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# Factors Affecting Employee Motivation and Performance – A Case of Zambia National Housing Authority (Znha)

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## ABSTRACT

Motivated workers tend to show extra commitment towards their jobs which translate to higher job performance and consequently improved organizational performance. Financial or monetary rewards such as salary, fringe benefits, bonuses, commission, etc., are not the only way to get employees motivated. There are other ways employees can be motivated with zero financial cost attached. Human resource is the most critical resource for any organization in today's highly competitive business environment. If we know what drives the people then we are able to make them to do what we want (Kocel, 2010). This study wanted to understand the factors that affect employee motivation at National Housing Authority (NHA) in Zambia, and what strategies management at NHA have put in place to enhance employee motivation and performance. The study employed a mixed method research design and a questionnaire was used to collect the required data. The data collected was coded, quantified and analyzed quantitatively and qualitatively. Quantitative data was analyzed by the use of statistical package for social sciences (SPSS).

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# Factors Affecting Employee Motivation and Performance – A Case of Zambia National Housing Authority (Znha)

Dr. Chaste Nsama (PhD)<sup>α</sup> & Mr. Thomas Thomas<sup>σ</sup>

## ABSTRACT

*Motivated workers tend to show extra commitment towards their jobs which translate to higher job performance and consequently improved organizational performance. Financial or monetary rewards such as salary, fringe benefits, bonuses, commission, etc., are not the only way to get employees motivated. There are other ways employees can be motivated with zero financial cost attached. Human resource is the most critical resource for any organization in today's highly competitive business environment. If we know what drives the people then we are able to make them to do what we want (Kocel, 2010). This study wanted to understand the factors that affect employee motivation at National Housing Authority (NHA) in Zambia, and what strategies management at NHA have put in place to enhance employee motivation and performance. The study employed a mixed method research design and a questionnaire was used to collect the required data. The data collected was coded, quantified and analyzed quantitatively and qualitatively. Quantitative data was analyzed by the use of statistical package for social sciences (SPSS).*

*The key and major findings of the study were that; Job security, salary, effective performance appraisal, recognition and career advancement were major motivation factors for employees at NHA. These results imply that non-financial factors are key in the motivation of employees and signifies the importance of management to take deliberate steps to put in place these non-financial factors.*

*The study recommended that NHA should exploit extrinsic factors such as Job security, effective performance appraisal in their human resource management practices particularly in the strategic human resource management to ensure that the employees have a sense of security with their jobs and are well motivated to perform their tasks.*

*Keywords:* employee motivation, performance, research institutions, national housing authority, lusaka zambia.

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## I. BACKGROUND OF THE STUDY

So many questions can be asked when it comes to understanding what employees want from their jobs whether it's a higher salary, job security, good relationships with co-workers, opportunities for growth and advancement – or something else altogether? All these are important questions which influence employee motivation. The extent to which an organization can accomplish its objectives largely depends on how employees are motivated. This is because employees are considered the lifeblood of any organization. Every organization regardless its size, reputation, net-worth and line of operation, needs motivated workers to put in their very best towards the success of the organization. As per the pilot study conducted by the researcher in October and November 2020, the results of the pilot study NHA has continued to experience work stoppages and labour turn over. Furthermore, the pilot study

revealed the research showed that 85% of employees were not happy with delays in salaries and that there has been labour turnover and work stoppages

### 1.1 Problem Statement

National Housing Authority has in the past five years experienced work stoppages, boycotts, labour strikes, inconsistency in paying workers' salaries and workers dismissals. The pilot study conducted by the researcher in November 2020 showed a reduction in the number of employees from 108 as at January 2018 to 75 as at November 2020. All these occurrences have potential to affect employee's motivation and overall performance of the organisation. This is because having motivated employees is critical in achieving the organisations objectives.

As per the pilot study conducted by the researcher in October and November 2020, the results of the pilot study showed that 42% of the above projects and objectives were achieved as of December 2019 (MoLGH, NHA 2020). Even after receiving funding and injection of capital, NHA has continued to experience work stoppages and labour turn over. Furthermore, the pilot study conducted at NHA in November 2020 revealed by the research showed that 85% of employees were not happy with delays in salaries and that there has been labour turnover and work stoppages. It is against this background that it would be imperative to investigate and understand the factors that affect employee motivation at NHA and its effect on the performance of the organisation.

