
By

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Graduate School of Management University of Zimbabwe

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DEDICATION

This research project is dedicated to my wife, Wadzanayi; son, Anotidaishe and my parents.
DECLARATION

Student’s Declaration- I, Tafadzwa Jahwi, do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the acknowledgements, and by comments included in the body of the report, and that this dissertation is therefore, my original work and has not been presented in part or in full for any other degree in any other University.

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Supervisor’s Declaration- I Dr. Samson Ruturi confirm that the work reported in this dissertation was carried out by the candidate under my supervision as School supervisor. This dissertation has been submitted for review with my approval as School supervisor.

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ABSTRACT

The purposes of the study seek to evaluate the effectiveness of performance management systems on employee performance at Olam Zimbabwe from 2006 to 2010. Against this background the researcher developed the follows research objectives, to assess measures to increase the yield per hectare of contracted farmers and secondly of Farmer Liaison Officers; to establish strategies to promote employee retention, satisfaction and loyalty; forth, to analyse options to improve employee reward and recognition and finally, to recommend the effective and appropriate performance management systems that could be implemented.

Undertaking this research the researcher used epistemology and ontological philosophies to support the paradigms of positivism. The researcher used survey and case study as the main strategy for collecting data. The researcher used self-administered questionnaires as a research instrument. In collecting the results the researcher on a population of 150 employees but managed to sample 94 employees who composed 9 Line managers and 85 general employees.

Results showed that Farmer Liaison Officers were demotivated to meet their production because of a proper performance management system. Employees were not satisfied with their jobs and did not have any intentions to stay with the organisation. The employees lacked a proper reward and recognition system that could intrinsically and extrinsically motivate them to work. The organisation lacked proper management system that could link all key areas to perform.

The researcher concluded that the organisation should be prompt in checking for training and performance gaps for farmers. In order to meet their objectives, key performance guidelines should be established for Farmer Liaison Officers before a farming season. Employees’ jobs should be redesigned and establish career growth schemes. The organisation should establish low cost recognition programs and revise performance pay systems such as variable pay and incentive bonus. The researcher recommended the introduction of the balanced scorecard for the organisation.
**TABLE OF CONTENTS**

DEDICATON ......................................................................................................................... i
DECLARATION ....................................................................................................................... ii
ACKNOWLEDGEMENTS ....................................................................................................... iii
ABSTRACT .............................................................................................................................. iv
TABLE OF CONTENTS .......................................................................................................... v
LIST OF TABLES .................................................................................................................... viii
LIST OF FIGURES ................................................................................................................ x
ACRONOMYS ........................................................................................................................ xi

CHAPTER ONE .................................................................................................................. 1
INTRODUCTION .................................................................................................................. 1

1.0 INTRODUCTION ......................................................................................................... 1
1.1 GENERAL OVERVIEW ............................................................................................ 1
  1.1.1 Macro Environment Analysis ............................................................................. 1
  1.1.2 Competitive Environment .................................................................................. 3
1.2 BACKGROUND OF THE ORGANISATION ......................................................... 3
  1.2.1 Strategy ............................................................................................................. 3
  1.2.2 Structure ............................................................................................................ 6
  1.2.3 Systems ............................................................................................................. 6
  1.2.4 Style .................................................................................................................. 8
  1.2.5 Skills ................................................................................................................. 9
  1.2.6 Staff .................................................................................................................. 9
  1.2.7 Shared values .................................................................................................... 10
1.3 STATEMENT OF THE PROBLEM .......................................................................... 11
1.4 RESEARCH QUESTIONS ......................................................................................... 11
1.5 OBJECTIVES ........................................................................................................... 12
1.6 PROPOSITION .......................................................................................................... 12
1.7 SCOPE OF THE RESEARCH .................................................................................. 12
1.8 JUSTIFICATION OF THE RESEARCH .............................................................. 12
1.9 CONCEPTUAL FRAMEWORK OF STUDY ...................................................... 13
1.10 STRUCTURE OF THE STUDY ........................................................................... 15
1.11 CHAPTER CONCLUSION .................................................................................... 15

CHAPTER TWO .............................................................................................................. 16
LITERATURE REVIEW ....................................................................................................... 16

2.0 INTRODUCTION ....................................................................................................... 16
2.1 IMPROVING CONTRACTED FARMER YIELD .................................................. 16
  2.1.1 Strategic Outsourcing ....................................................................................... 16
  2.1.2 Strategic Outsourcing Model ............................................................................ 17
  2.1.3 Benefits of Strategic Outsourcing .................................................................... 19
  2.1.4 Enhancing farmer knowledge through strategic outsourcing ....................... 20
2.2 IMPROVING FARMER LIAISON OFFICERS YIELD ......................................... 22
  2.2.1 Linkages of organisational effects to organisational outcomes ..................... 22
  2.2.2 The Organizational Levers of Motivation ....................................................... 23
  2.2.3 Components of Performance Management .................................................... 25
  2.2.4 Goal Setting Model ......................................................................................... 27
  2.2.5 Expectancy theory ............................................................................................ 28
2.3 PROMOTING EMPLOYEE RETENTION, SATISFACTION AND LOYALTY .............................................................. 28
  2.3.1 Employee retention .......................................................... 28
  2.3.2 Employee Satisfaction ..................................................... 30
  2.3.3 Employee loyalty ........................................................... 32
2.4 RECOGNITION AND REWARD MANAGEMENT ............... 34
  2.4.1 Recognition ................................................................. 35
  2.4.2 Financial Rewards ......................................................... 35
  2.4.3 Reward Programs ......................................................... 36
  2.4.4 Recognition Programs ................................................... 38
2.5 EFFECTIVE AND APPROPRIATE PERFORMANCE MANAGEMENT SYSTEMS .................................................... 40
  2.5.1 Strategic Performance Management Model ................. 40
  2.5.2 Balanced Scorecard ....................................................... 41
  2.5.3 360 Degrees feedback .................................................. 44
  2.5.4 European Foundation Quality Model (EFQM) ............. 46
  2.5.5 Performance Remuneration Based Management System .... 49
2.6 CHAPTER CONCLUSION .................................................. 50

CHAPTER THREE .............................................................. 51
METHODOLOGY ................................................................. 51
3.0 INTRODUCTION ......................................................... 51
3.1 RESEARCH DESIGN .......................................................... 51
  3.1.1 Research Philosophy ................................................... 51
  3.1.2 Research Approaches ................................................... 52
  3.1.3 Research Strategies ....................................................... 53
  3.1.4 Time Horizons ............................................................. 54
  3.1.5 Multi-method Research and Triangulation .................... 55
  3.1.6 Population ................................................................. 56
3.2 DATA COLLECTION TECHNIQUES .................................... 57
  3.2.1 Sample Size and Selection ........................................... 57
  3.2.2 Sampling Method ........................................................ 57
  3.2.3 Secondary sources of data ............................................ 59
  3.2.4 Primary sources of data ................................................ 59
3.3 DATA ANALYSIS TECHNIQUES ........................................ 61
3.4 RESEARCH ETHICS AND CREDIBILITY ......................... 61
3.5 CHAPTER CONCLUSION .................................................. 61

CHAPTER FOUR .............................................................. 63
DATA ANALYSIS AND DISCUSSION ........................................... 63
4.0 INTRODUCTION ............................................................ 63
4.1 RESPONSE RATE ............................................................ 63
4.2 OBJECTIVE 1 ................................................................. 64
  4.2.1 Definition of Strategic Outsourcing ................................. 64
  4.2.2 Benefits of outsourcing to farmers ................................. 65
  4.2.3 Strategic Outsourcing and cost structure ......................... 66
  4.2.4 Strategic outsourcing and ability to differentiate products .... 67
  4.2.5 Strategic outsourcing and ability to focus on its core business ............................................. 68
  4.2.6 Active involvement of farmers in research design and development ....... 69
4.2.7 Strengthening of Human capital on contracted farmers ......................... 70
4.2.8 Enhancing access to information ........................................................... 71
4.3 OBJECTIVE 2 ...................................................................................... 73
  4.3.1 Reward system and performance .......................................................... 73
  4.3.2 Organisational culture ........................................................................ 74
  4.3.3 Employees’ Job design ......................................................................... 75
  4.3.4 Adequate systems and resources to support employees in performance .... 76
  4.3.5 Goal setting for the achievement of higher yields .................................. 78
  4.3.6 Expectancy of rewards and awards are important for the achievement of
      higher yields by Farmer ........................................................................... 79
  4.3.7 Incentives and increase in productivity of employees .............................. 80
  4.3.8 Performance management system and resources allocation .................... 81
4.4 OBJECTIVE 3 ...................................................................................... 82
  4.4.1 Non cash remuneration benefits for retention employees ......................... 82
  4.4.2 Culture of engagement that allow freedom to make the decisions ............ 83
  4.4.3 Utilization of knowledge, skills and capabilities ...................................... 84
  4.4.4 Fairness and competitiveness of total compensation (salary and incentives)
      .................................................................................................................. 85
  4.4.5 Employee career growth scheme ............................................................ 86
  4.4.6 Regular feedback on performance from supervisors ............................... 87
  4.4.7 Regular training to enhance performance ............................................... 88
  4.4.8 Job security in the job that you currently performing .............................. 89
  4.4.9 Long term commitments to stay with the organisation for the next 5 years
      .................................................................................................................. 90
4.5 OBJECTIVE 4 ...................................................................................... 91
  4.5.1 The variable pay system on improved employee reward ............................ 91
  4.5.2 Introduction of a stock option scheme .................................................... 92
  4.5.3 Profit-sharing helps to reward employees for contributions ....................... 93
  4.5.4 Incentive bonuses are awarded to all employees openly ............................ 94
  4.5.5 Job grading system that objectively differentiate employee grades ........... 96
  4.5.6 Recognition programs that encourage employees to perform .................... 97
  4.5.7 Salary and benefits are objectively linked to your contribution ................ 98
4.6 CHAPTER CONCLUSION ................................................................ ...... 99
CHAPTER FIVE ....................................................................................... 100
CONCLUSION AND RECOMMENDATIONS .............................................. 100
  5.0 INTRODUCTION .............................................................................. 100
  5.1 CONCLUSION .................................................................................... 100
  5.2 RESEARCH PROPOSITION .................................................................. 105
  5.3 RECOMMENDATIONS ....................................................................... 106
  5.4 AREAS FOR FURTHER STUDY ......................................................... 107
REFERENCES ......................................................................................... 108
APPENDICE 1 ........................................................................................ 1
LIST OF TABLES

