grasp of these theories. The following, among others, were found:

- When asked to provide an example of employee rotation (question 8 & 9 of the second questionnaire), the Marshalltown outlet manager explained that all the assistants do different jobs on a two-weekly cycle.
- When asked to provide an example regarding employee recognition and praise (question 13 & 14 of the second questionnaire), the Witbank outlet manager replied that if the cash-up sheets are neatly and accurately completed, the employees are recognised for the task well done.

It is, however, recommended that in future studies of this nature, this kind of responses should be analysed by or at least in cooperation with an expert in this field.

4.5 SHORTCOMINGS

Only one retail pharmaceutical group was used for the purpose of the empirical investigation and the results do not portray the situation in other pharmacies or comparable pharmaceutical organisations.

The results reported here are restricted to the number or percentage of motivation theories and/or applications used and indicated by specific managers. Even if the given example of the motivation theory and/or example proves knowledge of the theory, it does not indicate how effective the motivation theory was applied.

Managers self-reported on the use of the motivation theories and their applications. A better option would have been to survey subordinates and seniors to establish the employment of motivation theories and strategies in this pharmaceutical organisation.

The results of this study, which is applicable only to the organisation in question, indicate:

- There is a lack of awareness and knowledge of motivation theories and their practical application; but
- in the group of better performing outlets, motivational theory application seems to be made more relevant than in the average and below-average performing groups.

This chapter presented the conclusions and recommendations with regard to this study. Most of the motivation theories and strategies listed (first questionnaire) are employed by the organisation and all the motivation strategies addressed in the second questionnaire were employed by the individual managers: some managers employ all the strategies, while others indicated that they use only a limited number.

A correlation was found between the performance ranking and the number of theories employed. It is clear that the managers of the above-average performing outlets use more motivation theories and employ more motivation strategies than average or below-average performing outlet managers.

Sustained elevation of motivation awareness levels and the enhancement of general motivation systems are recommended, as well as training with regard to the creation of a motivating climate.

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APPENDIX A

Motivation Evaluation Questionnaire 1:

Managing Director – Retail Pharmacies

1. How do management expect that managers (at retail outlets) will **motivate** employees?

2. Have you introduced any action with regard to:

- a) Allowing employees to work **flexitime**?
- b) Allow two or more employees to **share** the same job?
- c) Allow employees to **work** from their **homes**?
- d) Employing **part-time employees** to work less than the standard 40 hour work week?
- e) **Compress fulltime jobs** to be completed in less than the standard five days (shorter work weeks)?

YES	NO
YES	NO
YES	NO
YES	NO
YES	NO

3. What steps are taken to ensure **internal equity** perceptions of remuneration (that those holding similar jobs and or perform the same tasks, are paid comparable salaries)?

4. What steps are taken to ensure **external equity**; i.e. comparing this organisation's salaries, rewards and remuneration for specific jobs with that of other organisations in the pharmaceutical industry?

5. To what extent are **all employees aware** of what other employees (especially senior people) earn annually?

6. To what extent are all employees **aware of the outcomes of performance ratings** of other employees, compared to their own?

7. Is individual **remuneration directly linked to performance** (does this organisation pay for performance)?

YES	NO
-----	----

8.a) Do practices exist to **reward performance** timeously (shortly after a performance)?

YES	NO
-----	----

8.b) If "YES" to the above (question 8.a), **which** practices?:

9. Does this company have:

a) **Employee stock ownership** plans?

YES	NO
-----	----

b) **Flexible benefits** (pay systems that allow workers to select benefits from a 'menu' according to individual needs)?

--	--

YES	NO
-----	----

c) **Gain (profit) sharing** plans (bonuses based on improvements in the operating results of the organisation)?

--	--

YES	NO
-----	----

10.a) Do practices exist to reinforce desirable behaviour and to demonstrate to employees the **link between performance and rewards**?

YES	NO
-----	----

10.b) If "YES" to the above (question 10.a), **which** practices?