### 1.2 General Objective

The general objective of the study was to determine the factors influencing employee motivation and how they impact employee performance at National Housing Authority.

#### *Specific Objectives*

1. To establish the factors that affect employee motivation at NHA.
2. To examine how organizational culture influences employee performance at NHA.

3. To assess the effect of motivation on employee's performance at NHA.

## II. LITERATURE REVIEW

### 2.1 Employee Motivation and Performance

Motivation is the most important factor that influences organizational performance in different institutions. It is important to note that employee motivation is one of the policies that managers use to increase effective job management amongst employees in organizations (Shadare et al., 2013). A motivated employee is responsive of the definite goals and objectives individuals must achieve. Organizational facilities will go to waste if it lacks motivated people to utilize these facilities efficiently. Employee motivation and performance are key factors in moving a business forward. Owners, managers, and supervisors know positive motivation leads to better performance and higher productivity but may rely on the wrong tools that will create dissatisfaction among employees and leads to poor performance. Motivation increases the willingness of workers to work, thus increasing effectiveness of the organization. Organization goal is to develop motivated employees and support their morale regarding their respective works for better performance (Shadare et al., 2013).

### 2.2 Factors of Motivation

According to Adewunmi, Omotuyole and John (2011), Employees satisfaction and motivation are major determining factors that assist in channeling the employee efforts towards the attainment of organizational goal. Similarly, Tella et al. (2007) consider motivation as a factor which affects the individual's performance. However, there are other important factors also which should be considered for example individual's ability and competency, funds and working situations. In addition to this, Chen et al. (2010)

### 2.3 Effect of Motivation on Employees' Performance

Extrinsic motivation factors like praise acts as a motivator because it enhances employees' needs for esteem, self-actualization, growth and

achievement. It is most powerful, less expensive, and simplest, yet the most underused motivational technique. To motivate people to high levels of performance, objectives should be difficult but achievable, observable and measurable, specific, with a target date, anticipatively set when possible and accepted by employees. Employee who meet their objectives should be rewarded through recognition, praise, pay increase and promotions.

The study conducted by Mweemba (2019) which focused on the performance of banking sector in Zambia revealed that variables such as training, salary increment, and medical scheme have high levels of motivation on employees in the Zambian banking sector. Furthermore, a research carried by Masaiti and Naluyele (2011) on the “employee’s perception on incentives and motivation” on employees at the ministry of education (MOE) in Zambia reviewed that majority of employees were not satisfied with the salary given to them and this had an effect on their levels of motivation and performance. In another research conducted by Mungo’mba (2018) on the effect of Motivation on Workers Performance and productivity at Zambia breweries, the research revealed that majority of employees were not satisfied with their work and that salaries affected their motivational levels. The low motivation levels had a negative impact on the efficiency and effectiveness of the workers which ultimately affected productivity.

#### *2.4 Maslow's Need Hierarchy Theory*

Maslow (1954, p.24) outlined in his theory that humans rarely reaches a state of complete satisfaction and he is therefore always wanting. This means that, when one desire is met or satisfied, another desire will emerge and once this new desire is satisfied, still another will come up. Maslow stated that this is part of the characteristic of human beings.

#### *2.5 Herzberg's two-factor model*

Herzberg’s two-factor model theory sometimes called the motivation–hygiene theory states that the factors giving rise to job satisfaction are distinct from the factors that lead to job

dissatisfaction (Armstrong, 2007, p.124). Therefore, there are two groups of factors affecting job satisfaction according to (Armstrong, 2007, p.124) and these are “Satisfiers or motivators which are intrinsic to the job. These include achievement, recognition, the work itself, responsibility and growth. The second group comprises what Herzberg calls the ‘dissatisfaction avoidance’ or ‘hygiene’ factors, which are extrinsic to the job and include pay, company policy and administration, personal relations, status and security. These cannot create satisfaction but, unless preventive action is taken, they can cause dissatisfaction

### III. METHODOLOGY

#### *3.1 Research Design*

Mixed method research design was used as it was considered the appropriate approach because by using quantitative or qualitative method as stand-alone approach, it was inadequate to best understand the research problem and triangulation of research methods provided the best understanding.