Table 1.1: Year to Year Cotton Purchase versus input disbursements...........5
Table 2.1: Recognition Programs...............................................................39
Table 3.1: Population and Sample..............................................................56
Table 4.1: Response Rate...........................................................................63
LIST OF FIGURES

Figure 1.1: Olam Zimbabwe Market positions from 2005 to 2010 ........................................... 4
Figure 1.2: Olam Zimbabwe Organogram ................................................................................. 6
Figure 1.3: Target, Input disbursed and Purchased Cotton ....................................................... 8
Figure 1.4: Number of staff members ....................................................................................... 9
Figure 1.5: Statistics of staff turnover ..................................................................................... 10
Figure 1.6 Conceptual Framework of the study ...................................................................... 15
Figure 2.1: Basic Outsourcing ................................................................................................. 17
Figure 2.2: Linkages of organisational effects to organisational outcomes ............................. 22
Figure 2.3: Organisational Levers of Motivation ................................................................. 23
Figure 2.4: Performance Management Framework and Components ..................................... 25
Figure 2.5: Strategic performance management model ........................................................... 41
Figure 2.6: Balanced Scorecard .............................................................................................. 43
Figure 2.7: 360 degrees feedback model ................................................................................. 45
Figure 2.8: EFQM Conceptual Structure ................................................................................. 47
Figure 2.9: Performance Remuneration Based Management System ..................................... 50
Figure 4.1: Definition of Strategic Outsourcing ...................................................................... 64
Figure 4.2: Benefits of outsourcing to farmers ........................................................................ 65
Figure 4.3: Strategic Outsourcing lowers the cost structure of Olam Zimbabwe ..................... 66
Figure 4.4: Strategic Outsourcing provides ability to differentiate products .......................... 67
Figure 4.5: Strategic outsourcing and ability to focus on its core business ............................. 68
Figure 4.6: Active involvement of farmers in research design and development .................... 69
Figure 4.7: Strengthening of Human capital on contracted farmers ........................................ 70
Figure 4.8: Enhancing access to information ......................................................................... 71
Figure 4.9: Reward system and performance ........................................................................ 73
Figure 4.10: The organisational culture ................................................................................. 74
Figure 4.11: Employees’ jobs design ...................................................................................... 75
Figure 4.12: Adequate systems and resources to support employees .................................... 76
Figure 4.13: Goal setting ......................................................................................................... 78
Figure 4.14: Expectancy of rewards and awards ................................................................... 79
Figure 4.15: Incentives and increase in productivity of employees ......................................... 80
Figure 4.16: Performance management system and resources allocation ............................ 81
Figure 4.17: Non cash remuneration benefits ........................................................................ 82
Figure 4.18: Culture of engagement ....................................................................................... 83
Figure 4.19: Work full utilization ........................................................................................... 84
Figure 4.20: Total compensation ........................................................................................... 85
Figure 4.21: Employee career growth scheme ...................................................................... 86
Figure 4.22: Regular feedback ............................................................................................... 87
Figure 4.23: Regular training ................................................................................................. 88
ACRONOMYS

CGA - Cotton Ginnners Association
CSC - Computer Science Corporation
EFQM - European Foundation Quality Model
IIRR - International Institute for Rural Reconstruction
NEC - National Employment Council
NGO - Non-Governmental Organisation
ODC - Offshore Development Centre
OPM - Organisation for Performance Management
SHRM - Society for Human Resources Management
CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION
This study was being conducted on an organisation called Olam Zimbabwe which is a subsidiary of Olam International Private Limited. In Zimbabwe the company is involved in the cotton industry in which it has managed to acquire significant market share. The research problem that the researcher seeks to address is that of poor performance management system that is retarding its efforts to fully excel in the cotton industry. In this chapter the researcher gave the background of the research, statement of the problem, research questions, research objectives, justification of the study and ended the chapter with a conclusion.

1.1 GENERAL OVERVIEW

1.1.1 Macro Environment Analysis

1.1.1.1 Political
The industry was affected by the agrarian reform in 2000. This saw traditional white owned farmers leave while being replaced by indigenous farmers. Currently, most of the crop is coming from these indigenous farmers who were resettled in farms. But not all of these farmers have managed to fully utilize the land as it was before, although researcher view limited decrease in yield.

The recent enacted indigenisation bill has affected on some major players in the industry namely Cargill and Olam Zimbabwe which are foreign owned. There is a lot of uncertainty among these foreign firms to invest more capital in the country. This is as a result of growing speculation that these organisations are going to be taken over by locals.
1.1.1.2 Economic
The new currency system that was introduced in 2009 has shown both positive and negative results in the industry. Before this, the industry benefited from the weak Zimbabwean Dollar. They purchased the crop in Zimbabwean dollar and made exports in United States Dollars in return, which in turn resulted in huge profits being posted in this sector. After the introduction of the new currencies cotton prices has been a major issue of concern. The market changed, thereby reducing the abnormal profits cotton merchants were enjoying. There is no longer a weak currency to hedge on as before and thus they are charging low prices. Farmers have complained that Cotton Ginners are taking advantage when pricing yet still exporting the product at very high margins. Hence, cotton farmers are demanding an increase in the producer price to meet and surpass their production costs. The Cotton Ginners attributed problem to the fluctuations in lint prices in the world market and they claim they do not have control over it.

1.1.1.3 Social
On a social point the input credit scheme has helped many farmers with funding. The financial support is provided in the form of the inputs credit scheme. On average according to the Cotton Ginners Association (CGA) by 2005 through the scheme, the small holder sector has producing 99% of national seed cotton intake. This has managed to create positive results in terms of yield and quality of cotton in Zimbabwe. Hence meaningful development in terms of livelihood has been experienced in most rural areas around Zimbabwe. But critical social areas such as transport and infrastructure development remain a problem in most areas the crop is planted.

1.1.1.4 Technology
Various cotton seed hybrids have been developed worldwide to meet the climate conditions in the country. Moreso, new methods of planting seed have been developed to ensure good yields and quality of cotton in the industry. Research is being conducted through the National Training Centre in Kadoma to overcome pest
problem, small yields and crop failure. Farmers in some areas have managed to purchase farming implements such as tractors which are more efficient than ox drawn ploughs. This is as a result of the economic benefit they have acquired from the crop.

1.1.2 Competitive Environment
Cotton lint is the second largest agricultural export for Zimbabwe after tobacco, contributing USD200 million in gross earnings to Zimbabwe’s economy. Ninety Five percent of the crop is produced by small holder farmers. The 1994 deregulation of the cotton industry from a Cotton Marketing Board monopoly gave birth to competition in Zimbabwe. Now the cotton industry is dominated by four major players thus Cottco, Olam Zimbabwe, Cargill and Grafax with Cottco leading the market. New players continue to enter into the industry and that has seen an upsurge the competition in the industry. Prices and side marketing are the main challenges grappling the industry. This has seen player in the market coming up with the Cotton Ginners Association to curb these problems.

1.2 BACKGROUND OF THE ORGANISATION
Olam Zimbabwe’s key strategy is to add value by our involvement in the complete supply chain, from procurement of seed cotton converting this to lint and delivering it to the spinner. In addition, Olam Zimbabwe acts as a one stop shop to provide agricultural inputs such as fertilizers, pesticides and also ginning inputs to farmers to secure cotton volumes at the farm gate level. This has led to significant strengthening of the local position in the cotton industry, therefore creating a strong foundation for the continued growth of its cotton business.

1.2.1 Strategy
Olam Zimbabwe has managed and successfully penetrated into the once monopolized cotton industry. Olam Zimbabwe has operated in Zimbabwe for the past 5 years and it has 14 depots countrywide where cotton seed is sourced from contracted farmers. It has also managed to establish 3 Ginneries in Glendale, Checheche and Nembudziya since year 2005 of inception. The company has a vision, “to be the leading integrated
supply chain manager and processor of agric-commodities in Zimbabwe”. Olam Zimbabwe values integrity in deals as a core value in the cotton business, which is a key to the development of long term sustainable relationships with our key partners including farmers, ginners and spinners. Great success has resulted from its effectiveness of contracting and commanding large base of farmers countrywide within short period of time through its input credit scheme. The organisation therefore managed to acquire third place in the market behind the predominant market leaders, Cottco and Cargill. There was an improvement from third to second position in 2007-2008 season and that was maintained to the next season in 2008-2009 season.