11. Apart from salaries, what **other incentives** are currently being used to **reward** employees for **performance**?

12.a) Do practices exist to send signals to employees (to emphasise) that **rewards and performance are contingent**?

YES	NO
-----	----

12.b) If "YES" to the above, **which** practices?

13.1. Are the following, among others, also used to increase employee motivation in this organisation:

- a.) **Staffing practices** (specifically, matching an employee's skills and personality characteristics required to successfully execute a job)?
- b.) Employee **training**?
- c.) **Career planning and development**?

YES	NO
YES	NO
YES	NO

13.2. If "YES" to the above, how are these practices used to stimulate employee motivation?

APPENDIX B

Motivation Evaluation Questionnaire 2: Pharmacy Managers, Area and Outlet Managers – Retail Pharmacies

1. How do you **motivate** your employees (what do you **actually** do to motivate them)?

2. Do you make a special effort to determine what the **needs** of your employees are?

YES	NO
-----	----

3. If you answered "YES" to the above (question 2), please answer questions (a) and (b) below. If you answered "NO" proceed to question 4.

- a) How do you **determine** these **needs** (by doing what)?

- b) Once you have **determined** these **needs**, how do you **use** this **information**?

4. Did you (over the past two years) **enlarge** the job(s) of one or more employees by adding additional tasks of the same difficulty level?

YES	NO
-----	----

5. If you answered "YES" to the above (question 4), please give an example?

6. Did you (over the past two years) **enrich** the job(s) of one or more employees by adding (delegating) additional, higher-order tasks or by adding to employee's responsibilities?

YES	NO
-----	----

7. If you answered "YES" to the above (question 6), please give an example.

8. Did you (over the past two years) **rotate** employees to different jobs of equal difficulty, to create familiarity with different tasks?

YES	NO
-----	----

9. If you answered "YES" to the above (question 8), please give an example.

10. Did you (over the past two years) try to **multi-skill** employees (trained or offered additional skills) in order to increase their versatility and value?

YES	NO
-----	----

11. If you answered "YES" to the above (question 10), please give an example.

12. Have you taken specific actions to arrange that **two or more individuals share** one specific job?

YES	NO
-----	----

13. Do you **constantly praise** and give recognition to employees for achieving set goals?

YES	NO
-----	----

14. If you answered "YES" to the above (question 13), please provide an example.

15. Do you ensure that individuals and/or teams have **specific goals**?

YES	NO
-----	----

16. Do you jointly determine specific **performance objectives** with your subordinates?

YES	NO
-----	----

17. Do you **evaluate** employees' performance in terms of their goal **achievement**?

YES	NO
-----	----

18. If you answered "YES" to the above (question 17), do you periodically give employees **feedback** on:

a) Their goal/outcome achievement regarding these objectives?

b) Their general performance?

YES	NO
YES	NO

19. If you answered "YES" to the above (questions 18), do you allocate rewards on the basis of **achieving** these **objectives**?

YES	NO
-----	----

20. Have you developed and implemented a planned **strategy** to specifically **strengthen desirable performance behaviours** and **discourage undesirable behaviours**?

YES	NO
-----	----

21. If you answered "YES" to the above (question 19), please provide an example.

21. Are the employees you manage today more involved than a year ago with regard to the following:

a) **Planning** of their own work?

YES	NO
-----	----

b) **Controlling** of their own work?

YES	NO
-----	----

c) **Decision making** with regard to their own work?

YES	NO
-----	----

APPENDIX C: Motivation Evaluation Questionnaire 1; Completed by the Managing Director

Motivation Evaluation Questionnaire 1: Managing Director – Retail Pharmacies

1. How do management expect that managers (at retail outlets) will **motivate** employees?

Deur 'n positiewe gesindheid te hê t.o.v hulle eie werk en daardeur 'n positiewe werksomgewing te bevorder.

