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EFFECTS OF INNOVATIVE MOTIVATIONAL STRATEGIES ON ORGANIZATION PERFORMANCE: A CASE OF UCHUMI SUPERMARKETS, KENYA

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Abstract

HR teams are forced to think out-of-the box, and come up with innovative approaches that create a healthy working environment and motivate the employees to utilize their set of skills and knowledge through discretionary effort to realize firm's business strategy. This approach to human resource management is likely to contribute to improved economic performance of the firm. The purpose of this study was to assess effect of Innovative motivational strategies on organizational performance. Specifically, the study sought to establish whether employee participation; provision of health and wellness facilities; career development programs and family friendly programs contribute

INTRODUCTION

As economic globalization become more pronounced the ability of organizations to compete in the global market place is all the more tied to the quality of their human resources. It is worth noting that business success today revolves largely around people, not capital (Binoy, 2012). Many organizations rely on the expertise of their

to effective organizational performance in Uchumi Supermarkets. The study found that that Uchumi Supermarket Limited had not fully implemented the Innovative motivational Strategies such as employee participation, career development programmes, wellness programmes and family friendly initiatives as key component in its performance. The study recommends that further researcher be carried out on the determinants of implementation of innovative motivational strategies in organizations.

Keywords: Motivational Strategies, Organisational Performance

employees to gain competitive advantage in global economies, (Reiche 2007).

Innovative Motivational strategies are expected to enhance organizational performance and enable the organization to gain competitive advantage. This means adopting contemporary practices that include decentralization of decision making, reduced status barriers that include dress, language, office arrangement, information sharing, employee

participation, flexible work arrangements health and wellness facilities, relaxation facilities, on-site child care facilities, career development programmes and training among others, (Boxall, Purcell & Wright 2007). The result is greater job satisfaction lower employee turnover and better decision-making all of which help organizational performance.

Uchumi Supermarkets

Uchumi Supermarkets Ltd (Uchumi Supermarkets Limited) is a Kenya-based public company engaged in the retail supermarkets operation. It distributes bakery, wines, meat, fish, vegetables, as well as kitchen appliances and decoration, among others. Uchumi is the oldest supermarket chain in Kenya, currently celebrating 40 years having started operations in 1976. It has 20 shops operating in Nairobi, Karatina, Meru, Eldoret, Kericho, Mombasa and Kisumu. In the 1990's Uchumi spearheaded the hypermarket concept in Kenya (www.uchumicorporate.co.ke)

In early 2000s Uchumi started to experience financial and operational difficulties occasioned by a sub-optimal expansion strategy coupled with weak internal control systems. As a result, on 31st May 2006, the Board of Directors resolved that the Company ceases operations and on 2nd June 2006, the Debenture Holders placed the Company under receivership. Simultaneously, the Capital Markets Authority (CMA) suspended the Company's listing on the Nairobi Securities Exchange (NSE). Following a framework agreement between the Government of Kenya, suppliers and debenture holders, the company is revived and commenced operations from 15th July, 2006 under Specialized Receiver Manager (SRM) and interim management, (USL Report 2009)

Despite Uchumi supermarket being for a long time a leading retail chain in Kenya mismanagement of

resources and low staff morale has led to poor business performance. This has been demonstrated by the reported cash flow challenges and closing some of its branches in Kenya and in Uganda. The oldest retail chain in Kenya since 1976 is also faced with stiff competition from the major local supermarkets like Tusky's, Nakumatt, Naivas and new entrants like South Africa's Game and France's Carefour (Economic survey 2016).

Statement of the problem

Despite Uchumi supermarket being for a long time a leading retail chain in Kenya mismanagement of resources and low staff morale led to poor business performance. The low levels of commitment and self-sacrifice by the employees has resulted to minimal customer services, (Kariuki, 2011). Most studies on Uchumi Supermarket have focused on the turnaround strategies implemented and other factors that affect its performance. For example, a study by Kibabii, (2012) on the Effect of Manager's Strategies in Turning around organization (A case of Uchumi Supermarket – Kenya), only recommended the need by management to engage employees during the turnaround process. While, another one by Kiarie, (2010) focused on the various turn around strategies adopted by Uchumi Supermarket under receivership

In most of the studies reviewed, the aspect of employee motivation as a strategy to boost organization performance has not been taken into consideration. This study therefore, sought to address the gap by studying the situation at Uchumi Supermarkets.