![Figure 1.1: Olam Zimbabwe Market positions from 2005 to 2010. Source: Own Construction, 2011.](image)

They have targeted 65,000 hectares per season with an average yield of 700 kg/ha which translates to 45500 metric tonnes of seed cotton. But this target has not been reached despite increase in inputs to contracted farmers in its input credit scheme. The table below are the actual cotton purchased year by year in the past five (5) years.
### Table 1.1: Year to Year Cotton Purchase versus Input Disbursements

<table>
<thead>
<tr>
<th>Year</th>
<th>Total inputs disbursed in $000</th>
<th>Total Purchases in Metric Tonnes</th>
<th>Market Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-2006</td>
<td>0</td>
<td>15,252</td>
<td>3</td>
</tr>
<tr>
<td>2006-2007</td>
<td>1,000</td>
<td>25,082</td>
<td>3</td>
</tr>
<tr>
<td>2007-2008</td>
<td>1,800</td>
<td>33,031</td>
<td>2</td>
</tr>
<tr>
<td>2008-2009</td>
<td>2,400</td>
<td>29,309</td>
<td>2</td>
</tr>
<tr>
<td>2009-2010</td>
<td>3,500</td>
<td>27,285</td>
<td>3</td>
</tr>
</tbody>
</table>


Year by year local purchases continue to gradually decline from 33 000 metric tonnes in 2007-2008 against to 27 000 metric tonnes in 2009 to 2010 season. During exit interviews employees sited poor strategic implementation plans by top management. They cited the organisation has a poorly structured performance management system that is failing to manage employees’ performance. Most of these employees could not comprehend the strategic goals of the organisation. They noted that every year performance standards are set at the end of the season and were not consulted in setting these targets. Since these targets were not certain they did not know what the organisation intended them to achieve. This has made it not feasible for them to meet the objectives of the organisation and has also affected their performance as individuals.
1.2.2 Structure

![Olam Zimbabwe Organogram. Source: Own Construction, 2011.](image)

The organisation has a structure where departments are organised in the form of functions. The structure was changed regularly by Top Executive to meet their operational needs but the main challenge was that lower employees were left with unclear reporting lines. The employees found it hard to access information that pertained to their individual positions. This created serious communication breakdown whereby employees developed a wait and see attitude. They noted that they are not being engaged and recognised in any decision making in the organisation.

1.2.3 Systems

From 2006 to 2007 all departments used to get the performance bonuses as an appreciation for their high levels of performance. But there was a problem with employees when top management selected top performers. They complained that the selection was subjective to the same employees every year. From 2008 to 2010
performance incentive bonuses were removed from all other staff. The focus shifted to selected employees in the finance and operations departments. Since this system was introduced in 2008 the rest of the departments have been reluctant to perform effectively.

In 2010 a variable pay system was introduced. The main aim was to award performance as a percentage of variable pay every month to employees in various departments. There was no consultation by top management on the employees on how it was going to be implemented. The other problem was that the variable pay system has no clear performance measures and target. Again the system was not being uniformly implemented to all employees in the whole organisation. For instance key employees such as Farmer Liaison Officers were not part of this scheme yet they are the ones who are directly in contact with the cotton farmers on the ground. The marketing staff were also left out yet they are in contact with the organisation’s customers. Thus, these departments felt that their effort is not recognised in the organisation.

Generally, salaries are increased in relation to increases in National Employment Council (NEC) Cotton Industry Collective Bargaining Agreements. In the collective bargaining, the Cotton Industry Workers union and Employer Association negotiate for agreements for the seasonal contract staff that are Buyers, Graders and General labour. This was used as a benchmark to determine salaries for long term staff in the organisation for example Farmer Liaison Officers. There was a small significant variation in salaries between NEC employees and these lower management employees. This rating system did not consider the production and the amount of responsibilities the employees were handling. The main objective of top management was on reducing the cost of production and little assessment that is done to look into their job descriptions. But the main impact was on the individual performance of these employees.

According to figure 1.3 the sales on a yearly basis have created a belly shape trend which was not favourable for the organisation’s overall performance. Despite constant
increase inputs disbursement in figure 1.3 the organization have failed to achieve its desired seasonal output of 45 000 metric tonnes.

![Figure 1.3: Target, Input disbursed and Purchased Cotton. Source: Own Construction, 2011.](image)

Performance started to show a decline in output for 2008 and another dip in 2009. This also led to a decrease in the market position of the organisation that has moved from second to third.

### 1.2.4 Style

The management style by top management does not engage other lower employees in making decisions. For instance in awarding bonuses, Line managers and the Human Resources department were not consulted on their contribution to come up with assessment ratings. The assessment ratings were created by Top Executive were also not disclosed to any one on how they awarded the bonuses. Moreso, since the bonuses were being awarded to the same individuals, employee’s loyalty then started declining over the years despite the increase in input credit. This has affected the employee then company performance as a whole.
1.2.5 Skills

The organisation has professionals with experience in physical cotton, risk management and the futures markets trading of cotton. At the heart of Olam Zimbabwe’s business is the origination activity, where knowledge and expertise assist farmers and collectors and provides with a consistent supply of good quality produce. Therefore, employed are Agronomist, Farmer Liaison Officers, Cotton Graders, Engineers, Artisans, Accountants Human Resources and Marketing Practioners. With an ineffective performance management system it is hard to satisfy, retain and fully utilize the skills for the business growth. The variable pay system and the bonus scheme did not have an impact in improving the performance of the employees. Hence figure 1.5 below shows the high employee turnover. Exit interviews revealed that these employees were not happy with the way the performance management was being implemented in the organisation.

1.2.6 Staff

Figure 1: Number of staff members

Figure 1.4: Number of staff members. Source: Own Construction, 2011.
The morale of employees was affected to a great extend because by the lack of recognition of their contribution in the organisation. Thus over the past 5 years the organisation has been facing high levels of staff turnover. According to figure 6 the organisation has experienced a significant increase in turnover in highly skilled Area Managers and Farmer Liaison Officers with 2009 (year 4) indicating the highest statistics.

![Figure 2: Statistics of staff turnover over the past 5 years](image)

**Figure 1.5: Statistics of Staff turnover. Source: Own Construction, 2011.**

**1.2.7 Shared values**

Preliminary research has shown that, most employees cannot comprehend what is the vision and mission statement of the organisation. Strategic management sessions were done at top executive level only and pertinent staff such as line managers and support staff were not involved. Therefore, employees and top management do not share the same values of achievement. They do not have the picture what performance is expected of them in the organisation in terms of the long term perspective. Consequently, it was hard for the Line Managers to come up with well-structured operation and functional strategies in different levels. This inability to cascade the
strategy down the organisation has created problems such as standard performance, measurement and allocation of resources.

1.3 STATEMENT OF THE PROBLEM
The research problem to be addressed in this study is that despite the increase in the hectarage of cotton planted under the Olam Input Credit Scheme available to contracted farmers, very little has been done to analyse the declining trends in yield per hectare and productivity of Farmer Liaison Officers. In recent years the organisation has experienced a massive exodus of both technically skilled and experienced personnel who during the exit interviews have cited poor performance management systems as their source of dissatisfaction. The highest figure of employee turnover was 43% in 2009 and these employees were lost to the organisation’s competitors. This trend has negatively impacted on the operating efficiencies of the organisation which has seen a decrease in its yearly output and market position from 33 000 metric tonnes in 2007-2008 against to 27 000 metric tonnes in 2009 to 2010 season. If this problem of performance management is not addressed with the seriousness it deserves the organisation will not be able to achieve its desired target of 45 000 metric tonnes per year. This in the long run will make it difficult to accomplish its vision of becoming the leading integrated supply chain manager and processor of agric-commodities in Zimbabwe.

1.4 RESEARCH QUESTIONS
1.4.1 What measures should Olam adopt in order to increase the yield per hectare of contracted farmers?
1.4.2 What measures should Olam adopt in order to increase the yield per hectare of Farmer Liaison Officers?
1.4.3 What strategies should the organisation adopted to promote employee retention, satisfaction and loyalty?
1.4.4 What options are available for the organisation to improve employee reward and recognition?
1.4.5 What are the effective and appropriate Performance Management Systems which could be recommended to be implemented at Olam Zimbabwe?

1.5 OBJECTIVES
The study will seek to:

1.5.1 To assess measures that Olam should adopt in order to increase the yield per hectare of contracted farmers.

1.5.2 To assess measures that Olam should adopt in order to increase the yield per hectare of Farmer Liaison Officers.

1.5.3 To establish strategies the organisation should adopt to promote employee retention, satisfaction and loyalty.

1.5.4 To analyse options that are available for the organisation to improve employee reward and recognition.

1.5.5 To recommend the effective and appropriate Performance Management Systems that could be implemented at Olam Zimbabwe.

1.6 PROPOSITION
The researcher makes a proposition that, “the adoption of an effective performance management system will improve employee performance at Olam Zimbabwe.”

1.7 SCOPE OF THE RESEARCH
The research will be conducted at Olam Zimbabwe Head Office in Harare and 14 depots around Zimbabwe and will be conducted over a period of six months. The research will be conducted on line managers and general staff at Olam Zimbabwe.

1.8 JUSTIFICATION OF THE RESEARCH
As an organisation that desire to achieve competitiveness there is need to establish an effective Performance Management System that is able to attract, motivate and retain the best employees in the sector. The study is, therefore, undertaken to look at the effectiveness of the Performance Management System at Olam Zimbabwe.
The study also seeks to contribute to the literature available on the subject of Performance Management thus enhance awareness and appreciation of the subject. It also seeks to present the challenges faced specifically within the concerned organisation of implementing Performance Management Systems. It is hoped that at the end of the study recommendations will be put forward in terms of the best Performance Management Practices and how these can be implemented within Olam Zimbabwe.

The problem of performance management has been persisting for a long time at Olam Zimbabwe and no research has been done in this area. This research will seek to come up with a solution that will bring about increased performance of employees at Olam Zimbabwe.

1.9 CONCEPTUAL FRAMEWORK OF STUDY

A conceptual framework is a tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this effectively. When clearly articulated, a conceptual framework has potential usefulness as a tool to assist a researcher to make meaning of subsequent findings. It forms part of the agenda for negotiation to be scrutinized and tested, reviewed and reformed as a result of investigation (Guba and Lincoln, 1989)

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Rechel and Ramey, 1987)

According to Goetz and Compte (1984), and Bliss, Monk and Ogborn (1983) a conceptual framework increasingly strengthens and keeps the research on track by

• Providing clear links from the literature to the research goals and questions
• Contributing to the formulation of research design
• Providing reference points for discussion of literature, methodology and analysis of data
• Contributing to the trustworthiness of the study
• Giving a broad scope to think about the research
• Conceptualizing the problem and providing a means to link ideas and data so that deeper connections can be revealed.