Bestuurders wat self hard werk en hulle kant bring, glo ek motiveer mense wat saam met hulle werk om ook hard te werk en hulle beste te lewer, m.a.w die voorbeeld wat deur die bestuurder gestel word beïnvloed die wernemers.

Positiewe terugvoer asook terugvoer aan werknemers t.o.v uitsette gelewer deur werknemers, gee vir die werknemer 'n idee van waar verbeter kan word op uitsette en waar uitsette reeds op standaard is.

2. Have you introduced any action in regard to:

- a) Allowing employees to work “**flexitime**”?
- b) Allow two or more employees to **share** the same job?
- c) Allow employees to **work** from their **homes**?
- d) Employing **part time employees** to work less than the standard 40 hour work week?
- e) **Compress full time jobs** to be completed in less than the standard five days (shorter work weeks)?

YES	
YES	
	NO
YES	
	NO

3. What steps are taken to ensure **internal equity** perceptions of remuneration (that those holding similar jobs and or perform the same tasks, are paid the comparable salaries)?

Daar bestaan verskillende “Job levels”. Elke “Job level” is aan 'n sekere salarisskaal gekoppel wat impliseer dat werknemers wat op dieselfde “Job level” is , salarisse sal verdien wat binne hierdie “Job level” se salarisskaal val.

Jare diens mag egter tot gevolg hê dat 2 individue wat dieselfde werk doen en op dieselfde “Job level” is nie 100% dieselfde kry nie maar steeds binne die grense van die “Job level” se salaris “range”.

4. What steps are taken to ensure **external equity**; i.e. comparing this organisation's salaries, rewards and remuneration for specific jobs, with that of other organisations in the pharmaceutical industry?

Salarisse word vergelyk met dit wat in die mark betaal word deur markverwante salarisse uit te vind via agentskappe maar ook deur

wat adverteer word in bv. die Job Mail vir soortgelyke poste. Die areas (platteland vs stad) asook die verskil in lewenskostes van die platteland vs. stad moet egter nie uit die oog verloor word nie.

5. To what extent are **all employees aware** of what other employees (especially senior people) earn annually?

Salarisse is volgens my 'n konfidensiële saak en geen werknemer hoef te weet wat enige van sy of haar kollegas verdien nie. Die werkgever verseker privaatheid tussen verskillende poste en verseker regverdigheid deurgaans. Dit gaan dus niemand aan wat 'n ander verdien nie.

6. To what extent are all employees **aware of the outcomes of performance ratings** of other employees, compared to their own?

Weet nie wat die relevansie hiervan is nie, 'n performance rating beoordeel of meet 'n spesifieke individu se werksuitsette en lewer terugvoer aan individuele werknemers t.o.v hulle werksuitsette en waar hulle aan moet werk of waar hulle op standard is. Waarom is enige persoon bekommerd oor iemand ander se ratings, jy moet tog aan jou eie tekortkominge werk.

7. Is individual **remuneration directly linked to performance** (do this organisation pay for performance)?

YES	
-----	--

Slegs maandelikse performance bonuses as "targets" behaal word, maar nie individuele onderskeid t.o.v salarisse nie.

8.a) Do practices exist to **reward performance** timeously (shortly after a performance)?

YES	
-----	--

8.b) If "YES" above (question 8.a), **which** practices?:

"Performance bonuses" word uit betaal die maand nadat die "target" behaal is.

9. Does this company have:

- a) **Employee stock ownership** plans? Wat beteken dit?
- b) **Flexible benefits** (pay systems that allow workers to select benefits from a 'menu' according to individual needs)?
- c) **Gain (profit) sharing** plans (bonuses based on improvements in the operating results of the organisation)? Verstaan vraag nie.

	NO
YES	
	NO

10.a) Do practices exist to reinforce desirable behaviour and to demonstrate to employees the **link between performance and rewards**?

YES	
-----	--

10.b) If "YES" above (question 10.a), **which** practices?

Die 'maandelikse performance bonuses' wat gekoppel is aan die

kriteria vir elke divisie. Hierdie kan egter verander, sou huidige wetgewing verander.

