

# THE EFFECT OF MOTIVATION STRATEGIES ON THE PERFORMANCE OF FUEL SERVICE STATION ATTENDANTS AT GAPCO UGANDA

 $\mathbf{BY}$ 

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# A DISSERTATION SUBMITTED TO THE SCHOOL OF MANAGEMENT SCIENCES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE MASTERS DEGREE IN BUSINESS ADMINISTRATION OF UGANDA MANAGEMENT INSTITUTE

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# **DECLARATION**

I, Steven Ampurira Munabi, hereby declare that this dissertation is my original work and ha
never been submitted for any academic award or publication in any other institution of
University. Due acknowledgement has been made for the work of others in this repor
through quotation and references.
Signed Date

#### **APPROVAL**

This is to certify that this dissertation, titled "THE EFFECT OF MOTIVATION STRATEGIES ON THE PERFORMANCE OF FUEL SERVICE STATION ATTENDANTS AT GAPCO UGANDA" was conducted under my supervision. Its final report is now being submitted to Uganda Management Institute for examination with my approval.

Signed	Date:
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Mr. Fred Wahitu

**Supervisor** 

# **DEDICATION**

This work is	dedicated to	my wife	Annette	Were I	Munabi	for	standing	by me	throughou	t my
studies.										

#### **ACKNOWLEDGEMENT**

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# LIST OF ABBREVIATIONS AND ACRONYMS

ACA : American Compensation Association

CVI : Content Validity Index

SPSS : Statistical Package for Social Scientists

#### **ABSTRACT**

The general objective of the study was to establish the effect of motivational strategies on the performance of fuel station attendants at GAPCO Uganda. Specifically, the study strived to establish the effects of compensation, recognition and job design on the performance of fuel station attendants at GAPCO Uganda Ltd. The study used a crosssectional study design using quantitative and qualitative approaches on a sample of 62 fuel service station attendants. Data was collected using a structured questionnaire and interview guide and was analyzed using frequency, percentages, correlation and regression analyses. The study found out that compensation significantly affected the performance of fuel station attendants; recognition significantly affected the performance of fuel station attendants; job design significantly affected the performance of fuel station attendants. The study concluded that the poor compensation practices, inadequate recognition and inadequate job characteristics were de-motivating to most staff and it adversely affected the performance of service station attendants leading to failure by employees to meet the performance expectation of speed of service and quality of customer service. The study recommends that to achieve the speed of service, number of customers served and quality of customer service, the management of GAPCO and franchise dealers should conduct job evaluations to develop attractive basic pay compensation systems which consider internal and external equity, use meetings, letters of recognition, employee of the month display and peer performance reviews to recognize service station attendants and co-opt consultant to redesign jobs of fuel attendants to provide for enhanced skills variety, task significance, task identity, job autonomy and performance feedback intrinsic job characteristics

#### CHAPTER ONE

#### INTRODUCTION

#### 1.1 Introduction

The study examined the effects of motivational strategies on the performance of fuel service station attendants at GAPCO Uganda. This chapter presents the background to the study, statement of the problem, purpose of the study, research objectives, research questions, research hypotheses, conceptual framework, scope of the study, justification and significance of the study and operational definition of terms and concepts.

#### 1.2 Background to the Study

This sub-section presents the background to the study by giving the historical, theoretical, and conceptual and contextual background as suggested by Mugenda and Mugenda (1999).

#### 1.2.1. Historical Background

The relationship between employee motivational strategies and employee performance has for long attracted management scholars' and Psychologists' interests, dating back to the early years of the twentieth century (Wiley, 1995). The Hawthorne studies in 1927 by Elton Mayo for example approached employee motivation from physical environmental changes of room temperature, humidity, and illumination levels and how they would improve employee performance where it was found that output continued to increase even as illumination decreased (Smith &Woodward, 1996). The Hawthorne studies eventually showed that complex variables of paying attention to workers, workers' control over their own work, differences between individual needs, and the willingness of managers to listen, group norms, and direct feedback made the difference in motivating people and enhancing their performance.

The Hawthorne experiment was then adopted by managers in the development of a conducive working environment and effective structuring of jobs to motivate employees for improved performance (Smith &Woodward, 1996).

B.F Skinner (1938) too was credited for initiating motivation studies from his operant conditioning experiments linking stimuli to responses. He observed that those behaviors that are immediately rewarded were likely to be repeated, while those that lead to unpleasant outcomes were not repeated. Precisely, Skinners experiments noted that positive reinforcement is the strengthening of behavior by the application of some event such as praise after some behavior is performed, negative reinforcement on the other hand strengthens behavior by the removal or avoidance of some averse events. In using the operant condition perspective of linking stimuli to behavior, managers realized that offering of attractive rewards stimulated employees to improve on the performance in order to continuously receive attractive rewards (Epstein, 1997).

Maslow in 1943 then set in with his need-hierarchy concept and approach in motivation of employees. Maslow noted that people exhibit five major levels of need namely physiological, safety, social, ego and self-actualization which the management of the organization have to provide for improved employee motivation and its associated outcomes of performance. From that time and until today, the Maslow's Hierarchy of needs is still used to guide management of organizations in designing employee compensation strategies envisaging enhanced employee performance (Schacter, et al., 2011).

Hackman and Lawler (1971) focused on job characteristics by empirically testing the relationships among the job characteristics, individual differences on need strength and employee's motivation, satisfaction, performance, and absenteeism on the job (Varo & Brookshire, 2007). Their studies indicated that positive relationship was found among job dimensions and dependent measures of motivation, satisfaction, performance and attendance. The job characteristic approach is still widely used to motivate employees and enhance their performance by creating work environments that promote a sense of achievement, the perception of competence, and autonomy (Boonzaier et al., 2001).

There is an abundance of motivational approaches developed in order to explain the nature of employee motivation in many sectors but few studies have been carried out to understand how motivation influences employee performance among customer service personnel in fuel service stations. This study therefore aimed at establishing the effects of motivation on performance of fuel service attendants.

#### 1.2.2 Theoretical background

The Maslow's Hierarchy of Needs Theory and Job Characteristic Model by Hackman and Oldham (1980) underpinned this study. Maslow (1943) suggests that human needs can be classified into five hierarchical categories of physiological, security, belongings, esteem and self-actualization needs. In support of Maslow Hierarchy of needs, Greenberg and Baron (2003) study findings support Maslow's theory and noted that as applied to management of employees, the theory implies providing financial security as an important type of safety need. The Maslow's theory of motivation therefore underpinned this study as it suggests key concepts of compensation and recognition which helps employees meet their basic and security

needs and development of self esteem and actualization. A detailed examination of Maslow's Hierarchy of needs is presented in chapter two.

The Job Characteristic Model by Hackman and Oldham (1980) on the other hand assumes that specific job characteristics of job feedback, task identity, skill variety, and task significance reported to influence performance are derived from an individual's intrinsic motivation. The Hackman and Oldham (1980) Job Characteristics Model was used in this study as it suggests the concept of job design for enhanced employee performance. A detailed examination of the job characteristics model is presented in chapter two.

#### 1.2.3. Conceptual Background

Motivational strategies as highlighted in the historical and theoretical reviews above have been conceptualized differently by different scholars(Armstrong, 2009) however, in this study, motivational strategies were conceptualized to include compensation, recognition and job design.

Compensation is defined as the deliberate utilisation of the pay system as an essential integrating mechanism through which the efforts of various sub units or individuals are directed towards the achievement of an organisation's strategic objectives (Gomez-Mejia & Balkin, 1992). In this study, compensation is broken down into two indicators of basic pay and incentives received by the fuel attendants. Basic pay comprises salary, salary increment, while incentives comprise promotion, merit awards, bonuses and allowances (ACA, 1995; Armstrong, 2009; DecCenzo &Robbins, 2002).

In this study, compensation was conceptualized to include two indicators of basic pay and incentives. Recognition is defined as the non-financial award given to employees selectively, in appreciation of a high level of behaviour or accomplishment that is not dependent on achievement against a given target and can be as simple as giving someone feedback on what they have done right, or just saying "thank-you". It is about acknowledging effort, commitment and learning, even if the outcomes were not as planned and it is also about, most importantly, celebrating successes (Milne, 2007).

In this study recognition was conceptualized to include two indicators of material and verbal recognition.

Job design is defined as the efforts to provide job characteristics of autonomy, job feedback, task identity, skill variety, and task significance. Skill variety refers to the extent to which the job requires the employee to draw from a number of different skills and abilities as well as upon a range of knowledge. Task variety refers to whether the job has an identifiable beginning and end or how complete a module of work the employee performs. Task significance involves the importance of the task and covers both internal significance (i.e. how important the task is to the organization) and external significance (i.e. how proud employees are to tell their relatives, friends, and neighbors what they do and where they work). Autonomy refers to job independence or how much freedom and control employees have to perform their job, for example, schedule their work, make decisions or determine the means to accomplish the objectives. Feedback refers to objective information about progress and performance that can come from the job itself, from supervisors or from any other information system (Muddy & Pesut, 2006; Rotenburry & Moberg, 2007).

In this study, job design equally considered all the characteristics of autonomy, job feedback, task identity, skill variety, and task significance in the design of fuel service station attendant's job.

Employee performance is defined as the total output, and output per hour, based on the quantity of goods and services produced per hour of labor input, yield defects, and quality of output from an employee (Montgomery, 1997; Haung et al., 2003). Malcolm (2001) equally suggests employee performance to be significant in quantity thus accounts for outputs (quantities) and outcomes (the quantification of qualitative variables like customer and worker satisfaction, etc). Timeliness which accounts for meeting deadlines, overtime needed to complete the work and other time related issues; quality which accounts for how good the work is and customer satisfaction which accounts for the fact that the employee services needs to add value to the customer. Using this framework, a performing fuel station attendant would score well on all criteria which offer a basis or measure of employee performance among fuel station attendants at GAPCO Uganda.

This study therefore conceptualized performance of service station attendants to include three indicators of speed of services, number of customers served and quality of customer service.

#### 1.2.4. Contextual Background

GAPCO (U) Ltd is a downstream oil marketing company that deals in fuel and lubricants. It was incorporated in 1994 by acquiring all assets and shares of Esso Standard Uganda. GAPCO Uganda has a comprehensive chain of service stations in the country with a presence in almost all the major towns in Uganda. GAPCO is a fully owned subsidiary of the Reliance Group which is headquartered in India and has

sister companies under the GAPCO brand in Kenya, Tanzania, Rwanda and Sudan. The Reliance Group is India's largest private sector enterprise, with businesses in the energy and materials value chain around the world.

The fuel stations are operated on a dealership where private individuals are given franchise to operate using the company name. Although the fuel stations in GAPCO may be run by private individuals, GAPCO Uganda sets the terms and conditions of work for service station attendants in relation to basic job responsibilities, pay and incentives which are implemented by the dealers or managers in the different regions the franchise operates. Other commonly used incentives are lunch for all staff, transport allowances and end of year packages for all staff (GAPCO, Human resource policy, 2012). However over the years, the company has experienced declining employee performance impacting on the total sales of the company's fuel and lubricant products as shown in table 1 below.

Table 1: Employee performance and market sales at GAPCO Uganda

Year	Attendants		Speed of service		Customer		GAPCO		Other fuel	Sales	
	attendance rate		(Average)		satisfaction/rete		Attendants take-		companies	performance	
					ntion	home pay		y	Attendants	(Monthly)	
									monthly		
									take-home		
	Target	Actual	Target	Actual	Target	Actual	Target	Actual		Target	Actual
2009	100%	70%	2Mins	2Min	90%	80%	\$80	\$40	\$50	6ML	4ML
2010	100%	60%	2Mins	3Mins	90%	70%	\$90	\$40	\$60	7ML	5ML
2011	100%	50%	2Mins	4Mins	90%	40%	\$100	\$40	\$70	8Ml	4ML

Source: GAPCO Uganda Customer Service Report, 2012.