The figure 1.6 below helps to illustrate the formation of a conceptual framework of study. The topic was “A Study of the Effectiveness of the Performance Management Systems on Employee Performance: A Case Study of Olam Zimbabwe From 2006 – 2010”
1.10 STRUCTURE OF THE STUDY

The research consists of five chapters. Chapter one looks at the introduction where it focuses on the overview of the cotton industry and Olam Zimbabwe and its operation. It also focussed on the significance, hypothesis and objectives of the study. Chapter two concentrated on the literature review. This was mainly on literature that has been done on performance management and other related areas that affect it. This chapter also looked at work that has been gathered from books, journals and the internet. Chapter three looks at the methodology of the study. It also focused on the questionnaires that were used as well as the population size, and sample that has been used. Chapter four covered the findings and analysis of the study. It also linked to work that has been done in Chapter two. Chapter five covers the conclusion and recommendations that were drawn from the findings in chapter four.

1.11 CHAPTER CONCLUSION

This chapter focused on the background of the organisation. The researcher came up with objectives, research questions and justification of the research to be addressed at the end of the research. Chapter 3 is the literature review and looks at work that has been gathered on performance management from books, journals and the internet. The literature reviewed will assist to address the research problem using secondary data from several authors.
CHAPTER TWO
LITERATURE REVIEW

2.0 INTRODUCTION

The researcher gave an outline of the problem in Chapter 1 and Chapter 2 seek review literature using several authors. This work will assist in creating a theoretic framework in the area of performance management which will in turn assist in addressing the problem of Performance Management at Olam Zimbabwe. The researcher analyzed literature on improving contracted farmer yield, improving Farmer Liaison Officer Yield, promotion of employee retention, satisfaction and loyalty, recognition and rewards, effective and appropriate performance management systems and ended the chapter with a conclusion.

2.1 IMPROVING CONTRACTED FARMER YIELD

2.1.1 Strategic Outsourcing

According to Gilley and Rasheed (2000) outsourcing, “signifies the fundamental decision to discard the internalization of an activity” (p.764). As such, Dundas (2001) viewed it is a strategic decision to either substitute inside activities with outside provision, or alternatively to acquire externally those products or services that the firm has decided not to undertake in house (p.1). Nowadays, businesses face tougher challenges than ever before and strategic outsourcing is a key corporate response to escalating business pressures (Computer Sciences Corporation (CSC), 2004, p.5). Thus, some organisations now outsource essential production (core primary) activities so extensively that they no longer engage in production, as traditionally understood (Barrar and Gervais, 2006, p.3). As for the agricultural industry in general Asenso-Okyere, Davis and Aredo (2008) have seen strategic outsourcing yield positive results in the following ways:
• Decentralization to increase farmer participation, encouraging accountability of suppliers, and improve competence.
• Sponsoring organizations provide services emphasis mainly on cost recovery schemes of inputs.
• Outsourcing schemes, which comprise funding by one representative and provision of services by another—in terms of both contracting in and contracting out—and diversity in the delivery of extension services.
• Demand-driven models, which include a participatory approach, bottom-up planning, and empowerment of underprivileged farmers.

2.1.2 Strategic Outsourcing Model

According to Softerra (2011) there are three options to select an outsourcing models which are fixed price, time & materials, Offshore Development Centre (ODC). An organisation should be able to come up with a model that best suit what they intend to achieve. Rothaermel, Hitt and Jobe (2006) explained that “firms will trade off economizing on transaction costs versus access to dispersed knowledge stocks and enhanced flexibility in making this important governance decisions, many firms are partially integrated and simultaneously outsource some activities”(p.1).
2.1.2.1 Fixed Cost
Rothaermel, Hitt and Jobe (2006) argued that organisations seek to identify the most effective balance in both organizing alternatives to leverage their benefits and diminish their costs (p.1). Therefore, if an organisation has a project that is short, has well defined scope and all requirements are clear, a fixed cost outsourcing model is best suitable (Global Systems Services, 2011). It is useful when the organisation does not anticipate any over budget runs in its production system, but for this to be effective they must establish standard costs that meet the project funding.

2.1.2.2 Time and Material
For organizations whose requirements frequently changes and want dedicated originators to work only on single project, the time and material model is the best fit (Softerra, 2011). In this model, there is elasticity for client (in this case the Cotton Merchants) to add or remove resources as per fluctuation in requirements (Global Systems Services, 2011). Prices of products in the world markets fluctuate quite often and this model gives room to adjust costs accordingly. CSC (2004) reiterated that “the ability to bring about change within the outsourcing customer, and having caught up with cost reduction as the main driver behind Strategic Outsourcing decisions” (p.2).

2.1.2.3 Offshore development centre (ODC)
The ODC strategic outsourcing partnership, provide a pool of highly experienced experts with a wide range of talent sets and proven technology practice areas alongside with the infrastructure dedicated to your projects (Softerra, 2011). In this case superior skills can only be produced at the same quality in the organisation at a higher unit cost. For customers that have large projects where requirements change as per time this is the best model because of the need for acquisition of higher competences in cost-saving terms (Globerman and Vining, 2004, p.4). Outsourcing firms will have to bear the high costs of utilizing the professional expertise for mainly long term plans.
2.1.3 Benefits of Strategic Outsourcing

2.1.3.1 Lower cost structure

Barrar and Gervais (2006) noted that the cost of outsourcing must be compared to the costs of internal production of an activity in coming up with a decision to outsource (p.4). Clearly, if this is not done it is impossible to design a system where the firm can take advantage of economies of scale for all inputs. Thus, if done properly according to Greaver (1999) will reduce costs through superior provider performance and the provider’s lower cost structure and this has an advantage of thereby turning fixed costs into variable costs (p.5). Considering this advantage of a lower cost structure, it will be paramount to maximise on yield in order to maximise on contribution or profit. As for cotton farmers, Rees and Nampala (2004) suggested that “research can empower the poor through increasing their access to decision-making processes and reducing their vulnerability to economic shocks via asset accumulation” (p.6).

2.1.3.2 Enhance differentiation

A company may also be able to differentiate its final products better by outsourcing certain none core activities to specialists i.e. Farmers in cotton crop production. For this to occur, the activity performed by experts must be superior to if that same activity was executed by the organisation (Hill and Jones, 2009, p.304). McIvor (2005) concurred noting that specialists in supply markets can develop great knowledge gap, infrastructure, invest in software and training systems, to be more efficient (p.22). But, this offer will in turn higher salaries and attract more highly trained people than can the individual staff of all but a few integrated companies and increases differentiation of products that best satisfy the market.

2.1.3.3 Focus on core business

A final advantage of strategic outsourcing is that it allows managers to focus their company’s resources on performing activities that have most potential to create value and competitive advantage. In other words, companies can enhance their core capabilities and so are able to push out the value edge and create more value for their customers (Hill and Jones, 2009, p.305). These can be financial and marketing or
product and service development and less activity in the production departments as experts will be focusing on it. The organization outsourcing activities will have more time to regularly monitor production to ensure that it meets the organization’s performance set standards.

2.1.4 Enhancing farmer knowledge through strategic outsourcing

2.4.3.1 Farmer experimentation

The active involvement of end-users in research design and development enables researchers and stakeholders to understand indigenous farming systems and the larger context within which they exist, to incorporate local knowledge into technology innovation, and to develop locally appropriate solutions (Kaaria et al, 2004, p.2). The guarantee of farmer participatory research approaches is the link it establishes between the formal and local research systems (Ashby et al., 2000). This assists in developing systems that best suit the different areas where crops are planted. For instance the incidence of weeds, pests and disease on cotton crop is a rising problem in all cotton-growing areas and adoption of chemical control methods are progressively becoming popular among the cotton growers (Bakhsh, Hassan and Maqbool, 2005, p.1). Although this indicates additional cost of plant protection measures but this will significantly increases cotton yield.

2.1.4.2 Strengthening human capital

According to Kaaria et al (2004) there is growing indication that building rural people’s capacities to innovate is probably more important than just including them in developing the technology (p.2). Therefore, enhancing their technical skills and research abilities, and involving them as decision-makers in the technology development, should result in intermediations that are more receptive to their priorities, needs and constraints (ibid). For this to be successful farmers should be empowered to reach their potential required investment, which generally should be the responsibility of development agencies, formal extension, Non-Governmental Organizations (NGO) and increasingly, of farmer organizations themselves (Rees and Nampala, 2004, p.6).
2.1.4.3 Social capital

Various scholarships show that strengthening group working processes and enhancing social capital is an important benefit that can provide a diversity of supportive mechanisms for improving rural livelihoods (Kaaria et al, 2004, p.2). Therefore according to Tripp and Longley (2006) at the community level, strengthening the social capital of rural communities and their organizational capacity is critical for horizontal and vertical linkages between communities, and amongst communities and rural service providers (p.15). This is because the poorer the farmer is the more relevant low inputs approaches, given that underprivileged farmers have little choice of using their resources. Thus, high yield will be compromised. Bakhsh, Hassan and Maqbool (2005) noted that highest priority should, therefore, be given to bridge the gap in order to produce enough to meet our future demand (p.1).

2.1.4.4 Enhancing access to information

Enhancing access to information and linking local or indigenous knowledge to scientific knowledge are major resources in supporting improvement processes (Kaaria et al, 2004, p.2). A key issue is to understand how best rural novelty can be enhanced through supporting experimentation with effective blends of local knowledge systems and formal scientific knowledge. Bakhsh, Hassan and Maqbool (2005) reiterated that “educated farmers manage various farm practices in a better way as compared to illiterate farmers and they learn easily about new development and innovation regarding production technology of crops”(p.3).

2.1.4.5 Scaling up innovation

Scaling up improvement processes leads to “more quality benefits to more people over a wider geographic area more quickly, more equitably and more lastingly” (International Institute for Rural Reconstruction (IIRR), 2000). This is so because in developing nations the gap between progressive farmers yield and the countrywide average yield represents the unexploited yield reservoir existing at the modern level of technology (Bakhsh, Hassan and Maqbool, 2005, p.1). Therefore, scaling up indicates increasing the effect of an innovation or intervention to its logical or appropriate level,
and also reaching larger statistics of people (Gonsalves, 2001). This also reveals the concern with quality of the impact in terms of sustainability and equity.