Significance of the Study

The findings of the study will be useful to organizations and institutions to adopt innovative motivation enhancing practices as a strategy to increase efficiency and enhance their employee's performance at work place therefore reducing cost

incurred through absenteeism and high staff turnover. It will also help management strategically maximize the human resource potential in the midst of competition.

Objectives of the study

The study's general objective was to determine the effect of Innovative motivational strategies on organizational performance and the specific objectives were to;

1. Determine the influence of employee participation in decision making on organizational performance
2. Establish the effect of provision of wellness facilities on organizational performance
3. Examine whether career development programs affect organizational performance.
4. Establish the effect the family-friendly programs on organizational performance

LITERATURE REVIEW

The study was guided by the following theories;

Kahn's Personal Engagement Theory (1990) - According to Kahn (1990), personal engagement theoretical framework, people express themselves physically, cognitively and emotionally in the roles they occupy; people are more excited and content with their roles when they draw on themselves to perform their roles; and people vary in their levels of attachment to their roles.

Social Exchange Theory - In terms of family-friendly programs, the social exchange theory and the norm of reciprocity suggest that when organizations provide family-friendly benefits to their employees that are not mandated by the organizations or outside forces (e.g., labour or state law requirements), reciprocity should come into play. Lambert (2000) found that workers' experiences with family-friendly benefits fostered

organizational citizenship behaviors, suggesting that workers feel obligated to exert "extra" effort in return for "extra" benefits.

Herzberg's Two-Factor Theory - Herzberg's Two-Factor Theory is one of the theories that address the higher-level psychological needs such as achievement, recognition, responsibility, and advancement. This theory attempts to explain the factors motivate individual through identifying and satisfying the individual's needs, desires and the aims pursued to satisfy them.

Goal Setting Theory (Locke & Latham, 2002) - The theory began with the early work on levels of aspiration developed by Kurt Lewin and has since been primarily developed by Dr. Edwin Locke, who began goal setting research in the 1960s. The research revealed an inductive relationship between goal setting and improved production performance.

RESEARCH METHODOLOGY

The study adopted descriptive research design. The design was deemed appropriate as it provided an in-depth investigation on the effect of innovative human resource management practices. The target population of the study included employees selected from managerial and non-managerial levels in the organization. Sampling was done through purposive sampling. A sample comprised 60 respondents selected from the organization. Primary data was collected using questionnaires which had have both closed and open-ended questions. Data was analyzed using frequency distribution tables, percentages and charts.

RESEARCH FINDINGS AND DISCUSSION

Contribution of Innovative Motivational strategies to Organization Performance

56.9 % indicated that implementation of Innovative motivational strategies contribute to the

organization's performance while 43.1% were of the contrary opinion.

Employee participation

About 70.6% were of the opinion that employee participation contribute significantly to organization performance. Most of the respondents said that their organization involves employees in setting of targets. However, the majority strongly disagreed that the organization seeks employee opinion on job related matters. Only 7% agreed that there is information sharing within the organization, while 18% of the respondents agreed that workers opinion was appreciated by the organization. This is in agreement with the findings of Khattak, Igbal and Bashir, (2012) also indicated that employee involvement and participation at work has significant positive effect on job satisfaction, leading to improved organizational performance

Career Development programmes

A total of 33 % of the respondents agreed to a large extent that career development programmes contributed to increase in commitment to the organization while 18% believed that career development programmes contribute a very large extent attainment of personal goals. A majority said that career development programmes contribute to increased effectiveness in the organization. This concurs with a study by Kennedy (2009) that investigated the impact of training and development on job performance in the judicial service of Ghana. The study concluded that training and development was important in bridging the training gaps and to build capacity of employees relative to achieving the overall vision and mission statements of the Judicial Service of Ghana.