Table 1 above shows that the company failed to achieve the desired sales performance as it attained only 50% in 2011 of its attendant's attendance rate a drop from 70% in 2009. The company also recorded an increased delay in speed of service on the pump of up to 4 minutes while customer satisfaction dropped to 40% in 2011 from 80% in 2009. An evaluation of the monthly take-home pay revealed that the fuel service

station attendants in GAPCO took home an average of \$40 a month which had not been increased for the period 2009-2011 while other petrol companies paid \$10-20 more which was also subjected to an annual increase (GAPCO, Operations Report, 2012). The company also failed to achieve its sales targets of which it managed to sale only 4Million litres of fuel each month short of the targeted 6million litres in 2009. By 2011 the company could only achieve 50% of its monthly sales target. It is due to this state of affairs that this study sought to establish the effect of motivational strategies on performance of fuel stations attendants (ibid).

#### 1.3. Statement of the Problem

Companies throughout history have used employee motivational strategies of compensation, recognition and appropriate job design for motivating employees (Boonzaier, et al., 2001; Greenberg & Baron 2003, Rotenburry & Moberg, 2007; Schacter, et al., 2011; Smith & Woodward, 1996).

However, despite the use of motivational strategies by the management of GAPCO Uganda such as basic pay, overtime and bonuses on achievement of the desired sales targets, the performance of the GAPCO service station attendants is on the decline. The company noticed that about half (50%) of their service station attendants did not report for duty in 2011 way off the targeted 100% attendance requirement. Similarly, the company noticed that it took 4minutes on average to fully attend and respond to customers' needs that checked in at the service station way above the 2minutes target. Only 6 in every 10 customers returned to the service stations due to the poor customer service by the service station attendants (GAPCO, Operations Report, 2012). If this course of events and trends is to continue un-abated, the company will collapse and be absorbed by its competitors in the highly competitive fuel industry. This study

therefore examined the effects of motivational strategies on the performance of GAPCO Uganda service station attendants.

#### 1.4 Objectives of the study

#### 1.4.1. General Objective of the study

To establish the effect of motivational strategies on the performance of fuel station attendants at GAPCO Uganda Ltd

#### 1.4.2. Specific objectives of the study

- i. To establish the effects of compensation on the performance of fuel station attendants at GAPCO Uganda Ltd
- ii. To establish the effects of recognition on the performance of fuel station attendants at GAPCO Uganda Ltd
- iii. To establish the effects of job design on the performance of fuel station attendants at GAPCO Uganda Ltd.

#### 1.5 Research questions

- i. To what extent does compensation affect the performance of fuel station attendants at GAPCO Uganda Ltd?
- ii. To what extent does recognition affect the performance of fuel station attendants at GAPCO Uganda Ltd?
- iii. To what extent does job design affect the performance of fuel station attendants at GAPCO Uganda Ltd.?

#### 1.6 Hypotheses of the study

- i. Compensation significantly affects the performance of fuel station attendants
- ii. Recognition significantly affects the performance of fuel station attendants
- iii. Job design significantly affects the performance of fuel station attendants

#### 1.7 Conceptual framework

The model below shows the relationship between the independent and dependent variable used in the study. Motivational strategy is the independent variable while performance of attendants is the dependent variable.

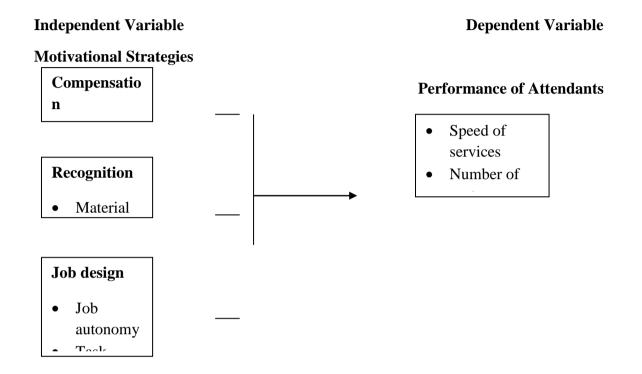


Figure 1: Conceptual framework showing the relationship between Motivational Strategies and Performance of Service Station Attendants.

Source: Adopted with modifications from Maslow's Hierarchy of Needs Theory and the Job Characteristic Model developed by Hackman and Oldham (1980).

The model shows that employee performance depends on the motivational strategies of compensation, recognition and job design. Employee performance has indicators of speed of service measured by the timeliness of the output of the employee, quantity of output or number of customers served and the quality of customer service by the service station attendant.

Compensation was one of the dimensions of motivational strategies and has indicators of basic pay and incentives. Recognition was conceptualized as one of the dimensions

of motivation strategies and had indicators of material and verbal forms of recognitions. Job design as a dimension of motivational strategies was conceptualized to include indicators of skills variety, job autonomy, task identity, skills variety and job feedback.

#### 1.8 Scope of the Study

This sub section presents the content, geographical and time scope of the study.

#### 1.8.1. Content Scope

The study concentrated on employee motivational strategies of compensation, recognition, and job design. The study also conceptualised employee performance to have indicators of speed of service, number of customers served and quality of customer retention.

#### 1.8.2. Geographical scope

The study was carried out at GAPCO Uganda service stations located in Kampala as these sell the bulk of the fuel sold by GAPCO Uganda Ltd. GAPCO Uganda currently has eleven 11 company owned and dealer operated stations in the Kampala business area.

#### **1.8.3.** Time scope

The study covered the period 2009-2012, in which GAPCO Uganda was implementing its three years strategic plan and experienced problems of poor staff performance and declining sales performance.

#### 1.9 Significance of the study

The study may help the management of GAPCO Uganda improve performance at the service stations by improving on motivational factors that affect the performance of

service station attendants. The study helps other fuel companies appreciate the motivational factors that affect the performance of service station attendants and therefore improve their overall company performance. The findings from the study may help improve overall customer service at service stations by improving on the motivational factors that affect the attendants during the execution of their services. Improved customer service leads to increased customer confidence in the fuelling operation at the forecourt and hence increased service station fuel sales.

The study also helped cover literature gaps on the motivational strategies in the fuel dealership and its effect on performance of fuel customer service staff.

#### 1.10 Justification of the study

Motivation and performance of service station attendants is important as service station attendants are the 'face' of the company to the customers. The service station attendants interact with the customers on a daily basis and so their performance directly affects the performance of the company which many times is not understood or directly appreciated by the management. Star performance by the service station attendants therefore leads to improved overall company performance through improved forecourt sales. Many researchers have carried out studies about motivation but very few have shown interest in the retail fuel sector in Uganda. This study therefore fills this knowledge gap by finding out what is in place as far as service station attendants' motivation is concerned and to establish its effect on the attendants' performance.

#### 1.11 Operational definition of terms and concepts

**Motivational strategies** in this study refer to the compensation, recognition and job design efforts by the management of the organization aimed at motivating employees' performance.

**Compensation** in this study refers to the basic pay and incentives received by an employee.

**Recognition** in this study refers to the material and non-material rewards given to employees

**Job design** in this study refers to the efforts to provide for autonomy, job feedback, task identity, skill variety, and task significance in employee jobs.

**Employee performance** in this study refers to the timeliness, quantity and quality of service offered by an employee.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter presents a review of related literature on motivational strategies and employee performance world over based on what previous studies have done by expounding on the relationship between the variables and identifying the literature gaps. The first section presents the theoretical review. This is followed by a review of related literature on compensation and employee performance, recognition and employee performance, job design and employee performance and a summary of the literature review.

#### 2.2 Theoretical Review

The study was guided by the Maslow's Hierarchy of needs and Job characteristic model by Hackman and Lawler (1971). Maslow (1943) suggests that human needs can be classified into five categories and that these categories can be arranged in a hierarchy of importance. These include physiological, security, belonging, esteem and self-actualization needs. Physiological Needs include primary or basic needs and they include air, food, shelter, sex, and relief or avoidance of pain. In an organizational setting, these needs include adequate salary, breaks, and working conditions.

Safety needs are concerned with safety and security. In the organizational setting, these needs include safe working conditions, salary increases to meet inflation, job security, and fringe benefits that protect the physiological needs. However, jobs are less secure today, and fewer benefits are given. Social needs include needs related to love, friendship, acceptance, and affection. In the organizational setting, these needs include the opportunity to interact with others, to be accepted, and to have friends. Esteem needs focus on ego, status, self respect, recognition for accomplishments, and

a feeling of self-confidence and prestige. In the organizational setting, these needs include titles, the satisfaction of completing the job itself, merit pay raises, recognition, challenging tasks, participation in decision making, and the chance for advancement Maslow (1943).

According to Maslow, a person is motivated first and foremost to satisfy physiological needs. As long as the employees remain unsatisfied, they tend to be motivated only to fulfill them. When physiological needs are satisfied they cease to act as primary motivational factors and the individual moves "up" the hierarchy and seeks to satisfy security needs. This process continues until finally self actualisation needs are satisfied. According to Maslow the rationale is quite simple because employees who are too hungry or too ill to work will hardly be able to make much of a contribution to productivity hence difficulties in meeting performance expectations. According to (Greenberg & Baron 2003) Maslow's theory as applied to management implies providing financial security as an important type of safety need. There is also need to provide opportunities to socialize and when employees work as a team they tend to increase their performance. There is also need to promote a healthy work force by providing incentives to keep them healthy both in health and mentally.

Clayton Alderfer reorganizes Maslow's Needs Hierarchy into three levels of needs: existence (physiological and safety needs), relatedness (social), and growth (esteem and self-actualization) or simply put as ERG. Alderfer maintains the higher- and lower-order needs. He agrees with Maslow that unsatisfied needs motivate individuals. Based on Maslow's work, scholars have concluded that the major recommendation to managers is to meet employees' lower-level needs so that they will not dominate the employees' motivational process (Locke & Latham, 2004).

Managers should get to know and understand people's needs and to meet them as a means of increasing performance. To use ERG theory, answer six questions: (1) What need does the individual have? (2) What needs have been satisfied? (3) Which unsatisfied need is the lowest in the hierarchy? (4) Have some higher-order needs been frustrated? If so, how? (5) Has the person refocused on a lower-level need? (6) How can the unsatisfied needs be satisfied? (Seibert, Silver, & Randolph, 2004).

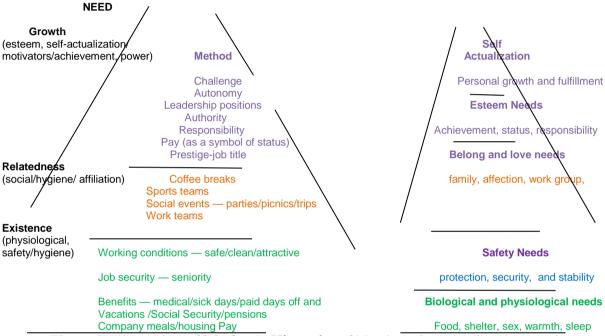


Figure 2: Illustration of Maslow's Hierarchy of Needs and motivational strategies

Stajkovic, A.D and Luthans, (2001). Differential Effects of Incentive Motivators on Work Performance," *Academy of Management Journal* 4, (3), 580–590.

Maslow's needs theory has been criticized for its classification of needs and yet fundamental human needs are non-hierarchical, and are ontologically universal and invariant in nature part of the condition of being human and poverty for example may result from any one of these needs being frustrated, denied or unfulfilled (Hofstede, 1984). The other criticism of Maslow focuses on his theoretical conceptualization where hierarchy of needs from an individualistic perspective, being that he was from the United States, a highly individualistic nation. The needs and drives of those in

individualistic societies tend to be more self centered than those in collectivist societies, focusing on improvement of the self, with self actualization being the apex of self improvement. One of the common criticisms of Maslow's hierarchy of needs is that once the needs are met, they do not simply disappear, rather, certain environmental cues can make them come back for example the need for sex (Cianci et al., 2003).

The Maslow's theory of motivation therefore underpinned this study as it points out the key concepts of compensation by giving employees attractive pay and incentives. It also suggests the concept of recognition which helps employees to develop their self esteem and actualization. The use of compensation and recognitions as described in the theoretical review above was used to identify the theoretical underpinnings of service station attendants for enhanced performance.