### 2.2 IMPROVING FARMER LIAISON OFFICERS YIELD

#### 2.2.1 Linkages of organisational effects to organisational outcomes

![Diagram](chart.png)

Figure 2.2: Linkages of organisational effects to organisational outcomes. Source: Employee ownership, motivation and productivity. A research report for Employees Direct, Michie, Oughton and Bennion, 2002, Birkbeck University and the Work Foundation.

According Corporate Executive Board (2003) an increase in job satisfaction lead to increase in employee morale, this leads to increased employee productivity (p.1). Thus, the role of worker performance in companies is of paramount concern. It is in the area of employee performance where the highest degree of weight occurs for gaining a competitive advantage in the marketplace, as a result of improved productivity (Impact Achievement Group, 2011). According to Michie, Oughton and Bennion (2002) figure 2.2 show that for employee productivity to increase when there is a cause that leads it to manifest (p.6). Consequently, it is important for organisations to develop a statistical and measurable way to rate each employee’s
actual production and then balance those figures against the cost of each employee. A few ways to increase your employee productivity according to Riddle (2011) is:

- Maintain positive employee morale through production recognition and awards;
- Always promote employees within the company;
- Create productivity incentives within the company;
- Ensure your employees are taking adequate breaks;
- Invest in employee development (an educated employee is 10 times more productive than an uninformed employee).

### 2.2.2 The Organizational Levers of Motivation

Although fulfilling all four of employees’ elementary emotional drives is essential for any company, research suggests that “each drive is best met by a distinct organizational lever” (Nohria, Groysberg and Lee, 2008).

![Organisational Levers of Motivation](image)

**Figure 2.3: Organisational Levers of Motivation. Source: “Employee Motivation A Powerful New Model”. Nohria, Groysberg and Lee, 2008, Harvard Business Review.**
2.2.2.1 The reward system

Nohria, Groysberg and Lee (2008) noted that the drive to acquire is most easily satisfied by a firm’s reward system – how effectively it discriminates between good and poor performers, ties rewards to performance, and gives the best people opportunities for advancement (p.81). Performance management can provide for a whole range of rewards in order to encourage job engagement and promote commitment (Armstrong, 2006). To a large extent has an effect of encouraging employees to produce more than what is expected from them.

2.2.2.2 Culture

The most effective way to satisfy the drive to bond is to generate a culture that encourages collaboration, teamwork, openness, and friendship (Nohria, Groysberg and Lee, 2008, p.82). To achieve long-standing success, it is vital that the organizational culture progress to the point where it cultivates performance improvement as a continuous effort (Hopf et al, 1998, p.16). Therefore, the quality of leadership action for various performance situations is the main influencer on performance results (Impact Achievement Group, 2011). When leadership action is applicable, effective employee response is anticipated. If culture is not properly addressed this may lead to culture clashes which may be detrimental to employee performance. According to Lobsenz and Summers (2004) culture clashes can be the consequence of several factors, including absence of understanding of other employee's culture, company's norms, and a belief that one culture is superior(p.2).

2.2.2.3 Job design

Nohria, Groysberg and Lee (2008) looks at this lever as the drive to comprehend is best addressed by designing jobs that are meaningful, interesting, and challenging (p.82). Lochhead and Stephen (2004) explained that “practices such as autonomous or semi-autonomous work teams, ‘self-scheduling,’ and job rotation can not only improve retention but have also been shown to improve a number of other important indicators such as productivity, accidents and injuries and product quality”(p.6).
Employees also get to say a lot about how tasks are performed, and they are allowed to move and to learn new skills.

### 2.2.2.4 Performance-management and resource-allocation processes

Hopf et al (1998) noted that when developing performance measures, it is important to include a mix of quantitative and qualitative measures (p.16). This helps to justify acute management decisions on resource allocation (e.g., budget and staffing) or systems improvement. So in practical according to Nohria, Groysberg and Lee (2008) employees may not come to an understanding with a particular outcome, such as the nixing of a project, but they are able to agree on the rationale behind the decision (p.83). Therefore, this implies that the substance and timing of resource allocation decisions directly affect the efficient and effective implementation of strategies to improve performance and meet mission objectives (Hopf et al, 1998).

#### 2.2.3 Components of Performance Management

![Diagram of Performance Management Framework and Components](image)

**Figure 2.4:** Performance Management Framework and Components. Source: *From Silos to Systems Using Performance Management to Improve the Public’s Health*, Public Health Foundation, 2004, Turning Point National Program, USA.
2.2.3.1 Performance Standards
It is important to set challenging but achievable targets. Achieving performance targets should require concerted efforts, resources, and managerial action (Public Health Foundation, 2004). OPM (2005) affirmed that the established Performance elements and standards should be measurable, understandable, verifiable, equitable, and achievable (p.2). But Public Health Foundation (2004) noted that if targets can be achieved easily despite budget cuts and limited efforts, there is little motivation to improve performance or to invest in additional efforts (p.13). Through critical elements, employees are held accountable as individuals for work assignments or responsibilities (Cardy, Leonard and Newman, 2011, p.40).

2.2.3.2 Performance Measurement
It is a two-way discussion which focuses on recognizing employee excellence and areas for improvement and learning, as well as identifying barriers to performance (University Of Missouri, 2008, p.13). OPM (2005) looked at ongoing monitoring as an opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standard (p.3). Furthermore, Armstrong (2000) noted that unacceptable performance can be identified at any time during the appraisal period and address such performance rather than waiting until the end of the period when summary rating levels are assigned (p.84).

2.2.3.3 Reporting of Progress
Reporting of Progress involve using performance indicators to summarize the focus (for example, workforce capacity, customer service) of performance goals and measures, often used for communication purposes and preceding the development of specific measures (Public Health Foundation, 2004). In other words University of Missouri (2008) views “this as a process which provides employees with performance information to supplement supervisory feedback; may include feedback sources such as self-evaluation, peers, constituents or direct reports” (p.5).
2.2.3.4 Quality Improvement Process

Quality Improvement Process is a summative two-way discussion and written documentation focusing on employee performance: areas of excellence, goals for improvement and development needs (University of Missouri, 2008, p.15). Developing in this instance means increasing the capacity to perform through training, giving assignments that introduce new skills or higher levels of responsibility, improving work processes, or using other developmental methods (OPM, 2005).

2.2.4 Goal Setting Model

According to Hellriegel and Slocum (2007) the goal setting theory is of the view that superior performance of individuals can be determined by the goals that are set for the individuals who are required to undertake the task at hand(p.152). If the goals cannot be met then the individuals will have to change their behaviour so that it will be adjusted to meet the expected goals (O'Neil and Drillings, 1994, p.13). Alternatively they will have to choose more realizable goals that are within their reach.

Evidence for subsequent research by Mento et al (1998) on goal setting theory reveal that the following conditions are necessary to enable employees to be motivated to meet the goals that they are working to meet:

1. The goals to be achieved should be specific and unambiguous.
2. The goals should be demanding and stretching but attainable.
3. There should be continuous feedback on the performance of the individual in line with set goals.
4. The goals need to be accepted by the employees as desired, achievable, within their means and available resources.

This forms the core of the goal setting theory. However, the theory is only restricted to the setting of goals and does not take into account other factors that have a bearing on making the goals achievable (Heslin, Carson and VandeWalle, 2009). These factors are like expected behaviour and or attitude at workplace as well as the rewards and awards that are given for achieving the targets.
2.2.5 Expectancy theory

The expectancy theory looks at the resultant rewards and awards that an individual will get after meeting goals (DuBrin, 2008, p.389). These will make an individual adjust his behaviour so that it will meet the goals thus satisfy the needs of the individual through the rewards and awards (Green, 1992, p.2).

The expectancy theory makes use of a combination of three facts which are:-

- Expectancy- he assessment by the individual of whether he performs in a certain way he will get the quantifiable results.
- Instrumentality- it looks at whether the result achieved above will result in the achievement of the desired awards.
- The individual’s assessment of the likely satisfaction with the rewards to be awarded.

The expectancy theory however only focuses on the rewards and awards that are given to the individual. This gives the impression that they are the only factors that are important in the achievement of performance targets (Griffin and Moorhead, 2009, p.98). However factors such as the work place environment, interpersonal relationships and the overall organizational goals need to be taken into account to come up with factors that lead to attainment of desired goals.

2.3 PROMOTING EMPLOYEE RETENTION, SATISFACTION AND LOYALTY

2.3.1 Employee retention

2.3.1.1 Attractive employee value proposition.

An employee value proposition means that your company has something attractive to offer that is perceived as valuable to an employee (Claus, 2007, p.1). Therefore, retention has to starts up front, in the selection and hiring of the right employees (Handin, 2007). Claus (2007) further explained that as an employer, you must understand what makes your organization attractive to potential recruits and current employees (p.1). This requires both a valuation of basic job skills and consideration of
the “softer” concerns that is motivation, values, and being able to fit into the organization (Taylor, 2002). The best promoters for an employer’s brand are its current employees.

2.3.1.2 Total reward structure
Every company should have all the normal compensation mechanisms common to their type of employment. This means in addition to salary and similar compensation, people appreciate and respond to alternative forms of acknowledgement, i.e., dinners, awards, comp time (Handin, 2007). To be effective, such recognition should be clearly tied to achievement and encourage the desired behavior in individuals and teams and this reduces staff turnover (Taylor, 2002, p.111). Overall, a total reward structure should include, in addition to compensation, support for employees to attain their personal objectives aligned with the goals of their organization (Phillips and Connell, 2003, p.184).

2.3.1.3 Feedback on employee performance
Enhanced communication skills, develop strong interpersonal relationships and foster successful exchanges (Handin, 2007, p.2). Constant performance feedback allows employees to better know where they stand, provides them a formal way to provide work related input. According to (Claus, 2007) this, “feedback builds employee capacity for learning and accomplishing unrealized potential and also contributes to employee engagement and retention” (p.1). Furthermore, extensive research by Cvent (2011) has shown that motivated and satisfied employees tend to contribute more in terms of organizational productivity and maintaining a commitment to customer satisfaction (p.2).