#### *3.2 Target Population*

The target population was 75 employees broken down into 35 permanent and pensionable employees and 40 contractual employees.

#### *3.3 Sampling Techniques*

The census approach was used due to the relatively manageable number of employees at NHA of 75 and doing a sample would have reduced the population to a minimal number..

#### *3.4 Data Collection Instruments*

Data was collected using a structured interview schedule and a questionnaire specifically designed for this study.

#### *3.5 Data Analysis*

Data analysis involved organizing the raw data in order to make sense out of it. Raw data on its own may not bring out the lessons and outcomes unless it is organized. This study used both

qualitative and quantitative data. The quantitative data collected was first checked, cleaned and finally coded. After the quantitative data was coded properly, it was entered into a software for analysis called Statistical Package for Social Sciences (SPSS) version 21.0.

## IV. DISCUSSION OF FINDINGS

### 4.1 Factors affecting employee motivation at NHA

The study found that there are various factors both financial and non-financial factors affecting employee motivation at NHA with non-financial factors ranking high. Under non-financial factors, majority of employees (74%) said they were motivated by job security, 68% were motivated by favourable work environment, 58% were motivated by good health benefits while 55% said they were motivated by a good and competitive salary. Job security was defined to employees in the questionnaire as a state where the employer does not terminate employment without following clearly documented procedures.

According to the press release by the Jesuit Centre for Theological Reflection (JCTR) for December 2020, an employee with a good salary will be able to feed and take good care of his family and afford other basic needs (JCTR 2020). The national wide survey undertaken by the Consumer Unity and Trust Society (CUTS, 2019) showed that 83% of Zambians said that the price of the staple food mealie-meal is too high with 42% saying that they can no longer afford to buy the nation's staple food which is consumed by more than 60% Zambians. The Civil Society for Poverty Reduction (CSPR, 2020) reports that 43%, of the total labour force in Zambia is unemployed while majority are in the informal sector earning below the Basic Needs Basket. This means that, few people are in employment to have a constant monthly income to feed their families.

### 4.2 Work stoppages and boycotts

Work stoppages, boycotts and labour strikes from employees can signal that the employee is not happy with the conditions of service offered. Employee's levels of motivation have a direct relationship with what effort they put into their

jobs. One of the managers interviewed agreed that there were instances when employees had gone on labour strike due to non-payment of salaries on time. The manager further said that the major reasons for paying salaries late were many which could not be discussed in detail with the researcher.

### 4.3 Organizational culture and its influence on employee motivation and performance

From the respondents interviewed, 91% said culture has an influence on their motivation levels and performance. This was noticed by a moderately positive relationship between organizational culture and employee performance whereby an improvement in organizational culture increases on the performance of employees. The study found that the staff at National Housing Authority (NHA) respect each other, honesty was valued at National Housing Authority (NHA) and that staff values were in line with the values of the institution.

### 4.4 Effect of motivation on employee performance

The respondents were asked if motivation had any effect on their performance. The following were the views from the respondents. 89% of the respondents interviewed agreed while 11% of the respondents interviewed said no.

## V. CONCLUSION AND RECOMMENDATIONS

### 5.1 Conclusions

The research established that majority of employees (74%) were motivated by job security followed by 'favourable work environment' (68%) while 55% said that they were motivated by a good and competitive salary. This is because the company has experienced labour unrests, work stoppages which have resulted in some employees been dismissed while others put on forced leave. Therefore, job security is critical to

### 5.2 Recommendations

- Introduction of a deliberate policy where middle managers and supervisors undergo

supervisory trainings at least once in a year. This will enhance the relationship between employees and management and build transparency especially when it comes to performance reviews and appraisals.

- Transitioning all employees to be on contracts. This will help solve the allegations that employees that are on permanent and pensionable are treated differently from those on contracts when reviewing their performance and renewing employees' contracts.

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