11. Apart from salaries, what **other incentives** are currently being used to **reward** employees for **performance**?

Salaris is nie 'n motiverings "tool" nie dit is betaling vir die diens gelewer, soos verwag van elke werknemer volgens sy/haar dienskontrak.

12.a) Do practices exist to send signals to employees (to emphasize) that **rewards and performance are contingent**?

YES	NO
-----	----

No answer provided.

12.b) If "YES", **which** practices?

No answer provided.

13.1. Are the following, amongst other things, also used to increase employee motivation in this organisation:

a.) **Staffing practices** (specifically matching an employee's skills and personality characteristics required to successfully execute a job)?

b.) Employee **training**?

c.) **Career planning and development**?

YES	
YES	
YES	

13.2. If "YES" - how are these practices used to stimulate employee motivation?

Motivering kom van binne elke individu indien die werksklimaat aangenaam is en groei ruimte laat vir werknemers moet motivering van binne elke werknemer self kom. Mense moet hulle self dryf, goed soos geld ens. kan nie mense motiveer nie. Goed soos 'performance bonuses' kan mense dalk dryf om beter te presteer maar verhoogde salarisse op 'n permanente basis is slegs miskien motivering vir een maand en dan dien dit nie meer as motivering nie. Mense moet selfgedrewe wees en vir hulle self doelwit in die lewe stel.

APPENDIX D: Summary of the Motivation Evaluation Questionnaires Completed by the Individual Managers (questionnaire 2)

	Area Manager: Freestate	Pharmacy Manager: Welkom	Pharmacy Manager: Odendalsrus	Pharmacy Manager: Reibeekstad
Question 1	Maintaining good employee relationships.	Just to be positive in everything I do and to help them see the good in mistakes they make.	In 'n omgewing waar daar elke dag gedeel word met baie swart kliente raak ons wel moedeloos met die hoë impak van bediening. Ons maak gereeld 'n potjie of braai wors/ vleis op 'n vrydag.	Being Positive. Helping them to learn out of their mistakes.
Question 2	NO	YES	NO (what needs?)	YES
Question 3 a)		Listening to what they do not say and read what is between the lines, because most of the personnel will not say what is on their minds and what is wrong in their lives.		By listening to everything they say and sometimes also to what they don't say.
Question 3 b)		Sometimes it is better just to be an ear instead of trying to solve the problem yourself because everybody's problem is different but you can always help them to solve the problem by working to ether, sometimes two heads are better than one and maybe I got a different view to the situation that put some light on the situation.		Letting them talk about the problem. By giving a different view to the situation it is sometimes easier to solve.
Question 4	YES	YES	YES	YES
Question 5	Daar is nie meer personeel in die Vrystaat nie dus moet almal maar net meer multi skill word.	I only delegate a task if that person/employee have the ability to do the job as I can or even better and not just to give them extra work. To give the responsibility to an assistant to do the cash up and banking.	In Odendaalsrus moet al die personeel sover moontlik alles doen. Take is nie vergroot nie, personeel was reeds tot maksimum gebruik.	By giving the filing to an assistant.
Question 6	YES	YES	NO	YES
Question 7		See answer 5		Same as no. 5
Question 8	YES	YES	NO	NO