2.3.1.4 Culture of engagement
Intrinsic motivation is associated with this aspect. Individuals are involved with their jobs when they have a concern in what they do and a sense of excitement in their work (Armstrong, 2006, p.152). This can be created by performance management when it concentrates on intrinsic motivating factors, intrinsic engagement, autonomy,
goal orientation, and self-regulatory mechanisms (Davila, 2010, p.71). Therefore, performance management can positively influence this dimension by encouraging individuals through target setting process and competency frameworks to focus on new ways of doing things and to motivate (Houldsworth and Jirasinghe, 2006, p.188).

Firms create the culture and climate that allow employees, processes and projects to become fully linked and engaged with one another (Armstrong, 2003, p.265). Engaged employees are more likely to stay with their employer (Claus, 2007, p.1). Employees who are involved in determining how work gets done have a sense of ownership and an opportunity to contribute to improvements in the company’s performance (Handin, 2007, p.2). Therefore, according to Dibble (1999) expectations and responsibilities need to be clearly defined (p.89).

2.3.1.5 Train managers to be effective

It is imperative to provide supervisors and managers with adequate tools to become effective managers since we cannot assume that these competencies are innate (Claus, 2007, p.1). Moreso, training and development opportunities provide many employees with the incentive to stay with a company. This is especially true when employees become actively involved in their own career development and tailor a personal development plan that meets their particular goals (Handin, 2007, p.2).

2.3.2 Employee Satisfaction

2.3.2.1 Job Security

Job security usually arises from the terms of the contract of employment, collective bargaining agreement, or labour legislation that prevents arbitrary termination, layoffs, and lockouts (Business Dictionary, 2011). It may also be as a result of the general economic conditions. Employees from large firms, compared with those from small firms, are more likely to mention job security as a very significant contributor to their job satisfaction (Society for Human Resource Management (SHRM), 2009).
2.3.2.2 Benefits
A fringe benefit is broadly non-cash remuneration used by organizations to recruit and retain top talent (Macquarie University, 2011). Benefits offerings for employees can include a wide array of benefits and perks; however, of primary importance to many employees are health care, paid time off, retirement and family-friendly benefits (SHRM, 2009). Flexibility in benefits packages can enhance retention, as it creates responsiveness to the specific needs and circumstances of individual employees (Lochhead and Stephen, 2004, p.4).

2.3.2.3 Compensation/Pay
Compensation has constantly remained one of the top job satisfaction aspects most important to employees (SHRM, 2009). However, they are more often associated with creating dissatisfaction than with fulfilment (Leimbach, 2006, p.3). In other words, when people feel their remuneration is not fair, or the work conditions are poor, or the benefits are not enough, they feel disgruntled with the firm and their work (Leimbach, 2006). As a corrective measure Cokins (2009) suggests that any performance review that affects an individual’s compensation should contain elements of work behavior (e.g., their personal skill and behavior growth) as well as the firm’s financial results (p.85). However, during a period of economic uncertainty, Human Resources professionals perceive the relationship with immediate supervisor, communication between employees and senior management and job-specific training as more important to employees than compensation (SHRM, 2009).

2.3.2.4 Opportunities to Use Skills/Abilities
Opportunities for learning and skills development in an organization help in result in advancements in job responsibilities (Lochhead and Stephen, 2004, p.15). However, according to Armstrong (2006) performance management can provide a basis for motivating people by enabling them to develop their skills (p.182). Manzoni (2010) argued that as soon as individuals lack the knowledge and skill to achieve a performance goal, give them a challenging goal which leads to poorer performance than telling them to do their best (p.26). This will provide an agreed framework for coaching and support to enhance and focus learning.
At the end of it staff need to know they are making a difference and being effective in their jobs. Expectations and responsibilities need to be clearly defined because it is a source to derive personal satisfaction from meeting an objective (Pope, 2005, p.142). Therefore, employees need to understand how their roles are linked to the organization’s overall success (SHRM, 2009). Employees who are involved in determining how work gets done have a sense of ownership and an opportunity to contribute to improvements in the company’s performance (Handin, 2007).

2.3.3 Employee loyalty

2.3.3.1 Align career growth with company goals

Performance management reviews make available opportunities to deliberate the direction in which the careers of employees are going and what they can do to ensure that they follow the best career growth path for themselves and the organization (Armstrong, 2006, p.152). Employee career effectiveness is directly linked organizational effectiveness and that career planning activities can lead to a more effective workforce (Hall, 1976). Too much time on single position can lead to profession stagnation and that has an adverse effect on commitment and performance (Abga, Festus and Ushie, 2010).

Employees need to understand how their roles are linked to the organization’s overall success and for this to be successful expectations and responsibilities should be clearly defined (Bernthal and Wellins, 2007, p.3). Mich (2010) in his research adds that when employees contemplate whether to remain or leave their jobs, younger workers require a much greater interest in the possibility of career advancement (p.3). An organisation should help its employees develop their expertise that furthers their professional development and enables the company to address its thorniest challenges (Johnson, 2005). Therefore according to Claus (2007) it calls for a different managerial mindset and practices that involve letting go of old ways of controlling workers’ time and attendance in favor of result criteria such as output, productivity and quality (p.1).
2.3.3.2 Design work with variety and autonomy

Jobs that provide variety and the freedom to make decisions and mistakes engender extensive loyalty, the experts note. The more we try to control everything around us, the less control we really have (Schaefer, 2007). So, allowing people to take ownership of projects gives them the opportunity to develop new skills and, just as important, the chance to show what they can do (Johnson, 2005). This recognition from a supervisor of at least two ranks above an employee makes a meaningful, engaging difference in employee morale (Cottle, 2008, p.3)

2.3.3.3 Focus on relationships

For many employees, loyalty is born or cemented through relationships with supervisors and colleagues (Johnson, 2007). Interpersonal fairness reflects how people experience the emotional context of recognition, whether receiving it themselves or witnessing others being recognized (Perrin, 2008, p.1). According to Pope (2005) “something as simple as a moment or two form a supervisor to thank the employee and emphasize how that employee’s efforts have helped the organization will cost nothing and goes a long way toward increasing an employee’s feelings of self-worth motivation” (p.142).

2.3.3.4 Link employees’ values and your company's mission

Emphasizing a company’s purpose—why it create wealth— engenders loyalty, especially when employees realize the connection between their values and the company's mission (Johnson, 2007). LaMalfa (2007) concurred that employees who become more engaged through increased acceptance will share a common bond of beliefs and purpose about the organization (p.6). Performance targets and measurement systems that are should be consistently and regularly implemented so that they can support an organization’s efforts to maintain a highly productive and committed workforce that is focused on the customer (Loyalty Research Center, 2008, p.3).

2.3.3.5 Commitment

One of the prime aims of performance management is to promote commitment to the organization and its goals by integrating individual and organizational objectives
(Armstrong, 2006, p.153). When employees have long-term commitments, they are willing to do more unpaid actions that help the long-term interests of the organisation and their associates since they will be with them for their profession (Epstein, 2010, p.15). Employee commitment manifest itself in several ways-positive attitudes, reflected in employee surveys, low turnover, and perhaps most graphically, by employee response to management’s decision to loosen previously met quality standards (Beer and Foote, 2009, p.3)

2.4 RECOGNITION AND REWARD MANAGEMENT

According to Armstrong (2006) Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams (p.1). Cokins (2009) also defined Performance management as being all about improvement—synchronizing improvement to create value for and from customers with the result of economic value creation to stockholders and owners (p.9). It communicates strategic objective and enables business-people to measure, monitor, and manage the key activities and processes needed to achieve goals (Eckerson, 2011, p.11). Considering these definitions, Performance management has moved its centre stage, it is no longer solely the responsibility of the Human Resources department and where an appraisal forms were filled with little relevance to the organization performance improvement (Weiss and Hartle, 1997, p.5).

On the other hand Withey (2005) defined rewarding as a “means of recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the mission” (p.5). Axson (2010) reiterated that the basis on which an individual is rewarded is a critical component of an effective management process and influences how they behave (p.43). But, Martinez (2003) disagreed and pointed out that individual performance rewards are often more discouraging than encouraging to staff (p.24). He further explained that they can introduce tensions and grievances whenever achievements of outcomes is the responsibility of a team rather than an individual responsibility, or wherever rewards
are highly substantial or insignificant relative to the salary package (Furth, 2006, p.323). A basic principle of effective management is all behaviour is controlled by its consequences which can be formal and informal and both positive and negative (Withey, 2005, p.5). Performance management therefore, also include non-financial rewards are provided through recognition, skills development and career planning, and enhancing job engagement and commitment (Armstrong, 2006, p.152).

2.4.1 Recognition
Performance management involves recognizing employee’s achievements and strengths on a continuing, normal part of day-to-day experience (Armstrong, 2006, p.152). The outcome of a successful performance review should make employees feel that their contribution for the review has been fully considered and recognized and that they have sound basis for future performance planning (Houldsworth and Jirasinghe, 2006, p.188). Armstrong (2000) postulated that this can also help employees to understand how they can do even better by taking action to make the best use of the opportunities the recognition has revealed (p.153).

2.4.2 Financial Rewards
According to Armstrong (2006) performance management is not inevitably associated with pay, although this is often assumed to be the case (p.152). Mazoni (2010) urged that when money is knotted to goal attainment, dysfunctional side effects can appear like misrepresentation of performance; therefore designing strategies meant to improve performance will be a cost to the organization. This is because employees quickly realize that the company is good at sharing the effort but bad at sharing the gains and as soon as they learn this, they lower their energy to what they are paid for. The Hay Group (2009) concurred that employees want to do the ‘right’ thing, but they can only do so if they know what the right things are and receive regular feedback about their work, and if their rewards are aligned. One approach to rewarding people for their contribution was to share with them on the potential gains (Armstrong, 2000, p.170).
The rating of employee performance record has a bearing on various other personnel actions, such as granting within-grade pay increases (Withey, 2005). Typically in some organizations, the employee is self-rated and then supervisor rated to a set of expectations that reflect organizational mission, goals, objectives, values, roles, responsibilities and competencies (Solomon, 2009, p.1). This relates pay increases to a rating and the position of the individual in the pay range. According to Armstrong, 2006) “pay progression is typically planned to decelerate through the range on the grounds that pay increases should be higher during the earlier period in a job when the highest levels of learning take place”(p.155).