The job characteristic model developed by Hackman and Oldham (1980) assumes that specific job characteristics are reported to influence performance drivers from an individual's intrinsic motivation to work and performance. They include: autonomy, job feedback, task identity, skill variety, and task significance. The model assumes that the more a job provides certain extrinsic factors, including substantial freedom to act, effective feedback, identifiable work, a variety of activity, and a perceived impact upon the lives of others, the greater an individual's intrinsic motivation at work and perseverance in the organisation (Hackman and Oldham, 1980 as cited in Muddy & Pesut, 2006).

The Job Characteristics Theory by Hackman and Oldham (1980), posits that every job contains to some degree the five core job characteristics that include skill variety,

task identity, task significance, autonomy, and job feedback. These core job dimensions determine whether the employee experiences meaningfulness of work completed, responsibility for the outcomes of the work, and knowledge of the actual results of the work activities. If these psychological states are fulfilled, the employee will experience satisfaction, improve productivity, and work effectiveness as illustrated in figure 3 below.

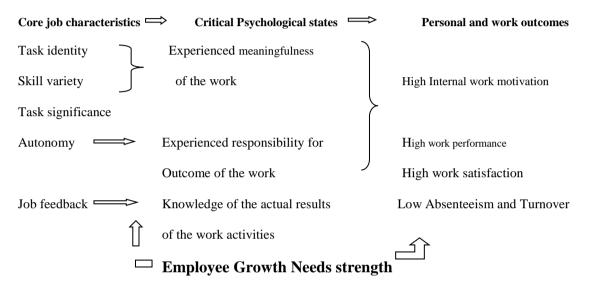


Figure 3: The job characteristic performance outcome illustration

Source: Hackman, J.R., Oldham, R.G. (1980), "Motivation through the design of work: test of a theory", Organizational Behavior and Human Performance, Vol. 16 pp.250-279.

In the above model, it proposes that particular job dimensions cause workers to experience specific psychological reactions called 'states'. In turn they also produce specific personal work outcomes. Figure 3 above therefore, shows the relationship between the core job dimensions, the psychological states they produce, and the resulting personal and work outcomes. Thus, it indicates that intrinsically satisfying tasks are high on skill variety, task identity, task significance, autonomy and feedback.

The job characteristic model although widely used has been criticized for not considering the social environment as an important factor in work design, through interpersonal social aspect of work has been missing from job characteristics conceptualizations (Morgeson & Campion 2003). Critics have noted that a challenge

to the job characteristics approach came in the form of the social information processing perspective (Parker et al. 2001). Noting that employees' perceptions of their work would be the most direct determinants of their attitudes and behavior, this approach suggested that perceptions arise much from social factors as from objective work characteristics, making how people see their work the focus rather than the design of work itself. Research has supported the idea that social influences affect perceptions of jobs, but suggests that these effects are weaker than those of objective job features (Parker et al. 2001).

The Hackman and Oldham (1980) job characteristics model however underpinned this study as it suggests the concept of job design with its associated characteristics of autonomy, job feedback, task identity, skill variety, and task significance for offering intrinsic motivational factors for enhanced employee performance.

#### 2.3 Compensation and Employee Performance

A commonly accepted view is that compensation is the financial and non-financial rewards, intrinsic and extrinsic rewards, which together comprise total remuneration and may include financial rewards in form of wages, bonus and profit sharing while non financial rewards cover desirable things that are potentially at the disposal of the organization. They continue to describe financial rewards as having the ability to either enhance employee's financial well being or not, while non financial regards do not increase employee's financial position; and irrespective of the type of reward offered, they all motivate employees and increase performance (Armstrong, 2010; DecCenzo &Robbins, 2002, Schuster & Zingheim, 2002).

Monetary rewards, on the other hand, imply control and micro-management over employees (James, 2005). Monetary incentives can also externalize the locus of

motivation, which is likely to diminish intrinsic motivation and time devoted to job activities. For legal and fairness concerns, monetary rewards tend to be performance-based.

In relation to basic pay, Heery and Noon (2001) define base pay as the rate of pay for a job or a grade in organization, to which can be added various supplements, benefits, bonuses, and allowance, Torrington and Hall (1998) describe base pay as an irreducible minimum rate of pay of a standard rate not having any additions made to it. The concept of compensation and its forms of basic pay and incentives offers a basis for examining the different forms basic pay and incentive the management of fuel service stations advances to its employees. This particular study on GAPCO found out that about half of the service station attendants perceived their basic pay to be unfair.

Compensation serves many roles and according to Melissa and Sackett (2003), there is a general contention that it is necessary to have adequate pay, which attracts and retains people of the right caliber to the organization. Blair et al., (2005) in support noted that unless management constantly upgrades pay rates, or provides other monetary rewards based on increased output, the workers will do so themselves through counterproductive activities such as lateness, absenteeism as they may be engaged in personal ventures to generate more money and working at a slower rate. It was in this study's best interest to establish the employee compensation practices in the fuel franchise business and how the compensation practices could have influenced the performance of frontline service station staff.

Compensation motivational strategies widely categorized into base pay and base pay adjustments; incentives; and benefits provided as motivators to employee

performance in both public and private sectors (Clampitt & Potempa, 1994). Base pay can be calculated through market pricing, job evaluation, and market comparisons (Gross, 1995). Traditionally, base pay has been determined for a specific job. More recently, salaries have been based on the number of skills or competencies an employee has and/or can use Skill/Competency Based Pay. Many organisations provide base pay not only to meet statutory requirements but equally aimed at improving on the rate at which employees produce outputs (Huang *et al.*, 2003). Compensation therefore is tied on a number of factors such as market pricing, job evaluation, and market comparisons with an overall aim of improving employee productivity.

In relation to incentives, contemporary approaches of offering incentives are through piecework plans, time saving bonuses and commissions at the individual, team or whole organizational level incentives (Armstong, 2010; DecCenzo & Robbins 2002). Similarly, the CIPD survey (2006) observes that the most commonly used incentive scheme is that, that links to an individual's performance followed by collective approaches and sometimes a combination of the two. Armstrong (2010) further noted that individual performance related pay relates to pay progression or bonuses to be assessed by performance of individuals.

Compensation practices are generally determined by the organization's strategy and business necessities (Boyd & Salamin, 2001). Similarly, individuals may favor different incentives according to their needs, education, social status, or circumstances (Gerhart & Rynes, 2003). Thus, organizations try to cater for individual preferences to align employees' efforts with the business objectives. Besides individual preferences, unique characteristics associated with the occupation of some employees may impose constraints on the effectiveness of rewards systems.

Alansari (2011) study of librarians in Kuwait found out that the most ranked sources of dissatisfaction were low salaries, with a mean of 4.60; inadequate financial rewards for excellent performance, with 4.35; low prestige and social status, with 4.33; and lack of promotion and advancement opportunities, with 3.24. The top four sources of dissatisfaction relate to material benefits and social image. Low salaries are a traditional source of dissatisfaction identified by other studies in developing countries (Abdel-Moty and Lesher, 2007; Togia et al., 2004).

DecCenzo and Robbins (1998) found that individual incentives work best where clear performance objectives can be set and where tasks are independent. Individual incentives may kill the morale of other employees who do not benefit from the scheme leading them to think that their contribution is not worthwhile. Armstrong's advice is to avoid defining individual performance in a way which is so internally competitive that it disrupts teamwork. As part of the study interest, effort was undertaken to identify the different forms of incentives pump attendants received and how these incentives could have contributed to enhanced employee performance. This study found that about half of fuel service station attendants did not receive incentives related bonuses, allowances for extra work duties, loans; skills based pay, and social events which adversely affected their performance.

#### 2.4 Recognition and Employee Performance

The role of verbal recognition in stimulating employee performance has been highlighted by many authors who argue that the underlying assumption in this employee verbal and material recognition approach is that, like all individuals, employees need some acknowledgement of their accomplishments (Baldoni, 2005; Krause, 2008; Milne, 2007). Gines (1998) observes that companies must foster

employee motivation through acknowledging achievements that are in line with corporate long term objectives as well as activities that generate immediate results. This is best accomplished by incorporating the company's culture and values into the training regime. It is anticipated that the employees will, ultimately, internalize this into their day-to-day activities. Some effort has been undertaken to examine the relationship strength between monetary and non-monetary recognitions and noted that symbolic incentives, such as recognition and other non-monetary rewards, signal appreciation (James, 2005) and enhance feelings of control and self-actualization. Such rewards emphasize appreciation and self-importance that are likely to boost inherent interest in the vocation (Frey & Jegen, 2001).

Previous empirical research has shown that performance-contingent rewards are associated with lower level of internalization, and thus undermining intrinsic motivation and non-monetary rewards, on the other hand, are more likely to enhance interest and involvement in the job (Bandiera et al., 2012). However, on the contrary, Markova, Cameron and Ford (2011) study hypothesis that employees who received non-monetary rewards reported working longer hours but did not find such relationship for monetary rewards and work hours. Since we consider that discretionary work hours represent intrinsic motivation, the results suggest that non-monetary rewards are less likely to inhibit intrinsic motivation in comparison to monetary rewards. It was therefore important to examine which among the monetary and non-monetary employee recognition practices was a more significant predictor of employee performance outcomes among petrol station attendants to help set priorities for adoption of motivation in the fuel franchise business in Kampala and also cover literature gaps on the relationship between the different forms of employee recognition and employee performance.

As a motivational strategy which does not cost much but verbal pronunciation to motivate employees, Dutton (1998) noted the lack of employee recognition is cited as a major and recurring source of employee burn out and diminished performance leading to losing disenchanted innovators as well as lower levels of effort and even sabotage and espionage among industrial workers in Europe. Krause (2008) however focused on the outcomes of lack of recognition and observed that people working consistently under high pressure without ever receiving recognition from supervisors will always experience negative stress which is undesirable state among workers because it compromises performance. The authors' views on the outcomes of stress could be held true but had a major limitation of generalization of the industrial workers setting in Europe to customer service personnel in the fuel franchise business in a developing country like Uganda. It was therefore necessary to establish the outcomes of low recognition on the performance of fuel service station attendants in Kampala business centre setting.

Alansari (2011) study supports the importance of recognition in employee achievement as being one of the top most important aspect of job satisfaction and performance as it in turn inspires employees to work even harder. In support, Milne (2007) too observed that employee recognition programmes can positively affect motivation, performance and interest in the job within the organisation. Baldoni (2005) seemed to concur with the preceding authors and put it that recognition may be the single most powerful reason that people work, aside from income. When people are recognized they become motivated, they want to work, and do it all. This still has support from Bruno et.al (2009), who wrote that the quest for social recognition is an important driver of motivation. This study, while building on the above authors findings advanced the debate by testing if the efforts undertaken to reward and

recognize employees contributes to the performance of fuel station attendants in Kampala business area.

Disturbingly, recognition is often perceived as a costly, non-essential practice that generates no significant benefit to organizations (McConnell, 1997). As a result of downsizing and reengineering, many of these recognition programs have been scrapped for the reasons just mentioned. However, McConnell states that by recognizing employees' accomplishments, many psychological and motivational needs are met, resulting in enhanced performance.

Baldoni (2005) too suggested that elaborate and costly systems are not required for these simple acts of recognition to be implemented and may be carried out at a supervisory level as opposed to the organizational level. To this effect Baldoni (2005) advises that recognition must be carried out in such a way that it is administered in order to reward employee achievements that are indicative of commitment to the organization and are tied to specific accomplishments. The preceding authors' opinion on the need to recognize employees seems to be only suggestive but fails to offer practical ways by which the management of service sector firms could effectively recognize frontline customer care personnel in the fuel service business. This study therefore strived to cover these literature gaps by providing empirical evidence on the best practices in recognizing fuel service station attendants.

Milne (2007) however offers options for enhancing employee performance and opined that a manner in which this cycle may be broken is through creating challenges in employees' jobs and by recognizing their efforts as this results into greater productivity, creativity and inspiration from employees experiencing greater fulfillment in carrying out their daily tasks. In support of the best practices in

employee promotions, Schendei (2006) noted that promotion as a means of incentive by which a profit making organization can create incentives for its workers, motivating them to appropriate level of effort and performance. It was not certain the extent to which fuel service station provided for employee promotions as forms of recognition. This study therefore strived to establish the promotion practices in GAPCO Uganda.