Wellness Initiatives

Most of the respondents listed insurance cover and pension as some of the wellness programmes provide by the organization. 64.7 percent agreed to a moderate extent that wellness programmes enhance confidence of the employee and eventually increasing employee productivity. 35.3% agreed to a large extent that the wellness programmes contribute significantly towards physical and psychological wellbeing of the employee thereby boosting concentration levels. A study by (Ng'eno & Muathe, 2014) found out that wellness programs by design support employees in understanding their health risks and adopting healthy behaviors to decrease these risks. This eventually leads to attainment of higher performance level and high service delivery in an organization.

Family Friendly Initiatives

A majority of the respondents listed working in shifts as family friendly initiative that allowed them to balance their life commitments. 64.7 % said that family friendly programmes allowed them to focus more on their work. Majority also agreed to a large extent that these programmes motivated them to exceed expectation at work. A study by Kamau, Muleke, Mokaya and Wagoki (2013), found that presence of employee assistance programs (family friendly programs) enabled employees to handle personal problems without necessarily affecting their productivity in the organization.

Implications of the Findings to the Study

Majority of the respondents listed employee commitment as one of the benefits an organization would gain by adopting innovative motivation strategies. Others listed increased profitability and customer loyalty due to employee efficiency. This is in agreement with finding of a study by Kehoe and Wright (2010), that adoption of creative and innovative motivational strategies is critical to

increase employee commitment and involvement to achieve better individual, team and organization performance. This implies that by embracing and implementing innovative motivational strategies Uchumi Supermakets Limited would improve its performance.

SUMMARY OF MAJOR FINDINGS

Employee Participation

The study found that Uchumi Supermarket Limited had not embraced employee participation as a key strategy in contributing to employee performance even though 70.6% were of the opinion that this would contribute positively to the organization's performance. The study found that employees were only involved in setting individual and organizational targets. The organization did not seek ideas from employees on how to improve service delivery or its general performance.

Career Development Programmes

The research found that the organization had not implemented innovative career development programmes. According to the majority of the respondents, the organization had not put in place career development programmes while a few respondents said that the organization had training as part of their career development programmes. The study found that although the organization organized trainings to build capacity among the employees, it did not have mentorship or coaching programmes in place.

Wellness programmes

The study found that insurance covers and pension gave the employees a sense of security and psychological wellbeing and this contributed to their commitment to the organization. The organization had also provided an enabling physical and social environment contributing to a harmonious working environment. The

organization had not adopted other wellness initiative such as counseling and recreation facilities.

Family friendly initiatives

The study found that working in shifts was rated as a popular family friendly programme adopted by the organization. Working in shifts enabled the employee to balance work, family studies and other personal engagements. The organization did not offer scholarships or education support to the employees and their families.

CONCLUSION

The study concludes that Uchumi Supermarket Limited has not fully embraced the Innovative Motivational Strategies such as employee participation, career development programmes, wellness programmes and family friendly initiatives as key component in its performance.

Recommendations

Employee Participation

Based on the findings that that Uchumi Supermarket Limited had not embraced employee participation as a key strategy in contributing to employee performance, the study recommends that the organization invests in employee engagement programmes as this is closely linked with organizational performance outcomes.

Career Development Programmes

Based on the findings that Uchumi Supermarket Limited organization had not implemented innovative career development programmes the study recommends that the organization invest more resources in enhancing capacity of its employee through the various career development initiatives.

Wellness programmes

The study recommends that Uchumi Supermarkets Limited introduces other wellness programmes that promote healthy workplace, fosters employee health and well-being while enhancing organizational performance and productivity.

Family friendly initiatives

Uchumi should progressively benchmark with the best family friendly initiative practices so as to

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strategically maximize the human resource potential in the midst of competition.

Areas for Further Research

Given the above research finding on the effects of Innovative Motivational Strategies on Organization performance, researcher suggests that a study should be carried out on the determinants of implementation of innovative motivational strategies in organizations

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