But quite a few organizations do not use ratings instead they adopt what might be called ‘holistic’ assessment. There is one conception based on subject elements and another on objective elements. The first envisages values such as trust and integrity; the second rationality and controls based on compliance and performance measurement (Bouckaert and Halligan, 2008, p.30). This involves assessing the level of contribution and therefore possible awards in the shape of base pay increases or bonuses. This approach depends largely on the judgement of line managers, although they would be guided and helped in the exercise of that judgement by Human Resources (Armstrong, 2006, p.155).

**2.4.3 Reward Programs**

The connection between performance and rewards is often called line of sight or line of influence. It refers to the fact that in order to be motivated in an organizational setting, people must see how their behaviour influences a performance measure that, in turn, drives the allocation of a reward. If incentive plans are designed and administered well and they fit the situation in which they are used, there is clear evidence that they can affect performance positively (Ferracone, 2004).

Following are different programs aimed at both individual employees and team performance.
2.4.1.1 Variable pay
It really is, as the name suggests, a pay plan in which the level of the award varies with some metric. This metric is normally tied to company or unit performance. It also may have an individual performance metric as well (Ferracone, 2004). It can be paid as bonus packages, stock options, and awards for major achievements. Variable pay is normally associated with achieving desired performance and significant accomplishments (Department of Energy, 2005). Some organizations opt to pay employees less than rivals but attempt to encourage and compensate using a variable pay program instead (Yves, 2010). The potential benefits of variable pay are most likely to be realized when it is an integral part of a total work system of interconnected “design elements” (Painter, 2000, p.1).

2.4.1.2 Bonuses
Bonus program usually incentivize individual achievement and are normally used in sales oriented organizations to inspire salespersons to create additional business or higher returns. They also can allocate a bonus pool in ways that distinguish between top and bottom performers (Nohria, Groysberg and Lee, 2008, p.84). A bonus payment can also be made in recognition of efforts in a one-off extraordinary event, or to reward staff that have performed exceptionally but have reached the top of their incremental salary range where an accelerated salary increment is not an option (University of Adelaide, 2008, p.9).

Bonus programs need to be prudently planned to ensure they are rewarding achievements above and beyond an employee or group's basic functions (Yves, 2010). They should think very carefully about what actions and outcomes are most important to them (Manzoni, 2010, p.30). Locke (2004) concludes that “Effective bonus plans are extraordinarily difficult to set up and to maintain (p.133). Bad incentive plans encourage people to do the wrong things in the wrong way, and they lead to cynicism, anger, and indifference”
2.4.1.3 Profit sharing

Profit-sharing denotes to the scheme of forming a pool of funds to be disbursed to employees by taking a specified percentage of a company's profits (Yves, 2010). Profit sharing can help as a concrete manifestation of this “larger entity” we want the employees to feel part of and care about. But this identity must be supported by other mechanisms as well (Manzoni, 2010, p.27). Locke (2004) is thus advocating more subjectivity in bonus determination as well as “profit sharing” type of arrangements. The idea behind this scheme is to reward employees for achieving the organization’s profit goal and to encourage employees to stay with the company (Yves, 2010).

2.4.1.4 Stock options

Stock options have been seen as a compensation class that persuades executives to aim for the long-term benefit of their company (Chakhovich et al, 2010, p.311). Employee stock-option schemes give the workforce the privilege to buy a specified number of a business's shares at a fixed price for a stated period usually around ten years (Yves, 2010). However, alternative viewpoints have also been recently expressed. For example, executives who perceive that their companies’ stock prices are formed based on the short-term focus of earning per share consensus estimates may disagree with the view that stock options encourage performance for the long term (Rappaport, 2005, p. 69). In addition, the phenomenon of short-term stock price maximization may be strengthened by the use of stock options and performance measurement with stock price (Jensen et al., 2004). This might lead them to conceal the real value of the company since a fall in the company value would be disastrous for their own stock options and career opportunities (Chakhovich et al, 2010, p.320)

2.4.4 Recognition Programs

Recognition programs come in the form of positive feedback and celebration of achievement should be a matter of daily management and good business practice (University of Melbourne, 2007, p.7). In order to develop an effective recognition program, the organization must differentiate it from the organization's reward
program (Yves, 2010). Below are different ways in which recognition can be administered to employees.

Table 2.1: Recognition Programs

<table>
<thead>
<tr>
<th>No/Low Cost Recognition</th>
<th>Moderate/Higher Cost Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>These ideas are limited only by your own imagination and creativity. Here are a few ideas that are low cost to implement.</td>
<td>If you are in the fortunate position of having funding to spend on recognition and rewards, only your available budget and creativity limits this category! These suggestions tend to be more expensive and in some situations more time consuming. Be imaginative when thinking about developing rewards that your employees will value and appreciate!</td>
</tr>
<tr>
<td>• Personal thank you, thank you notes or emails – good deed awards</td>
<td>• Savings bonds</td>
</tr>
<tr>
<td>• Post on ‘recognition board,’ bulletin board, newsletters, web site</td>
<td>• Gift Certificates</td>
</tr>
<tr>
<td>• Hall of Fame – pictures of your employees</td>
<td>• Trophy</td>
</tr>
<tr>
<td>• Submit article to Intranet for agency viewing</td>
<td>• Clocks</td>
</tr>
<tr>
<td>• Submit article to local/regional/national newspaper regarding employee’s achievement</td>
<td>• Cash bonuses</td>
</tr>
<tr>
<td>• Scrapbook with pictures of achievements throughout the year</td>
<td>• Time off</td>
</tr>
<tr>
<td>• Ask a senior manager to attend your staff meeting when you recognize employees for their achievements</td>
<td>• Jewelry</td>
</tr>
<tr>
<td>• Recognition lunch</td>
<td>• Enrollment in seminar or additional training</td>
</tr>
<tr>
<td>• Informal party – coffee/Danish or cookies/drinks or ice cream</td>
<td>• Catered lunch</td>
</tr>
<tr>
<td>• Gift certificate to restaurant</td>
<td>• Annual Picnic</td>
</tr>
<tr>
<td>• Traveling trophy (and how about a photo of the manager congratulating the award recipients)</td>
<td>• An excursion for the department – night out for dinner, bowling, sports event, etc.</td>
</tr>
<tr>
<td>• Certificate or plaque</td>
<td></td>
</tr>
<tr>
<td>• Mugs, pens, tee shirts, etc. with team or agency logo</td>
<td></td>
</tr>
<tr>
<td>• Inexpensive gift related to employee’s hobby</td>
<td></td>
</tr>
<tr>
<td>• Flowers</td>
<td></td>
</tr>
<tr>
<td>• Certificate for CD’s or Books</td>
<td></td>
</tr>
<tr>
<td>• Movie Tickets</td>
<td></td>
</tr>
<tr>
<td>• Inclusion in special project</td>
<td></td>
</tr>
<tr>
<td>• Alternate work schedules</td>
<td></td>
</tr>
<tr>
<td>• Opportunity for cross-training</td>
<td></td>
</tr>
<tr>
<td>• Recognize outstanding skill or expertise by allowing employee to mentor another</td>
<td></td>
</tr>
<tr>
<td>• Rotate the responsibility for being the unit representative at meetings</td>
<td></td>
</tr>
<tr>
<td>• Include employee in goal setting and work planning</td>
<td></td>
</tr>
<tr>
<td>• Having employee attend ceremony or opening upon the completion of a special project</td>
<td></td>
</tr>
</tbody>
</table>

2.5 EFFECTIVE AND APPROPRIATE PERFORMANCE MANAGEMENT SYSTEMS

2.5.1 Strategic Performance Management Model

Strategic Plans set the foundation for effective performance measurement systems. Conventional performance measurement systems that focus on the wrong set of performance measures can actually undermine an organization’s strategic mission by perpetuating short-sighted business practices (Artley and Stroh, 2001). For this reason, it is appropriate to come up with the critical elements of strategic plans and review the compatibility of these ideas to an integrated performance measurement system.

Rogers, Bernthal and Smith (2008) noted that “the most effective performance management systems are characterized by their consistent use throughout the organization, their integration with other systems, senior management involvement, employee involvement, and their links to organizational strategy”. This is what the performance model as illustrated by the Hay Group (2011) in figure 2.5 below helps to define principles from a strategic and cultural context (p.3). It provides guiding principles for the entire set of performance management beliefs, systems and processes for the business as a whole.

According to the Hay Group (2011) by creating transparency across the firm on what the goals are and how they can best be attained in the current culture, it creates gigantic power and motivation. To develop a strategic performance model, administrators need to ask themselves how they essentially want to manage performance in their firm (ibid).
This is a holistic approach that demonstrates sound understanding of the business, employees and the firm. It is only through relating individual and team performance and generating a culture of high performance that is associated with business strategy that performance management system and processes can be premeditated in a sustainable manner to improve performance (ibid).