Milne (2007) and Schendei (2006) suggestions could be held true but they fall short of providing evidence on how fuel companies recognized service station attendants verbally and materially. This study covered this literature gap of which it found out that about six in every ten service station attendants were demotivated by the inadequate and total lack of material and verbal recognition.

# 2.5 Job design and employee performance

The design model aimed at providing job characteristics which enhance employee job intrinsic motivation and performance related outcomes acknowledges that autonomy is one of the most fundamental psychological needs (Sheldon et al., 2001) and individual differences in autonomy orientation can in part explain why people react differently to external interventions, such as goal setting and when motivated by autonomy orientation, people's choices are made on the basis of internal needs and preference (Lee et al., 2006).

The core job characteristics are followed by three critical psychological states, namely: (1) experienced meaningfulness; (2) experienced responsibility; and (3) knowledge of results. Meaningfulness which is a cognitive state involving the degree to which employees perceive their work as making a valued contribution, as being important and worthwhile; responsibility which is the degree to which the employee

feels personally accountable for the results of the work they do; knowledge of results which is the degree to which the employee knows and understands, on a continuous basis, how effectively they perform their job. The attributes of job characteristics when not well elaborated in jobs will result into employees preferring to exit the organisation (Rotenburry & Moberg, 2007). In turn, the critical psychological states are accountable for increased work satisfaction, internal work motivation, performance and reduced absence and employee turnover. The model assumes that autonomy and feedback are more important than the work characteristics, and that individuals with higher growth need strength (i.e. desire for challenges and personal development) will respond more positively to enriched jobs than others (Valance, 2007).

Vance (2007) in advancement of the relationship between job enrichment and proactive work behaviors noted that managers who provide enriched work by providing jobs that are high in meaningfulness, variety, autonomy and co-worker trust stimulate engagement and enthusiasm in their employees. In turn, engagement and enthusiasm encourage employees to define their work roles broadly. Broad definition of job roles then enhances workers' willingness to take ownership of challenges that lie beyond their immediate assigned tasks. These challenges inspire people to innovate and to solve problems proactively. Thus, job enrichment promotes engagement in both prescribed and voluntary work activities.

Vance (2007) further noted that although somewhat preliminary, these studies shed valuable light on how management might design work to inspire employee engagement and commitment. To increase commitments imbue jobs with meaningfulness, variety, autonomy co-worker support. With job enrichment, employee performance on prescribed tasks improves. Vance's observations although

based on empirical results fell short of proving reasonable ground if any efforts directed to enriching customer service personnel jobs in the fuel service sector will significantly results into improved employee performance. This study therefore provided empirical evidence on the extent to which job characteristic influences the performance of fuel station attendants in Kampala business centre.

To Lee et al., (2006), job autonomy is vital and contends that people with strong autonomy orientations are more likely to set mastery goals for themselves and take greater responsibility for their own performance than those with a low autonomy orientation. The role of job autonomy in motivating employee performance seems to be well elaborated by the authors but we questioned the view that providing job autonomy contributes to performance of front line personnel in the fuel service stations. The questions arise given the nature of the job and if there were any means of job autonomy which could be offered for fuel service station attendants for their enhanced performance.

Gagne and Deci (2005) too found that job autonomy is linked to certain factors related to employee engagement, such as the willingness to dedicate one's efforts and abilities to a work task. Xanthopoulou et al., (2009) have studied employees from three branches of a Greek fast-food company. In addition to other variables, the authors examined how job autonomy was linked to work engagement and financial returns. A study by Schaufeli et al. (2009) of managers and executives of a Dutch telecom company whose aim was to reveal whether job resources (including job autonomy) were predictive of engagement revealed that job autonomy was a positive predictor of work engagement.

Yang and Choi, (2009) regression analysis found a significant, positive effect of autonomy on team performance. Employees' autonomy in making their decisions is related to employees' intrinsic motivation. Higher intrinsic motivation leads to higher performance. Second, the results of this study demonstrated the positive relationship between responsibility and team performance. The research further found that information in form of job feedback has a positive effect on performance.

Although these were comprehensive studies, they did not focus on performance of front line staff which was one of the objectives of this study and such conclusions cannot be generalized to these types of jobs necessitating an empirical examination of the influence of job design on the performance of fuel service station attendants.

Related to the above authors' opinions and findings on job characteristics, Scott-Ladd and Marshall (2004) found that, participation in decision making is important to employees and, along with job satisfaction and effective organisational commitment, is valued by them. The interpretation was that employees believe they are better off because of participation in decision making and the organisation also gains through the positive impacts on task and performance effectiveness. This suggests it is critical for managers to ensure they get the right balance between task attributes, performance demands and rewards so that they can maintain satisfied and committed workers. How then would fuel station manager and owners provide for participation in decisions making for enhanced employee performance as opined by Scott-Ladd and Marshall (2004)? This question would only be answered through a scientific study to cover the literature gap.

Boselie (2010) study demonstrated a positive relationship between creating opportunities for employee participation for example through job autonomy and

through employee involvement in decision making and organisational citizenship behavior. Boselie (2010) results suggested that the optimal choice of specific HR interventions depends on the desired outcome. When effective employee commitment is required, for example due to high employee turnover risks, high performance work practices that enhance abilities are considered to be the right choice. Providing employees with opportunities for further personal development through skills and general training stimulates affective commitment with positive employee performance related outcome. This study found out that fuel attendants' jobs did not adequately provide for task identity, task significance, skills variety, job autonomy and feedback which was demotivating leading to underperformance.

# 2.6 Summary of the literature review

The literature suggests that compensation involves the meeting of statutory obligations pay coupled with the organisational based incentives aimed at enhancing employee performance. Similarly the literature suggests the use of material and verbal forms of employee recognition aimed at achieving employee performance. The literature further suggested five forms of job characteristics of task autonomy, skills variety, task identity, task significance and job feedback. However, there was no empirical evidence on the extent to which compensation, recognitions and job characteristics influenced the performance of fuel stations attendants. This study inferred that compensation, recognition and job design were significant predictors of the variance in employee performance since they predicted up to 66% of the variance performance of service station attendants' performance.

#### **CHAPTER THREE**

#### METHODOLOGY

#### 3.1. Introduction

This chapter presents the research design, population of study, sample size and selection, data collection methods and instruments, validity and reliability of the instrument, data collection procedures, data analysis and measurement of variables.

# 3.2. Research Design

The study used a cross-sectional study using quantitative and qualitative approaches to examine the influence of motivational strategies on the performance of fuel station attendants. Cross-sectional data was used because motivational strategies and employee performance were to be studied at one point in time (Amin, 2005). In this study, the correlation and regression analyses were used to establish the relationship between variables and the extent to which the motivation dimensions influenced employee performance. Descriptive statistics of mean and standard deviation were used to interpret the study variables. On the other hand, qualitative data was used to give a qualitative explanation on the relationship between motivational strategies and performance of fuel station attendants' performance.

# 3.3. Study Population

The study was carried out at 11 GAPCO fuel service station outlets in Kampala business area consisting of an accessible population of 85 pump attendants.

# 3.4. Sample Size and Selection Techniques

# 3.4.1. Sample Size

The study selected 70 pump attendants based on Krejcie and Morgan (1970) Sampling guidelines (see appendix III).

**Table 2: Population and sample for the Research** 

Station	Population	Sample	Sampling
			technique
Nakulabye Kampala	10	8	Simple random
Wandegeya Kampala	7	6	Simple random
Oasis Kampala	13	11	Simple random
Kamwokya Kampala	7	6	Simple random
Nsambya Kampala	8	7	Simple random
Lubiri Kampala	5	4	Simple random
Ndeeba Kampala	4	3	Simple random
Katwe Kampala	7	6	Simple random
Kyengera Kampala	11	9	Simple random
Kibuye Ashfaq Kampala	3	2	Simple random
Bwaise Jasoliya Kampala	10	8	Simple random
TOTAL	85	70	

Source: GAPCO Uganda Operations Records, December, 2012

As indicated above, the study used a probability sampling technique of simple random sampling using the lottery approach where names of each station attendants were written on a tag, put in basket and one picked at a time until the required number of attendants for a particular station is obtained (Amin, 2005). Proportionate sampling was used to arrive at the number of each sample. For instance to arrive at the sample from the 10 pump attendants in Nakulyabe Kampala the proportion of 70/85 was used thus 70/85\*10=8.

#### 3.5. Data Collection Methods

The study used a survey approach where both qualitative and quantitative data were collected. There are several survey approaches however this study used the questionnaire and interviewing approach as discussed below.

# 3.5.1. Questionnaire Survey Method

The study used a questionnaire to collect primary data from the selected respondents by personally delivering them to the respondents. The choice of the questionnaire was on the basis that the variables cannot be observed such as views, opinions, perceptions and feelings of the respondents on motivational strategies and employee performance. The questionnaire was also used because it is less expensive and can collect vast amounts of data collection in a short time (Amin, 2005). The questionnaire was issued to all the 70 respondents in their different categories.

# 3.5.2. Interviewing

In this method, the researcher interviewed respondents face to face to obtain in-depth information on motivation strategies and performance of pump attendants at GAPCO Uganda. The study specifically interviewed the Operations Manager in GAPCO Uganda and interviewed two (2) service station managers who supervise service station attendants and were therefore knowledgeable on the motivation strategies and performance of service station attendants.

#### 3.6. Data Collection Instruments

# 3.6.1. Questionnaire

A standardized close ended questionnaire scored on a 5-point Likert scale 5- Strongly Agree; 4- Agree; 3- Not Sure; 2- Disagree; 1- Strongly Disagree was used in collecting the primary data on each study variable. The questionnaire (see appendix I) was divided into sections covering demographic data, motivational strategies and employee performance.

#### 3.6.2. Interview Guide

The interview schedule (see appendix II) contained unstructured questions related to compensation, recognition and job characteristics, motivational strategies from which the study sought to gain qualitative data to complement the quantitative data.

# 3.7. Validity and Reliability

# **3.7.1.** Validity

The validity of the instrument was tested using the Content Validity Index. This involved judges scoring the relevance of the questions in the instruments in relation to the study variables and a consensus judgment given on each variable taking only variables scoring above 0.70. The Content Validity Index (CVI) was arrived at using the following formula;

# CVI = Total number of items declared valid

Total number of items

The results of the CVI analysis are shown in table 3 below.

**Table 3: Content Validity Index Results** 

Variable	Total No of items	No. of valid items	CVI
Compensation	10	8	0.800
Recognition	8	7	0.875
Job design	10	9	0.900
Employee performance	13	12	0.923

Source: Expert Judgment

Table 3 shows that the compensation dimension of motivation yielded CVI of 0.800, personal recognition yielded a CVI of 0.875, job design yielded a CVI of 0.900, while performance of service station attendants yielded a CVI of 0.923. Since all variables yielded a CVI above 0.70 accepted for social sciences, it was inferred that the instrument was relevant in measuring motivational strategies and performance of fuel service stations.

# 3.7.2. Reliability

The study instrument was pretested for its reliability on a sample of 5 pump attendants of Engen petrol station which operates a similar franchise model to GAPCO. This was done to examine individual questions as well as the whole questionnaire very carefully (Ami, 2005). Reliability measures the consistency of the instrument in measuring what it is supposed to measure (Amin, 2005). In this study a Cronbach's alpha coefficient was computed to show how reliable the data is using Software Package for Social Sciences (SPSS) and the results are shown in table 4 below.

**Table 4: Reliability Results** 

Variable	Total No of items	Cronbach's alpha
Compensation	10	0.780
Recognition	08	0.894
Job design	10	0.890
Employee performance	13	0.966

Source: Primary data

Table 4 above shows that compensation yield Cronbach's alpha value of 0.780, recognition yielded alpha value of 0.894; job design yielded alpha value of 0.890 while service station attendants' performance yielded alpha value of 0.966. Since all variables yielded an alpha value higher than 0.70 accepted for social sciences, it was concluded that the instrument was consistent in measuring motivation strategies and performance of service station attendants.