Question 9	Dit is beter om almal te roteer want moeilik om elke keer iemand op te ly, as iemand met verlof gaan bv kasregister, voorraad bestellings.	I believe everybody must be able to do everything in the working place because then they will know how the business is put together.	Met die laaste jaar net ek en X was daar nie veel kans vir rotasie nie, net oorlewing.	
Question 10	YES	YES	NO	YES
Question 11	Personeel word geroteer tussen reseptering, kasregister, voorraad bestel. Voorkom personeel probleme tydens vakansies, almal kan mekaar se werk doen.	See answer 9	Daar is geen belangstelling om op personeel vlak multi skilling te beoefen nie. Ek self doen die ICDL kursis.	I try to let everybody do a bit of everything in the pharmacy. (Dispensing, filing, stock control, cash-up ect.)
Question 12	NO	YES	NO	NO
Question 13	YES	NO	NO	NO
Question 14	Dankie is nie 'n vloekwoord nie, gee elkeen wat hom toekom			
Question 15	YES	YES	NO	YES
Question 16	YES	NO	NO	NO
Question 17	YES	NO	NO	NO
Question 18 a)	YES			
Question 18 b)	YES			
Question 19	NO			
Question 20	NO	NO	NO	NO
Question 21a)	YES	YES	YES	YES
Question 21b)	YES	YES	YES	YES
Question 21c)	YES	YES	YES	YES

	Area Manager: Mmpumalanga	Pharmacy Manager: Kriel	Pharmacy Manager: Klipfontein	Pharmacy Manager: Witbank	Pharmacy Manager: Middelburg
Question 1	By setting an example. By thanking them each and everyone for their input and hard work. Working with them towards a goal.	Voorbeeld van positiwiteit en spanbou byeenkomste(bv. Saam uiteet)	Moedig hulle aan deur dankie te sê. Soms as ons bv 'n beker of 'n handdoekie kry, moedig ek hul ook aan deur bv die beste verkope op 'n produk vooraf te reel met hulle en die beste verkope so dan ook te beloon. Dit is egter net as almal nie 'n beker gekry het nie.	Try to motivate them by keeping them up to date with the progress in relation to the turnover target set by head office. Also try to motivate them by giving them compliments where deserved and letting them know when a job is well done. I also try to motivate them by staying positive myself and Therefore to lead by example.	Leading by example with a positive attitude every day.
Question 2	YES	YES	YES	YES	NO
Question 3 a)	By informal conversations.	As jy sien iets pla - vra uit daaroor. Bespreek veranderings en luister na hul opinies.	Stel belang in die mens self. Hulle het self ook die vrymoedigheid om te kom sê as iets fout is of pla.	By talking to them and being available for a discussion as far as possible.	
Question 3 b)	Giving it to my superiors.	As jy as persoon iets daaraan kan doen, doen jy dit. Anders word dit deurgegee na hoër gesag.	Konfidensieel indien moontlik en andersins moet 'n oplossing gevind word.	It depends on the situation. If a member feels the need to discuss a problem relating to another staff member, a meeting will be arranged.	
Question 4	YES	YES	YES	YES	YES
Question 5	Deur te multi skill.	Bv. Lei adminklerk op om rotational (stock take) te doen.	Persoon X is 'n gekwalifiseerde apteker assistent wat nou meer admin werk doen en net in nood help met dispensing. Haar presiesheid maak haar die beter admin persoon.	Everybody got more work when staff members resigned and we were unable to replace them with a person of equal skills.	Delegated all ordering of stock to another staff member.
Question 6	NO	YES	YES	NO	YES
Question 7		Assistente in opleiding leer "dispense".	Persoon Y is in opleiding, so als is ook 'n uitdaging vir haar. Sy geniet die werk wat sy doen en wil dit ook goed doen.		One of the assistants was made co-ordinator for all Promotions in the pharmacy.