# 3.8. Data collection procedure

After the successful defense of the proposal, a letter to conduct the field study was obtained and permission to conduct the study was sought from the management of GAPCO to authorize the study. Anonymity and confidentiality of the respondents was observed by not asking the respondents to put their names on the questionnaires. Data

was collected with the help of one research assistant who distributed and collected the questionnaires. The data collected was immediately entered into SPSS in preparation for analysis.

### 3.9. Data Analysis

# 3.9.1. Quantitative Analysis

Quantitative data was presented in form of descriptive statistics using frequency and percentages for each of the variables used in the study to help quantify the distribution of perceptions of compensation, recognition and job design by the respondents. Pearson's coefficient r and significance p tested at the 95% and 99% confidence limits were used to test if there was any significant relationship between the independent and dependent variable. A positive Pearson's correlation coefficient (r) indicates a direct positive relationship between the variables while a negative correlation indicates an inverse, negative relationship between the two variables.

The regression analysis was used to test the extent to which the independent variables predicted the variance in the dependent variable using ANOVA statistics of adjusted  $R^2$  values, beta, t values and significance values (Amin, 2005). Specifically the adjusted  $R^2$  value gave a statistical indicator of the percentage to which the independent variable predicted the variance in the dependent variable.

# 3.9.2. Qualitative Analysis

Qualitative analysis involved organizing statements, and responses to generate useful conclusions and interpretations on the research objectives. Qualitative analysis involved coding of data, identifying categories and patterns that emerge in the responses on study variables as conceptualized and asked for in the interview guide on compensation, recognition and job design at GAPCO.

#### 3.10. Measurement of variables

The variables were measured by operationally defining concepts. For instance the questionnaire was designed to ask responses about compensation practice as proposed by ACA (1995), recognition based on Milne (2007) guidelines, job design based on Hackman and Oldham (1980) Job Characteristic Model. The study used employee performance measures proposed by Montgomery, (1997) Haung et al., (2003) and Malcolm (2001) based on self-ratings. Mabe and West (1982) in their argument on the use of self and supervisor rated performance noted that employees with high intelligence, desire for achievement and perceived internal control more accurately rated their abilities.

In addition, Furnham and Stringfield (1998) studied the congruence in performance ratings. They found that self-ratings were higher than others (managers, peers, consultants) rating. Mohyeldin and Suliman (2003) however discourages supervisor rating and pointed out that there is a growing body of evidence supporting the view that managers are often motivated to use rating inflation as a strategy to manipulate employees' reactions to the performance ratings they receive. It was therefore preferable to use self-rated performance to measure employee performance. The concepts of compensation, recognition, job characteristics and employee performance were then channeled into observable and measureable elements to enable the development of an index of the concept. A five- Likert scale namely: 5-Strongly agree; 4- Agree; 3- Not sure; 2- Disagree; 1- Strongly disagree was used to measure both the independent and dependent variables.

### **CHAPTER FOUR**

# PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.1. Introduction

This chapter presents analyses and interprets the study findings on the relationship between motivational strategies and performance of fuel station attendants at GAPCO. The first section presents response rate and this is followed by background information about the respondents. Sections 4.4, 4.5 and 4.6 present the analysis of the study findings in relation to the specific objectives.

# 4.2. Response Rate

A total of 70 questionnaires were distributed but 62 useable questionnaires were returned giving a response rate of 88.6% which was high. Amin (2005) suggested that a response rate of 50% is acceptable and suggests more accurate survey results. The rest of the questionnaire was either not returned in time for consideration or the fuel station had been closed down by the time of data collection. Three interviews were held and all the respondents gave positive feedback.

### 4.3. Background information

This section gives the characteristics of the respondents in relation with the level of education, time worked with GAPCO, trainings received and promotions. This is based on the information provided on the questionnaire by the respondents themselves.

**Table 5: Training received since joining the Fuel Station** 

Have you been trained since joining the station	Frequency	Percent
Yes	56	90.3
No	6	9.7
Total	62	100.0

Source: Primary data

Table 5 above shows that majority 56 (90.3%) of the fuel service station attendants who participated in this study received training while only 9.7% did not receive any training for effective job performance. This finding suggested that effort was undertaken to train service station attendants which should motivate them to effectively perform their duties after gaining the desired competencies from training.

**Table 6: Level of Education of the Respondents** 

Level of education	Frequency	Percent
Below O- level	1	1.6
O- level	23	37.1
A- level	20	32.3
Certificate	7	11.3
Diploma	5	8.1
Degree	6	9.7
Total	62	100.0

Source: Primary data

Table 6 above shows that majority of 23(37.1%) of the service station attendants had attained ordinary level certificate as their highest level of education followed by 20(32.3%) who had attained an advanced level of education. However, 6(9.7%) of the service station attendants had attained a university degree as their highest level of education. This finding suggested that although the majority fuel service station attendants had a low level of education qualifications (which was likely to attract a low pay), there was a reasonable number of attendants who had attained high education qualifications necessitating consideration of their qualification in the determination of basic pay to motivate employees with higher education to effectively perform their duties.

Table 7: Time worked with the fuel station

Time worked	Frequency	Percent
less than a year	18	29.0
1-3 years	30	48.4
4-6 years	11	17.7
7 and above years	3	4.8
Total	62	100.0

Table 7 above shows that a majority 30(48.4%) of the service station attendants had worked with GAPCO for 1-3 years while 18(29%) had worked for less than a year. Only 11(17.7%) had worked for 4-6 years while 3(4.8%) had worked for seven years and above. This finding revealed a high rate of employee turnover since a majority of 77.4% had worked for less than three years with the GAPCO service stations a situation which could be attributed to the low motivation.

**Table 8: Promotions by the Station Attendants** 

Have you been promoted	Frequency	Percent
Yes	7	11.3
No	55	88.7
Total	62	100.0

Source: Primary data

Table 8 above shows that majority 55(88.7%) had not been promoted while only 7(11.3%) had been promoted since they joined GAPCO service stations. The failure to promote attendants is demotivating and this may be attributed to lack of promotion opportunities for service station attendants. This finding may necessitate management to create job structures in the fuel station management hierarchy in order to ensure that opportunities for promotion exist.

# **4.4.** The effects of compensation on the performance of fuel stations attendants in GAPCO Uganda Ltd

The first objective of the study was to establish the effects of compensation on the performance of fuel stations attendants in GAPCO Uganda Ltd. Compensation was one of the dimensions of motivational strategies and had two indicators of basic pay and incentives measured using 10 items scored on five (5) point Likert scale ranging from 5= strongly agree, 4 = agree, 3 = not sure, 2= disagree, 1= strongly disagree and the findings are shown in table 9 below.

**Table 9: Descriptive statistics for compensation** 

Compensation	SDA		DA		A		SA	
Basic pay	Freq	%	Freq	%	Freq	%	Freq	%
1. My pay adequately rewards me for my contribution to this fuel service station	4	6.5	29	46.8	29	46.8	0	0
2. My pay is based on market comparisons with competitors	10	16.1	20	32.3	32	51.6	0	0
3. My pay is based on the skills or competencies I posses and can use in the fuel service station	6	9.7	17	27.4	39	62.9	0	0
4. My pay is subject to reasonable inflationary pay adjustments which I appreciate	4	6.5	43	69.4	15	24.2	0	0
Incentives								
5. I received bonuses whenever I achieve my targets in this service station	6	9.7	35	56.5	17	27.4	4	6.5
6. I get allowances for extra duties and task assigned to me in this service station	9	14.5	23	37.1	30	48.4	0	0
7. I get loan guarantee cover from my workplace whenever I need it	10	16.1	23	37.1	29	46.8	0	0
8. My rewards increases when I acquire new competencies or new knowledge	11	17.7	32	51.6	19	30.6	0	0
9. The fuel service station offers me medical treatment as benefits	34	54.8	19	30.6	9	14.5	0	0
10. Social events are organized for service station attendants	27	43.5	24	38.7	10	16.1	0	0

Source: Primary data

# Basic pay

Table 9 above shows that majority, 53.3% (6.5% for strongly disagree + 46.8% for disagree) of the fuel service station attendants disagreed that their pay adequately rewarded them for their contribution to the fuel service station while 46.8% agreed. This suggested that almost half of the GAPCO attendants (46.8% for disagree) were demotivated by compensation system which did not adequately consider the inputs of an attendant to determine the basic pay they received.

Similarly, a total 51.6% of the respondents indicated that pay was based on market comparisons with competitors while 48.4% felt that their pay was not based on the industry standard. This particular finding suggested that about half of the GAPCO

attendants were de-motivated by the compensation practice where basic pay was not based on what other fuel stations were paying.

Furthermore, table 9 above shows that the majority of the respondents (62.9%) agreed that their pay was based on the skills or competencies they possessed and could use in the fuel service station while a reasonable number (34.1%) disagreed. This finding suggested that about 3 in every 10 GAPCO service station attendants were demotivated by the compensation system which did not consider the skills they possessed as a determinant of basic pay. 75.9% of the respondents disagreed that their pay was subject to reasonable base pay adjustments which they appreciated while only 24.2% agreed. This finding revealed that 8 in every 10 fuel service station attendants were de-motivated by the poor compensation system which did not consider basic pay adjustments based on the changes in living wage.

However, one of the interviewees disagrees with the above position on basic pay and put it:

"Basic pay is arrived at by considering the experience one has and what competitors were offering"

One service station on its part adopted the pay 7/= per litre sold by the pump attendant. The total sales by each station attendant were then computed at the end of the month and multiplied by 7Shs/litre in order to arrive at the total pay for that particular attendant.

The qualitative finding suggested that few parameters were used to determine the pay of the fuel attendants which results into a low and demotivating pay received by the fuel attendants.

#### **Incentives**

66.1% of the fuel station attendants indicated that they did not receive bonuses whenever they achieved their targets at service stations, a finding which suggested that almost 7 in every 10 service station attendants were de-motivated by the failure to receive bonuses as incentives for achieving targets. Also 51.5% of the service station attendants indicated that they did not get allowances for extra duties and tasks assigned to them at the service station while 53.2% indicated that they were unable to get loan guarantee cover from the workplace whenever required. These findings suggested that about half of the fuel station attendants could be demotivated by the failure of the compensation system to recognize and give them incentives in form of allowance for extra duties and loan guarantees to supplement their basic pay.

Similarly, 69.3% of the fuel station attendants disagreed that their rewards increased when they acquired new competencies or knowledge while 85.4% disagreed that the fuel service station offers them medical treatment as benefits. 82.2% disagreed that social events were organized for service station attendants. These findings suggested that about 8 in every 10 fuel station attendants could have been demotivated by the poor incentive system which did not provide for medical treatment and work recreational/leisure activities for good performance which may lead to their underperformance. There was also failure to use skills based incentives to motivate service station staff who would have gained more knowledge and skills.

Asked to describe the different incentives received by service station attendants at GAPCO, one interviewee put it:

"We receive incentives on lubes only as percentage of total sales for a pump attendant. However, transport allowance and lunch of 2000/=per day worked is also issued"

#### Another interviewee noted:

"We receive Christmas and other big holiday benefits in general although these days are not so frequent. Otherwise there are no other incentives for fuel station attendants".

The interviewees further acknowledged a range of challenges in compensating service station attendants to include shortages having to be deducted on attendants pay leaving them some times in negatives, missing products at the pump stand, low capacity to pay due to the small margin of income per litre of fuel, and low sales due to many stations in an area.

The qualitative findings suggested that although there was effort to give incentives, the incentive base or options were few to be attractive and motivating to the fuel station attendants. This was escalated by the fines or deductions on losses registered by the pump attendants.

# 4.4.1. Correlation Analysis between Compensation and Performance of Fuel Station Attendants

To test the relationship between compensation and performance of fuel station attendants, Pearson's correlation analysis was conducted at the 2-tailed level and the findings are presented in table 10 below.

**Table 10: Correlation Matrix between Compensation and Performance of Fuel Station Attendants** 

		Compensation	Performance of Fuel			
			Attendant			
Compensation	Pearson Correlation	1				
	Sig. (2-tailed)					
Performance of Fuel	Pearson Correlation	0.602**	1			
Attendant	Sig. (2-tailed)	.000				
**. Correlation is significant at the 0.01 level (2-tailed).						
$P \le 0.05$						

Source: Primary data

Table 10 above shows Pearson's correlation coefficient r = 0.602\*\* and p = 0.000

between compensation and performance of fuel station attendants suggesting that

there was high positive significant relationship between compensation practices and the performance of fuel station attendants. The implication was that the performance of the fuel station customer service staff depends on their level of compensation. Increasing on the compensation will have a resultant effect in improving the service station attendants' performance.

# 4.4.2. Regression Results between compensation and performance of service station attendants.

To establish the effects of compensation on the performance of fuel station attendants, a regression analysis was conducted using the ANOVA techniques of adjusted R<sup>2</sup> values, standardized beta values, t-values and the significance measured at 0.05 levels. The results are tabulated in the Table 11 below.

Table 11: Regression results between compensation and performance of fuel service station attendants

Model	R	R	Adjuste	t-value	F-	Sig	Std. Error of
		Square	d R		constant		the Estimate
			Square				
1	0.601a	.362	.351	5.835	34.050	0.000	0.707
a. Predictors: (Constant), Compensation							

 $P \le 0.05$ 

Source: Primary data

The regression model in Table 11 above shows adjusted  $R^2$  value of 0.351 between compensation and performance of fuel station attendants suggesting that compensation of the fuel service stations attendants alone predicted 35.1% of the variance in the performance of the service station attendants. The adjusted  $R^2 = 0.351$ , t = 5.835, F = 34.050 and sig 0.000 suggested that the compensation significantly affected the performance of the service station staff. The implication is that the speed of services, number of customers served and quality of customer service by a service

station attendant to a great extent was affected by their basic pay and incentives received.

# 4.5. The effects of recognition on the performance of fuel station attendants in GAPCO Uganda Ltd

The second objective of the study was to establish the effects of recognition on the performance of fuel stations attendants in GAPCO Uganda Ltd. Recognition was one of the dimensions of motivational strategies and had two indicators of material and verbal recognition measured using 8 items scored on five (5) point Likert scale ranging from 5= strongly agree, 4 = agree, 3 = not sure, 2= disagree, 1= strongly disagree and the findings are shown in table 12 below.

**Table 12: Descriptive Results for Recognition** 

Recognition	SDA		DA		A	
Material	Freq	%	Freq	%	Freq	%
1. I am always given awards by the management of the service station in recognition of my good performance.	9	14.5	27	43.5	26	41.9
2. I am always given gifts by the management of the service station in recognition of my good performance	9	14.5	25	40.3	27	43.5
3. The management of the service station always offer me dinner in recognition of my good performance as a service station attendant	9	14.5	29	46.8	24	38.7
4. The management of the service station always give certificates as an appreciation in recognition of my good performance as a service station attendant	9	14.5	28	45.2	25	40.3
Verbal						
5. My supervisor gives me constructive feedback on how well I am perform	9	14.5	38	61.3	14	22.6
6. I often receive praises from management of the service station whenever I deserve it	18	29.0	37	59.7	6	9.7
7. Customers who check in this fuel service station praise my customer service	23	37.1	30	48.4	7	11.3
8. I generally get credit for what I do when its due to me	8	12.9	28	45.2	25	40.3

Source: Primary data

# **Material recognition**

Table 12 above shows that majority 58% (14.5% for strongly disagree + 43.5% for disagree) of the fuel station attendants indicated that they were not always given awards by the management of the service station in recognition of their good performance while 41.9% agreed.

Similarly, a majority 54.8% of the fuel service station attendants disagreed that they were always given gifts by the management of the service station in recognition of their good performance as a service station attendant while 61.3% disagreed that the management of the service station always offer me dinner in recognition of my good performance as a service station attendant. Another majority of 59.7% disagreed that the management of the service station always give certificates as an appreciation in recognition of my good performance as a service station attendant.

These findings suggested that about 6/10 fuel station attendants were demotivated by the failure of the GAPCO station management to give them material awards, gifts, dinner and certificates for good performance which may result into less efforts to offer best customer service. It is necessary that the management of GAPCO considers adoption of material recognition forms of employee motivation to enhance performance of fuel station attendants.

# Verbal recognition

Table 12 above shows that the majority, 75.8% of the fuel station attendants disagreed that their supervisor gave them constructive feedback on how well they were performing while 88.8% disagreed that they often received praises from management whenever they deserved it. Similarly, 85.5% of the fuel station attendants were not

appreciated for their services by customers who check in to the fuel service stations. These findings revealed 8 in every 10 fuel station attendant did not receive verbal recognition from supervisor, management and customer where it is due. The failure to give verbal recognition by management and immediate supervisors is demotivating to most employees yet it is costless. This situation may be attributed to the attitudes of management to employees and the inadequate management capabilities of the supervisors which need to be developed through training in people management and recognition.

Asked to describe efforts to recognize fuel station attendants at GAPCO, one interviewee stated that:

"There is no effort by the service station management to recognize attendants other than a verbal thank you"

#### Another interviewee stated that:

"We have end of year get together parties at which speeches, praises and gifts are given to best performing staff of the station".

The challenges noted in recognizing employees included difficulty of measuring customer service targets for which management only resorts to use of subjective indicators.

The interview findings implied a low use of verbal recognition by the supervisors with minimal use of material recognition which demotivated the fuel station attendants. It is therefore necessary that service station attendants are recognized through a simple thank you and use of non-financial material recognitions.

# 4.5.1. Correlation Analysis between Recognition and Performance of Fuel Station Attendants

To test the relationship between recognition and performance of fuel station attendants, Pearson's correlation analysis was conducted at the 2-tailed level and the findings are presented in table 13 below.

Table 13: Correlation Matrix between Recognition and Performance of Fuel Station Attendants

		Recognition	Performance of Fuel Attendant
Recognition	Pearson	1	
_	Correlation		
	Sig. (2-tailed)		
Performance of Fuel	Pearson	.542**	1
Attendant	Correlation		
	Sig. (2-tailed)	.000	
**. Correlation is sign	ificant at the 0.01 le	evel (2-tailed).	
P < 0.05			

Source: Primary data

Table 13 above shows Pearson's correlation coefficient r = 0.542\*\* and p = 0.000 between recognition and performance of fuel station attendants. This suggests that there is high positive significant relationship between recognition and the performance of fuel station attendants. This implied that the performance of the fuel station customer service staff depends on their level of recognition hence increasing on the material and verbal recognition will have a resultant positive effect on the attendant's performance.

# 4.5.2. Regression Results between Recognition and performance of Service Station Attendants.

To establish the effects of recognition on the performance of fuel station attendants, a regression analysis was conducted using the ANOVA techniques of adjusted R<sup>2</sup> values, standardized beta values, t-values and the significance measured at 0.05 levels. The results are tabulated in the Table 14 below.

Table 14: Regression results between recognition and performance of fuel service station attendants

Model	R	R	Adjusted	t-value	F-	Sig	Std. Error of	
		Square	R Square		constant		the Estimate	
1 .542 <sup>a</sup> .294 .282 4.996 24.960 0.000 .					.744			
a. Predictors: (Constant), recognition								

P<0.05

The regression model in Table 14 above shows adjusted  $R^2$  value of 0.282 between recognition and performance of fuel station attendants suggesting that recognition of the fuel service stations attendants alone predicted 28.2% of the variance in the performance of the attendants. The adjusted  $R^2 = 0.281$ , t = 4.996, F = 24.960 and sig 0.000 suggested that the recognition significantly affected the performance of the service station staff. The implication is that the speed of services, number of customers served and quality of customer service by a service station attendant was to a great extent affected by the level of material and verbal recognition received by the fuel station attendants.

# 4.6. The effects of job design on the performance of fuel stations attendants in GAPCO Uganda Ltd

The third objective of the study was to establish the effects of job design on the performance of fuel stations attendants at GAPCO Uganda Ltd. Job design was one of the dimensions of motivational strategies and had five indicators of skills variety, job autonomy, task identity, task significance and job feedback measured using 10 items scored on five (5) point Likert scale ranging from 5= strongly agree, 4 = agree, 3 = not sure, 2= disagree, 1= strongly disagree and the findings are shown in table 15 below.

Table 15: Descriptive Results for job design

Job design		SDA	DA		A		SA	
	Freq	%	Freq	%	Freq	%	Freq	%
Skills variety	1						1	
1. My job as service station attendant								
requires me to use a number of	3	4.8	25	40.3	2	3.2	32	51.6
complex or high-level skills.								
2. The job I perform as a service station				<b>7</b> 00		44.0		
attendant is simple and repetitive	2	3.2	31	50.0	26	41.9		
Task identity								
3. My job as a service station attendant is								
arranged so that I have the chance to							_	
do an entire piece of work from	1	1.6	29	46.8	28	45.2	2	3.2
beginning to end.								
4. The job provides me the chance to								
completely finish the pieces of work I	30	48.4	3	4.8	27	43.5	2	3.2
begin.								
Task Significance								
5. My job a service station attendant is								
one where a lot of other people can be			22	25.1	2.5			
affected by how well the work gets			23	37.1	35	56.5		
done								
6. My job as a service station attendant is								
designed in such a way that it is very			22	<b>51</b> 6	20	46.0		1.6
significant or important to the			32	51.6	29	46.8	1	1.6
existence of service station								
Job autonomy						•		
7. My job as a service station attendant								
offers me a chance to use my personal	1	1.6	30	48.4	26	41.9		
judgment in carrying out the work								
8. The job of a service station attendant								
gives me considerable opportunity for			2.1	<b>50.0</b>	26	41.0		
independence on how I do the work at			31	50.0	26	41.9		
the service station								
Performance feedback	1		,		r	•		
9. Supervisors often let me know how			20	46.0	20	46.0		
well I am performing the job.	4	6.5	29	46.8	29	46.8		
10. The supervisors and co-workers on								
this job always give me "feedback"		6.5	28	45.2	30	48.4		
about how well I am performing								

Source: Primary data

# Skills variety

Table 15 above shows that 45.1% of the fuel station attendants felt that their job as service station attendants did not require them to use a number of complex or high-

level skills while 54.85% indicated that their jobs provided for use of high level skills. Majority (53.2%) felt that the job they performed as a service station attendant was simple and repetitive while 41.9% felt that the jobs were not repetitive and simple. These findings revealed that almost half of the fuel station attendants were demotivated by the failure of their jobs to provide for skills variety requiring application of high level skills in due course of performance of their jobs and breaking of monotony through use of complex and none repetitive routines.

# Task identity

Table 15 above shows that 48.4% of the fuel station attendants indicated that their jobs as a service station attendants were not arranged so that one had a chance to do an entire piece of work from beginning to end while 53.2% felt that their jobs did not provide them the chance to completely finish the pieces of work once began. These findings revealed a low perceived task identity among half of the fuel service station attendants which lead to demotivation of 50% of staff due to lack of task identity job characteristic.

# Task significance

Table 15 above shows that 37.1% of the fuel station attendants felt that their jobs as service station attendants were not one where a lot of other people could be affected by how well the work gets done while 51.6% felt that their jobs were not designed in such a way that it is very significant or important to the existence of service station. These findings revealed a low level of perceived task significance for the job of fuel station attendant which may affect their performance for lack of this intrinsic motivation job characteristic.

### Job autonomy

Table 15 above shows that 50% of the fuel station attendants felt that their jobs as service station attendants did not offer them a chance to use personal initiative or judgment in carrying out the work while 50% disagreed that the job of a service station attendant gave them considerable opportunity for independence and freedom in how they worked at the service station. These findings revealed a level of enjoyment of job autonomy in the fuel attendants' job design which may affect their performance for lack of this job autonomy intrinsic motivation among half of the GAPCO fuel station attendants.

#### Performance feedback

On performance feedback, 53.3% of the respondents indicated that their supervisors did not often let them know how well they were performing on the jobs while another 51.7% disagreed that their supervisors and co-workers always gave them "feedback" about how well they were doing their work. These findings suggested a low level of obtaining of performance feedback from supervisors and fellow staff in the job design of fuel attendants which may affect their performance for lack of this intrinsic job motivation requirement.