			Dit maak opleiding baie maklik.		
Question 8	YES	YES	YES	YES	YES
Question 9	Person A and B at Witbank - they learned each others jobs.	Lei assistente op om te bestel, rotational (stock take) te doen.	Bv. Persoon A en B weet bv hoe om te bestel op exprocure. Persoon Y het nou ook 'n beurt gekry.	Employees rotate between the admin office, front shop and dispensary so that they can all do everything if somebody goes on leave, then his work does not get behind.	Assistants rotate to do the admin work on a 2 monthly basis so everyone can become multi skilled.
Question 10	YES	YES	YES	YES	YES
Question 11	All our staff members are Multi skilled	Lei assistente op om te bestel, rotational (stock take) te doen.	Almal weet min of meer van alles, behalwe die insit van invoices en die krediete is nog nie bekend aan persoon Y en persoon A nie.	See Question 9	Assistants rotate to do the admin work on a 2 monthly basis so everyone can become multi skilled.
Question 12	YES	NO	YES	YES	YES
Question 13	YES	YES	YES	YES	YES
Question 14	I'm working at the Kriel branch lately, they do work very hard and I will thank them for that every night when we go home.	Assistant voltooi voorskrif op haar eie.	Afhangend van wie laat werk die aand en dus later inkom in die oggende, moet sekere take verrig word deur die persoon wat vroeg ingekom het, soos bv. Kleingeld bestel en die begin van rotational stock take in lees.	E.g. If the cash-up sheets look neat and are accurately done, I give them recognition for it.	All achievers are praised on an ongoing basis and motivated to keep up the good work. So we can reach Target for bonuses by the company.
Question 15	YES	YES	YES	YES	YES
Question 16	YES	YES	YES	YES	YES
Question 17	YES	YES	YES	YES	YES
Question 18 a)	YES	YES	YES	YES	YES
Question 18 b)	YES	YES	YES	YES	YES
Question 19	NO	NO	YES	YES	YES
Question 20	NO	YES	YES	YES	YES
Question 21	Al wat ek doen is om dankie te sê en te motiveer.	Nie spesifieke strategië maar spreek gedrag aan.	Nie regtig JA nie, maar ek sê altyd dankie vir dit wat anders gedoen is en probleme word ook andersins so gou moontlik uit gesorteer.	Yes, performance agreements were done with everybody within the last month.	Company offers a bonus if sales Target is reached monthly.
Question 21a)	YES	YES	YES	YES	YES

Question 21b)	YES	YES	YES	YES	YES
Question 21c)	YES	NO	YES	YES	YES

	Area Manager: Gauteng	Pharmacy Manager: Carletonville (1)	Pharmacy Manager: Carletonville (2)	Pharmacy Manager: Fochville	Pharmacy Manager: Marshall Town
Question 1	I empower them. I give them the skills to do their job in the best way possible. Our company currently have an incentive bonus scheme, which is paid out once target is reached, but money is not a motivator merely a catalyst to achieve goals, so an employee needs to be happy in his/her workplace.	Die grootste motivering vir ons by Carletonville tak is om ons maandelikse mikpunt te bereik. Al hoe dit bereik kan word is deur goeie klientediens en deur akkuraat te werk en as 'n span alles aan te pak. Op hierdie stadium is ons baie min mense by die tak en almal werk baie lekker saam om al die werk te doen.	Deur positief te bly - myself. Deur vir personeel te bedank vir hulle werk. Deur vir hulle te sê dat hulle goeie werk doen. Deur kom munikasie - hoor of daar probleme is en probeer dit oplos. Deur geduld en kalmte.	Hold open floor staff meetings where everyone is free to address any issues related to work. Praise work well done on a daily basis. Try to orientate daily tasks so that they suit the employee's talents i.e let them do what they enjoy doing as much as possible. Be open to any suggestion, no matter how small or insignificant. Try not to be too critical.	Meetings twice a month to discuss problems, ideas, products. Each employee looks after a section of the pharmacy, encouraged to do displays ect - therefore they can take pride in achievements and their own section. Encourage them to learn about products - enables them to be able to be more confident with customers.
Question 2		YES	YES	YES	NO
Question 3 a)	I try and understand their problems and the frustrations they have in the workplace.	Deur vergadering elke maand te hou. Almal stel hulle saak en sê wat hom/haar pla.	Deur kommunikasie. Gesels en vra uit oor werksomstandighede en persoonlike omstandighede.	Ask them how they are that day. Listen and act on any complaints they may have.	
Question 3 b)	Try and meet these needs if they are realistic and valid. A manager must be assertive and cannot satisfy employees all the time. It is not always a popularity contest and conflicts will occur and you must be prepared to face these conflicts if you believe the decisions you made was the best option.	As dit nie iets is wat in die apteek uitgesorteer kan word nie, klaar ek dit uit met die areabestuurder.	Kommunikasie. Praat met persoon en probeer positiewe terugvoering en help indien moontlik.	It's extremely important to take these needs seriously, and to resolve them timeously within the scope of the company's policies. Feedback needs to be given to the employee.	
Question 4	YES	YES	NO	YES	YES
Question 5	I believe in multi skilled employees. Taught pharmacy assistants to receive stock for	Die assistent in opleiding haal vervalde voorraad af van die rak af.		A trainee assistant worked at another company where he had a lot of experience. In	Basic assistant from cashier only to invoicing.