Asked to describe the efforts to provide for job characteristics in the jobs of service station attendants, one interviewee put it that:

"The job of the service station attendants requires basic numeracy and customer service skills. So those who possess more than what the job requires have no opportunity to apply these skills. A service station attendant has very limited job autonomy as the decisions to even give credit have to be approved by the supervisor and manager. The other problem of feedback is that customers and fellow staff rarely give feedback on the quality of customer service offered by the attendant."

The interview findings revealed less consideration of the job characteristics requirements of skills variety, task significance, task identity, job feedback and job autonomy which demotivates the service station attendants for lack of intrinsic job motivation leading to low performance.

# 4.6.1. Correlation Analysis between job design and Performance of Fuel Station Attendants

To test the relationship between job design and performance of fuel station attendants, Pearson's correlation analysis was conducted at the 2-tailed level and the findings are presented in table 16 below.

Table 16: Correlation Matrix between job design and Performance of Fuel Station Attendants

		Job design	Performance of Fuel				
			Attendant				
Job design	Pearson Correlation	1					
	Sig. (2-tailed)						
Performance of Fuel	Pearson Correlation	.746**	1				
Attendant	Sig. (2-tailed)	.000					
**. Correlation is significant at the 0.01 level (2-tailed).							
$P \le 0.05$							

Source: Primary data

Table 16 above shows Pearson's correlation coefficient r = 0.746\*\* and p = 0.000 between job design and performance of Fuel Station attendants suggesting that there was high positive significant relationship between job design and the performance of fuel station attendants. The implication was that the performance of the fuel station attendants depended on the job design in that increasing on the intrinsic job characteristics will have a resultant positive effect on the attendant's performance.

# 4.6.2. Regression Results between job design and performance of Service Station Attendants.

To establish the effects of job design on the performance of fuel station attendants, a regression analysis was conducted using the ANOVA techniques of adjusted R<sup>2</sup> values, standardized beta values, t-values and the significance measured at 0.05 levels. The results are tabulated in the Table 16 below.

Table 17: Regression Results between Job Design and Performance of Fuel Service Station Attendants

Model	R	R	Adjusted	t-value	F-	Sig	Std. Error of
		Square	R Square		constant		the Estimate
1	1 .746 <sup>a</sup> .557 .549			8.679	75.322	0.000	.590
a. Predictors: (Constant), job design							

P<0.05

Source: Primary data

The regression model in Table 17 above shows adjusted  $R^2$  value of 0.549 between job design and performance of fuel station attendants suggesting that the job design of the fuel service stations attendants alone predicted 54.9% of the variance in the performance of the attendants. The adjusted  $R^2 = 0.549$ , t = 8.679, F = 75.322 and sig 0.000 suggested that the job design significantly affected the performance of the service station staff. The implication is that the speed of services, number of customers served and quality of customer service by a service station attendant was to a great extent affected by the skills variety, job autonomy, task identity, skills variety, task significance and performance feedback.

# 4.7. Summary of the Study Results

The purpose of the study was to establish the effect of motivational strategies on the performance of fuel stations attendants at GAPCO Uganda Ltd. The objectives of the study were;- to establish the effects of compensation on the performance of fuel

stations attendants at GAPCO Uganda Ltd; to establish the effects of recognition on the performance of fuel stations attendants at GAPCO Uganda Ltd; to establish the effects of job design on the performance of fuel stations attendants at GAPCO Uganda Ltd. A multiple regression analysis was conducted to help establish the combined effect of motivational strategies of compensation, recognitions and job design on the performance of fuel station attendants and also to establish which among the dimensions of motivational strategies was a more significant predictor of the variance in performance of fuel attendants at GAPCO Uganda Ltd. The findings of the multiple regression analysis are shown in table 17 below.

Table 18: Multiple regression results between motivational strategies and performance of fuel station attendants

Model		R	R Square	Adjusted R	Std. Erro	or of the
				Square	Estin	nate
1		.823a	.677	.660		.512
	Model	Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		В	Std. Error	Beta β		
1	(Constant)	-0.449	.322		-1.370	.176
	Compensation	.337	.128	.290	2.638	.011
	Recognition	.129	.125	.213	1.933	.046
	Job design	.710	.098	.591	7.227	.000
	D 1 . 77 .	11 1	C			

a. Dependent Variable: employee performance

Table 18 above shows an adjusted R<sup>2</sup> value of 0.660 between motivational strategies of compensation, recognition and job design and performance of fuel station attendants suggesting that motivational strategies predicted 66% of the variance in performance of fuel service station attendants while other variables predicted the remaining 34% of the variance in the fuel service station attendants. The motivational strategy of job design was the single highest predictor of the variance in employee

b. predictors: compensation, recognition and job design.

performance ( $\beta$  = 0.591, t = 7.227, and significance 0.000) followed by compensation ( $\beta$  = 0.290, t = 2.638 and significance 0.011). Thus any efforts to enhance performance of fuel station attendants at GAPCO should emphasize job design by providing for adequate job characteristics. This should be complemented with designing attractive basic pay packages and associated incentive schemes while consideration of always giving material recognitions and a 'thank you' where it is due.

Table 19 below gives the summary of the study positions on the hypotheses tested in this study.

Table 19: Summary of the study hypotheses

Study hypotheses	Substantiated/unsubstantiated
Compensation significantly affects the performance of fuel station attendants.	Substantiated
Recognition significantly affects the performance of fuel station attendants.	Substantiated
Job design significantly affects the performance of fuel station attendants.	Substantiated

#### **CHAPTER FIVE**

# SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents a summary, discussion, conclusions and recommendations of the study on motivational strategies and performance of fuel service station attendants at GAPCO Uganda. The first section presents a summary of findings. This is followed by a discussion, conclusions, recommendations, limitations of the study, contributions of the study and recommendations for further studies.

# 5.2 Summary of the study findings

This sub section presents a summary of the study findings on the effects of motivational strategies on the performance of fuel stations attendants at GAPCO Uganda Ltd. It specifically presents a summary of the effects of compensation, recognition and job design on the performance of fuel station service attendants.

# 5.2.1. Compensation and performance of fuel stations attendants at GAPCO Uganda Ltd

The study found a high positive significant relationship between compensation practices and the performance of fuel service station attendants (r = 0.602\*\*, p = 0.000) and it predicted 35.1% of the variance in the performance of the service station attendants (adjusted  $R^2 = 0.351$ , t = 5.835, F = 34.050 and sig 0.000). The study inferred that the performance of the fuel service station staff depends on their level of compensation in that increasing on the compensation will have a resultant positive effect on their performance. The study therefore substantiated the hypothesis that compensation significantly affects the performance of fuel stations attendants at GAPCO Uganda Ltd.

# 5.2.2. Recognition and performance of fuel stations attendants at GAPCO Uganda Ltd

The study found a high positive significant relationship between recognition and the performance of fuel station attendants (r = 0.542\*\*, p = 0.000) and it predicted 28.2% of the variance in the performance of the service station attendants (adjusted  $R^2 = 0.281$ , t = 4.996, F = 24.960 and sig 0.000). The study inferred that the performance of the fuel station attendants depends on their level of recognitions in that increasing on the material and verbal recognition will have a resultant positive effect on the attendant's performance. The study therefore substantiated the hypothesis that recognition significantly affects the performance of fuel stations attendants at GAPCO Uganda Ltd.

# 5.2.3. Job design and performance of fuel stations attendants at GAPCO Uganda Ltd

The study found a high positive significant relationship between job design and the performance of fuel station attendants (r = 0.746\*\*, p = 0.000) and it was the highest significant predictor of the variance in performance of service station attendants as it predicted 54.9% of the variance in the performance of the service station attendants (adjusted adjusted  $R^2 = 0.549$ , t = 8.679, F = 75.322 and sig 0.000). The study inferred that the performance of the fuel station customer service staff depends on the job design in that increasing on the intrinsic job characteristics will have a resultant effect on the attendant's performance. The study therefore substantiated the hypothesis that job design significantly affects the performance of fuel stations attendants at GAPCO Uganda Ltd.

# 5.3 Discussion of the study findings

This sub section presents a discussion of the study findings on the effects of motivational strategies on the performance of fuel station attendants at GAPCO Uganda Ltd in relation to the literature review. It specifically presents a discussion of the effects of compensation, recognition and job design on the performance of fuel station service attendants.

# 5.3.1. Compensation and performance of fuel station attendants

The study found that the compensation practices at GAPCO did not provide for attractive compensation requiring paying of service station attendants a basic pay based on their inputs, or other petrol companies' scale, or reasonable pay annual adjustments which adversely demotivated the service station attendants. This was contrary to the compensation expectation that base pay should be calculated through market pricing, job evaluation, and market comparisons (Gross, 1995). Huang *et al.* (2003) in support noted that salaries have been based on the number of skills or competencies an employee has and/or can use Skill/Competency Based Pay.

On incentives, the study found that the majority of service station attendants did not enjoy bonuses, allowance for extra duties, loan guarantees and medical insurance job incentives which adversely affected their motivation. This was contrary to the expectation that contemporary approaches of offering incentives are through piecework plans, time saving bonuses and commissions targeting individual, team, or whole organization (Armstong, 2010; DecCenzo & Robbins 2002). The CIPD survey (2006) noted that incentive scheme links individual's performance followed by collective approaches and sometimes a combination of the two.

On the relationship between compensation practices and performance of service station attendants, this study found a high positive significant relationship between compensation practices and the performance of fuel station attendants and it was the second highest significant predictor of the variance in the performance of the service station attendants implying that the performance of the fuel station customer service staff depends on offering of attractive pay and incentive systems. These study findings are supported by Maslow's theory of need which if applied to management of employees, implies providing financial rewards to enable the employee meet personal physiological, belonging and security needs to motivate them for enhanced performance.

Previous scholars also describe financial rewards as having the ability to either enhance employee's financial well being or not, while non financial rewards do not increase employee's financial position; and irrespective of the type of reward offered, they all motivate employees and increase performance (Armstrong, 2010; DecCenzo &Robbins, 2002). Blair et al., (2005) in support noted that unless management constantly upgrades pay rates, or provides other monetary rewards based on increased output, the workers will do so themselves through counterproductive activities such as lateness, absenteeism as they may be engaged in personal ventures to generate more money and working at a slower rate. DecCenzo and Robbins (1998) found that individual incentives work best where clear performance objectives can be set and where tasks are independent. Gerhart and Rynes (2003) recommend that organizations should try to cater for individual preferences to align employees' efforts with the business objectives and occupational considerations.

# 5.3.2. Recognition and performance of fuel station attendants

The study found a low use of material recognitions such as awards, gifts, dinner and certificates to appreciate service station attendants for their good performance. There was an equally low use of verbal recognition by supervisors and management of the

petrol stations which adversely affects their motivation to work. Gines (1998) observes that companies must foster employee motivation through acknowledging achievements that are in line with corporate long term objectives as well as activities that generate immediate results. Baldoni (2005) seemed to concur with the preceding authors and put it that recognition may be the single most powerful reason that people work, aside from income. When people are recognized they become motivated, they want to work, and do it all. This still has support from Bruno et.al (2009), who wrote that the quest for social recognition is an important driver of motivation.

The study found a high positive significant relationship between recognition and the performance of fuel service station attendants and it was a significant predictor of the variance in the performance of the service station attendants suggesting that material and verbal employee recognition if observed significantly contribute to the performance of fuel station attendants at GAPCO Uganda Ltd. These study findings are supported by Maslow's Hierarchy of Needs Theory which in the context of management, calls for providing non-financial rewards to enable the employee meet self esteem and actualization needs to motivate them for enhanced performance.

The study findings also relate to the view that verbal recognition is vital in stimulating employee performance, which view has been highlighted by many authors who argue that the underlying assumption in this employee verbal and material recognition approach is that, like all individuals, employees need some acknowledgement of their accomplishments (Baldoni, 2005; Krause, 2008; Milne, 2007). Krause (2008) observed that people working consistently under high pressure without ever receiving recognition from supervisors will always experience negative stress which is

undesirable state among workers because it compromises performance. A study by Bandiera et al., (2012) found that non-monetary rewards, on the other hand, are more likely to enhance interest and involvement in the job.

## 5.3.3. Job design and performance of fuel station attendants

The study found a low level of skills variety, task identity, job autonomy, job performance feedback and task significance among most service station attendants which adversely affected their motivational levels. Job design had a high positive significant relationship with performance of fuel station attendants and it was the highest significant predictor of the variance in performance of service station attendants implying that the performance of the fuel station attendants depends on the offering of skills variety, task identity, task significance, job autonomy and job performance feedback. These study findings are supported by Hackman and Oldham (1980) Job Characteristic Model which assumes that specific job characteristics are reported to influence performance drivers from an individual's intrinsic motivation to work and they include autonomy, job feedback, task identity, skill variety, and task significance. Vance (2007) noted that managers who provide enriched work by providing jobs that are high in meaningfulness, variety, autonomy and co-worker trust stimulate engagement and enthusiasm in their employees. In turn, engagement and enthusiasm encourage employees to define their work roles broadly.

In support, Lee et al., (2006) opines that job autonomy is vital and contends that people with strong autonomy orientations are more likely to set mastery goals for themselves and take greater responsibility for their own performance than those with a low autonomy orientation. Boselie (2010) study demonstrated a positive relationship

between creating opportunities for employee participation through employee involvement in decision making and organisational citizenship behavior.

## 5.4 Conclusions of the study

This sub section presents the conclusions of the study findings on the effects of motivational strategies on the performance of fuel station attendants at GAPCO Uganda Ltd. It specifically presents the conclusions of the study on effects of compensation, recognition and job design on the performance of fuel station attendants.

# 5.4.1. Compensation and performance of fuel station attendants

The study concluded that fuel service stations offered low basic salary and were constrained in developing attractive incentive systems in their compensation practices. The poor compensation practices were de-motivating to most staff and it adversely affects the performance of service station attendants leading to failure by employees to meet the performance expectation of speed of service and quality of customer service.

#### **5.4.2.** Recognition and performance of fuel stations attendants

The study concluded that the failure to offer material and verbal forms of employee recognition by most supervisors and management of GAPCO fuel service stations adversely demotivated the service station attendants leading to failure by employees to meet the performance expectation of speed of service and quality of customer service.

# 5.4.3. Job design and performance of fuel stations attendants

The study concluded that the fuel station customer service attendants' performance was affected by the job characteristics attributes. Thus an increased sense of intrinsic

job motivation provided through designing of fuel station attendants' jobs which offer for skills variety, tasks identity, task significance, job autonomy and job performance feedback among fuel service station attendants were necessary for enhanced performance of service station attendants.

## 5.5 Recommendations of the study

This sub section presents the recommendations for strengthening the motivational strategies of GAPCO and related dealers for enhanced performance of fuel stations attendants. It specifically presents the recommendations if the study in relation to compensation, recognition and job design.

# 5.5.1. Compensation and performance of fuel stations attendants

The study recommends that to achieve the speed of service, number of customers served and quality of customer service, the management of GAPCO and franchise dealers should conduct job evaluations to develop attractive basic pay compensation systems which consider internal and external equity by paying what other fuel companies on the local market are paying. The internal and external basic pay system should be complemented with service station attendants' personal and family member medical insurance cover, bonus, skills based pay and allowances for extra duties assigned. This could be achieved through benchmarking exercises on best industry compensation standards and practices.

## 5.5.2. Recognition and performance of fuel stations attendants

The study recommends that to achieve the speed of service, number of customers served and quality of customer service, fuel station attendants' supervisors, management and franchise dealers in GAPCO should identify appropriate awards, gifts, dinner and certificates material rewards as forms of recognition. The material

rewards in the fuel franchise should be complemented with verbal recognition through sharing of constructive feedback and praises. Avenues such as meeting, letters of recognitions, employee of the month display and peer performance reviews could be exploited.

# 5.5.3. Job design and performance of fuel stations attendants

The study recommends that the management of GAPCO in liaison with franchise dealers should carry our job evaluations and redesign the jobs of fuel attendants to provide for enhanced skills variety, task significance, task identity, job autonomy and performance feedback intrinsic job characteristics. The use of an external consultant to conduct the service station attendants' job evaluation and job re-design to offer for intrinsic job characteristics could be sought.

# 5.6 Limitations of the study

The study was carried out on GAPCO service stations without comparisons of selected fuel companies within Kampala business capital which would have enhanced the data collected for comparative analysis. The study design limitation constrains the generalization of the study results to other fuel companies and service stations outside the Kampala business capital. Similarly the study relied on primary data as it was difficult to access secondary data on compensation, recognition, job design and performance of fuel attendants in the franchise business.

#### **5.7** Contributions of the study

The study helped substantiate Maslow hierarchy of needs theory and how it could be applied in managing the motivation and performance of service station customer care officers (attendants) in the fuel industry. The study has also helped develop operational interventions necessary to stimulate and enhance the performance of

service station attendants' performance through compensation, recognition and job design. The study also helped fill literature gaps on the effects of motivational strategies on the performance of customer service personnel in the fuel franchise business.

#### 5.8 Recommendations for further studies

This study found out that motivational strategies predicted 66% of the variance in performance of fuel station attendants while other variables predicted the remaining 34% of the variance in the fuel service station attendants. Other studies need to examine the extent to which customer care personnel training could have influenced the performance of service station attendants while considering triangulation of primary data with secondary data using a documentary review.

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# **Appendices**

# Appendix I: Motivational strategies and employee performance questionnaire for Service station attendants

Dear Sir/Madam

I am a Masters Business Administration student at Uganda Management Institute. I am interested in examining the effect of motivational strategies on the performance of GAPCO service stations attendants. You have been selected as a respondent to provide us with your views on this study. Your views will be kept and treated confidentially in line with the study and under no circumstance will they be used against you.

Thank You

#### SECTION I: BACKGROUND INFORMATION

1.	Level of education: below O-level[ ]; O-level [ ]; A- Level [ ]; Certificate [ ] Diploma
	[ ] Degree [ ]
2.	Time worked in the station as an attendant: Less than a year [ ] 1-3 years [ ] 4-6 years [ ]
	7 and more years [ ]
3.	Have you undergone training since you joined the station: Yes [ ] No [ ]
4.	Have you received any promotions: Yes [ ] No [ ]
5.	Your monthly take-home pay range: 75,000-100,000 [ ] 110,000-150,000 [ ] 160,000-
	200,000 [ ] 210,000- 250,000 [ ] 260,000+ [ ]

## **SECTION B: MOTIVATIONAL STRATEGIES**

#### **Instructions**

Indicate the extent to which you agree with the following employee motivation experiences in GAPCO Uganda by indicating (5) for strongly agree (4) for agree, (3) for not sure (1) for disagree (5) for strongly disagree

A. COMPENSATION		Scale					
Basic pay	SDA	DA	NS	A	SA		
	1	2	3	4	5		
1. My pay adequately rewards me for my contribution to this fuel service station	1	2	3	4	5		
2. My pay is based on market comparisons with competitors	1	2	3	4	5		
3. My pay is based on the skills or competencies I posses and can use in the fuel service station	1	2	3	4	5		
4. My pay is subject to reasonable base pay adjustments which I appreciate	1	2	3	4	5		
Incentive							
5. I received bonuses whenever I achieve my targets in this service station	1	2	3	4	5		

6. I get allowances for extra duties and task assigned to me in this service station	1	2	3	4	5				
7. I get loan guarantee cover from my workplace whenever I need it	1	2	3	4	5				
8. My rewards increases when I acquire new competencies or new knowledge	1	2	3	4	5				
9. The fuel service station offers me medical treatment as benefits	1	2	3	4	5				
10. Social events are organized for service station attendants	1	2	3	4	5				
B. RECOGNITION									
Material recognition									
9. I am always given awards by the management of the service 1 station in recognition of my good performance as a service station attendant									
10. I am always given gifts by the management of the service station in recognition of my good performance as a service station attendant		2	3	4	5				
11. The management of the service station always offer me dinner in recognition of my good performance as a service station attendant	1	2	3	4	5				
12. The management of the service station always give certificates as an appreciation in recognition of my good performance as a service station attendant	1	2	3	4	5				
Verbal recognition									
13. My supervisor gives me constructing feedback on how well I am perform	1	2	3	4	5				
14. I often receive praises from the management of the service station whenever I deserve it	1	2	3	4	5				
15. Customers who check in this fuel service station are full of praises of my customer service	1	2	3	4	5				
16. I generally get credit for what I do when its due to me	1	2	3	4	5				
C. JOB DESIGN									
Skill Variety									
1. My job as service station attendant requires me to use a number of complex or high-level skills.	1	2	3	4	5				
2. The job I perform as a service station attendant is not simple and repetitive	1	2	3	4	5				
Task identity									
3. My job as a service station attendant is arranged so that I have the chance to do an entire piece of work from beginning to end.	1	2	3	4	5				
4. The job provides me the chance to completely finish the pieces of work I begin.	1	2	3	4	5				
Task significance									

5. My job a service station attendant is one where a lot of other	1	2	3	4	5
people can be affected by how well the work gets done					
6. My job as a service station attendant is designed in such a way	1	2	3	4	5
that it is very significant or important to the existence of service					
station					
Job autonomy					
7. My job as a service station attendant offers me a chance to use	1	2	3	4	5
my personal initiative or judgment in carrying out the work					
8. The job of a service station attendant gives me considerable	1	2	3	4	5
opportunity for independence and freedom in how I do the work					
at the service station					
Feedback					
9. Supervisors often let me know how well they think I am	1	2	3	4	5
performing the job.					
10. The supervisors and co-workers on this job always give me	1	2	3	4	5
"feedback" about how well I am doing in my work.					

# **SECTION E: EMPLOYEE PERFORMANCE**

## Instructions

Indicate the extent to which you agree with the achievement of the following performance indicators in your fuel service station by indicating (5) for strongly agree (4) for agree, (3) for not sure (1) for disagree (5) for strongly disagree

Em	ployee performance	SDA	DA	NS	A	SA
		1	2	3	4	5
Sp	eed of service					
1.	I always report for duty in time for deployment	1	2	3	4	5
2.	I have not registered customers who leave the service station un attended to at my pump	1	2	3	4	5
3.	It not common to find me with a line of clients unless when there is a fuel scarcity in the city	1	2	3	4	5
4.	I always submit all my daily sales accountability as required to the supervisors in time	1	2	3	4	5
Nu	mber of customers served					
5.	I always attend to the recommended number of customers for the fuel product	1	2	3	4	5
6.	I always attend to the recommended number of customers for the oil product	1	2	3	4	5
7.	I always attend to the recommended no number of customers for other products assigned to me	1	2	3	4	5

8. I have always achieved my fuel service targets set by my supervisor(s).	1	2	3	4	5			
Quality of customer service								
9. I always welcome customers to my service at this fuel station	1	2	3	4	5			
10. I always give customers a service with a smile	1	2	3	4	5			
11. I always respond to customers' service station needs or queries	1	2	3	4	5			
12. Always give customers after sale services at the station even when not asked for	1	2	3	4	5			
13. I always take customers complaints as feedback for improvement on my customer service.	1	2	3	4	5			

# **Appendix II: Interview schedule**

## **Introduction: Self introduction**

- i. Describe how a pay of service station attendant is arrived at in GAPCO Uganda Ltd?
- ii. What are the different forms of incentives received by service station attendants in GAPCO Uganda?
- iii. What are the challenges in compensating service station attendants in GAPCO Uganda?
- iv. What are the effort undertaken to recognize fuel stations attendants in GAPCO Uganda Ltd?
- v. What are the challenges in recognizing service station attendants in GAPCO Uganda?
- vi. Describe the efforts to provide the following job characteristics in the job of a service station attendant
  - Skill variety
  - Task identity
  - Task significance
  - Autonomy
  - Feedback from job itself
  - Feedback from others

Appendix III: Table for determining sample size from a given population

N	S	N	S	N	S	Ν	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

"N" is population size "S" is sample size. Note:

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size for Research Activities", <u>Educational and Psychological Measurement</u>, 1970.