	example. When one employee is on leave all the functions can continue.			maintaining stock levels. So he was put in charge of the ordering.	
Question 6	NO	NO	YES	YES	YES
Question 7			Daars altyd nuwe take. Persoon kom werk hier, kan nie van begin af alles doen nie en word opgelei. Reseptering, voorraad ontvang ens.	One of the cashiers was very enthusiastic and full of ideas, so I placed her in charge of the front shop displays and gave her a free hand in arranging the shelves.	Basic assistant from cashier and invoicing to dispensing tasks.
Question 8	YES	NO	YES	YES	YES
Question 9	See question 5		Soos bo. Doen bv vir 'n tyd reseptering. Dan weer voorraad ens.	Tasks are rotated regularly, so that any employee can fill in for another should the need arise.	All assistants do different jobs example invoicing and cashier on a two weekly cycle.
Question 10	YES	YES	YES	YES	YES
Question 11	Most staff in my branches can do any task I require to do at any time. This creates a much more efficient work environment. The manager must also set an example of this otherwise staff will not be convinced that the manager can do these task him/herself. Thus the manager can not expect his staff to be multi skilled if he/she cannot do the tasks self. Lead by example!	As die klerk met verlof gaan, moet almal weet hoe om voorraad te ontvang, te eis en die til op te kas. Behalwe vir die assistant in opleiding wat 'n maand terug hier begin werk het, kan almal alles doen.	Soos bo. Moet alles kan doen in apteek.	All employees are rotated regularly so that they have experience in all aspects of the pharmacy	All assistants being trained in dispensing and over the counter sales.
Question 12	NO (Someone must take responsibility, otherwise it won't work.)		YES	YES	NO
Question 13	YES	YES	YES	YES	YES
Question 14	Praised when they reached a	Klerk is besig met haar	Bv om 'n klient tevrede te stel.	Two of the ladies rearranged the	Goal of improving customer

	target.	assistentkursis en ons almal moedig haar aan sy doen baie goed.	Moet alles kan doen.	whole front shop single-handedly. Afterwards, I drew everyone's attention to the "new look", praising their efforts each time.	service was achieved through improving telephone skills and product knowledge. Praised at meetings an on a individual level.
Question 15	YES	YES	YES	NO	YES
Question 16	YES	YES	YES	YES	YES
Question 17	YES	YES	YES	YES	YES
Question 18 a)	YES	YES	YES	NO	YES
Question 18 b)	YES	YES	YES	YES	YES
Question 19	NO	NO	YES	NO	NO
Question 20	YES	NO	YES	YES	YES
Question 21	In the past I implemented certain action plans with an individual employee that had to be reached within a certain timeframe in order to improve his performance.		Praat met hulle oor wat verwag word. Vra vir hulle wat hulle kan verander en verbeter. Kyk of dit werk. Gee erkenning na die tyd en toon dank. Fisiese of materiele dank betoon deur bonusse indien "target" bereik word.	I have tried to cultivate a team spirit in the business, and when someone's not pulling his/her weight, they are made to understand they're letting the team down.	Using the company's performance management system.
Question 21a)	YES	YES	YES	YES	YES
Question 21b)	YES	YES	YES	YES	YES
Question 21c)	NO	YES	YES	YES	YES