### 2.5.2 Balanced Scorecard

In 1992, Robert Kaplan and David Norton introduced the Balanced Scorecard concept as a way of motivating and measuring an organization’s performance. Thus, Hopf et al (1998) noted that leading organizations agreed on the need for a structured methodology for using performance measurement information to help set agreed-upon performance goals, allocate and prioritize resources, inform managers to either
confirm or change current policy or program direction to meet those goals, and report on the success in meeting those goals (p.11). The concept takes a systematic approach to assessing internal results while probing the external environment (Artley and Stroh, 2001). Commonly used financial accounting performance systems dwell more on measures such as return-on-investment and earnings-per-share, but research by Kaplan and Norton (1992, p.1) has shown that these measures have a weakness on articulating issues to do with innovation-activities and continuous improvement. But Johnson (2007) viewed this system as not giving a more “balanced” view of organisation’s performance; rather it captured how a company was operating in its current state (p.2). Kaplan and Norton (1992) observed “that senior executives designed measures that make one function look good while deflating another are avoided, thus minimizing negative competition between individuals and functions” (p.71). As such the Balanced Scorecard is designed to overcome shortcomings of previous performance measurement systems which tended to focus on past financial performance and did not always identify areas for strategic improvement (Cribb and Hogan, 2008, p.2). Consequently, the Balanced Scorecard is concerned with creating a strategy to drive future direction, building in cause and effect linkages while simultaneously taking into account both financial and intangible resources that can determine success or failure (Kaplan and Norton, 1996). Therefore, the Balanced Scorecard allows administrators to look at business from the following four important perspectives:

1. Customer Perspective
2. Financial Perspective
3. Internal Perspective
4. Innovation and learning perspective
2.5.2.1 Customer Perspective

Recent management philosophy has shown an increasing realization of the importance of customer focus and customer satisfaction in any company (Niven, 2006). This perspective captures the ability of the organization to provide quality goods and services, effective delivery, and overall customer satisfaction (Artley and Stroh, 2001). According to Kaplan and Norton (1992) business executives should translate issues that relate to customer services from the organization’s mission statement to satisfy the demands of the balanced scorecard (p.73).

2.5.2.2. Financial Perspective

Historically, according to Zairi and Jarrar (2010) this measure has been the cornerstone of performance measurement (p.73). Therefore, for any strategic option
selected by a firm, timely and accurately presented funding data is critical and the sources of funding and budgeting must be done (Chlistalla and Schaper, 2008, p.281). Another key consideration is the prospects of sustainability of funding for the initiative required to implement the strategy. Success for such organizations should be measured by how effectively and efficiently these organizations meet the needs of their constituencies (Artley and Stroh, 2001).

2.5.2.3. Internal Business Perspective
This perspective provides data regarding the internal business results against measures that lead to financial success and satisfied customers (Artley and Stroh, 2001). Kaplan and Norton (1992) indicated good procedures, decisions and actions have an effect of creating an outstanding customer performance throughout a firm (p.74). Therefore, Zairi and Jarrar (2010) pointed out that organisations must identify the key business processes at which they must excel and monitor them to ensure that outcomes will be satisfactory (p.4).

2.5.2.4. Learning and Growth Perspective
Kaplan (2010) noted that in most organisations he has researched on as “the black hole of the Balanced Scorecard” (p.2). This perspective assesses employee capability and the quality of information systems, and the effects of organisational alliance in supporting achievement of organisational goals (Zairi and Jarrar, 2010, p.4). However Artley and Stroh (2001) noted that processes will only succeed if adequately skilled and motivated employees, supplied with accurate and timely information, are driving them. In the modern management philosophy, Chlistalla and Schaper (2008) observed that “it is increasingly becoming important for the organizations to develop a culture of learning where the employees constantly learn and share the knowledge to facilitate growth”(p.282).

2.5.3 360 Degrees feedback
360-degree feedback has been defined by Armstrong (2006) as the “systematic collection and feedback of performance data on an individual or group derived from a
number of the stakeholders on their performance” (p.157). Historically, employees received feedback only from their direct supervisor. Considering flattened structures and the need to respond quickly to customer demand, Rogers, Rogers and Metlay (2005) noted that this feedback system was introduced to equip employees with the information needed to deal with change and to leverage individual talent to meet organizational goals (p.1).

With this system the data are usually fed back in the form of ratings against various performance dimensions (Armstrong, 2006, p.157). These assessments, if handled correctly, are one of the most dependable ways to get developmental feedback for managers and executives (Marcus, 2004).

According to Armstrong (2006) feedback can be initiated entirely by peers (in a team setting) or by both peers and the team leaders (p.158). To add on Ward (1997) noted that, in practice this system is used to assess how teams interact with their colleagues and customers and how individuals interact with the stakeholders in their performance (as shown in Figure 2.7) (p.7).

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**Figure 2.7: 360 degrees feedback model.** Source: *Performance Management - Key Strategies and Practical Guidelines*, Armstrong, 2006, London and Philadelphia, Kogan Page.
Inaccurate feedback systems, or more importantly the perception of inaccurate feedback process can lead to any number of unpleasant outcomes including punitive feedback, inappropriate developmental goals, emotional distress, organizational cynicism, and nonparticipation (Center for Creative Leadership, 2007). But a common mistake that organisations make according to Fleenor, Taylor and Chappelow (2008) is to “commit to assessment activity of some kind without clearly defining what they hope to gain from it or connect it to specific business needs” (p.21). Accordingly, Lepsinger and Lucia (2009) explained that an organisation has clarified its strategic direction and determined its business objectives, 360 degrees feedback process can be key element in refocusing the workforce to attain changed organisational goals through changing their behaviours (p.15).

2.5.4 European Foundation Quality Model (EFQM)

The EFQM excellence model is a framework for assessing business excellence and serves to provide a stimulus to companies and individuals to develop quality improvement initiatives and demonstrate sustainable superior performance in all aspects of the business (Basu, 2007, p.197). Sustained excellence is defined as outstanding practice in managing the organisation and achieving results, all based on a set of eight generic concepts (Vallejo et al, 2006, p.328). These fundamental concepts are,

- Results oriented,
- Customer focus,
- Leadership and constancy of purpose
- Management by process and facts
- People Development and involvement
- Continuous learning, Improvement and Innovation
- Partnership and development
EFQM improves its own quality model by continually analyzing applicant feedback and making necessary adjustments (EFQM, 2003, p.5). There are nine criteria in the Model that support this principle and try to cover all an organization’s activities (Koontz and Weihrich, 1990, p.75). These nine thoughts are separated into Enablers and Results. The Enabler criteria are concerned with how the organization conducts itself, how it manages its staff and resources, how it plans its strategy and how it reviews and monitors key processes (Basu, 2007, p.197). They are:

- Leadership
- People
- Policy and strategy
- Partnerships and resources
- Processes
The organization’s Results are what it achieves. These encompass the level of satisfaction among the organization’s employees and customers, its impact on the wider community and key performance indicators (Weihrich and Cannice, 2010, p.77). They are:

- People results
- Customer results
- Society results
- Key performance results

Each of the nine criteria is subdivided to describe in more detail the concept of ‘Excellence’ in that area and to examine how well an organization is doing through a list of practical questions to ask itself (British Quality Foundation, 2003, p.29). The starting point for most organizations is to gather evidence relevant to the nine criteria of the Model (Marsh, 1998, p.10). This involves asking, for each of the criteria, ‘How good are we and how could we improve?’ Evidence may take a variety of forms depending upon the organization (EFQM, 2000).
2.5.5 Performance Remuneration Based Management System

According to APQC (2010) “organizations that excel at this sub-process link compensation and rewards payouts to behaviors that support key business objectives, leverage variable pay across the enterprise, systematically recognize positive employee contributions, and customize benefits offerings to employee needs” p.2. All employees must be conscious of the firm goals and objectives, and must comprehend how their performance will impact their payment (Stillwell, 2002). de Silva (1998) explained that while the basic wage or salary is the chief component of remuneration, fringe benefits and cash and non-cash benefits influence the level of wages or pay because the employer is concerned more about labour costs rather than wage rates per se” (p.7). APQC (2010) noted that “regularly recognizing employees for positive accomplishments, offering unique forms of recognition at both the individual and team level, and balancing tangible and intangible rewards” (p.2).
2.6 CHAPTER CONCLUSION

This chapter explored the work that has been undertaken on Performance Management. Theoretical and practical aspects of Performance Management have been developed by several authors have been reviewed. However, the review of the literature has not been conclusive enough hence the researcher shall explore a primary investigative analysis and Chapter 3 provides the research methodology.
CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION
In recaptualisation of problems in chapter 1 the researcher examined contemporary literature in Chapter 2 but the review has not been informative enough to give insight into the research problem. This section describes the research design, research approaches and the research strategy of the study. Specifically, the section will also describes the target population, sampling procedure and sample size of the study, the data collection instrument used and issues pertaining to its validity and reliability, the procedure followed to gather the data and the statistical techniques used to analyze the data. The Chapter ends with a conclusion.

3.1 RESEARCH DESIGN
3.1.1 Research Philosophy
Saunders et al (1997) define research as “seeking through methodical processes to add to one’s own body of knowledge and hopefully to that of others, by the discovery of nontrivial facts and insights”. There are two approaches to research, which are positivism and phenomenology.

3.1.1.1 Positivism Philosophy
Positivism approach is deductive, seeks to explain causal relationships between variables, normally uses quantitative data, and employs control to allow the testing of hypothesis and it uses highly structured methodology to facilitate replication. In other words the research is of a scientific nature aiming to deduce a hypothesis or a proposition. Gill and Johnson (1997) quoted by Saunders et al (2000) say that there will be an emphasis on highly structured methodology to facilitate replication and on quantifiable observations that lend themselves to statistical analysis. Saunders et al
(1997) say that the assumption is that the researcher can either be affected or independent to the subject of the research being carried out. Therefore, the key idea of positivism is that the social world exists externally and its properties should be measured by objective methods rather than inferred subjectively through sensation, reflection or intuition. Anti-positivists reject that observing behaviour can help understand it.

3.1.1.2 Phenomenology Philosophy
According to Saunders et al (1997), phenomenology approach is based on the way people experience social phenomena in the world they live. It is characterised by focus or meanings that research subjects attach to social phenomenon, an attempt by the researchers to understand what is happening and why it is happening using qualitative data.

In this study, positivism approach was adopted because it allows for economical collection of data, clear theoretical focus for the research, researcher control of the research process and easily comparable data. Olam Zimbabwe has gone through years of increase in yield and a spell in decrease in performance. This quantitative data was compiled and managed to show that there is a problem associated with performance that needed to be addressed at Olam Zimbabwe. To add on to this the researcher made use of the objective method which has an ability to use this quantitative data in coming up with the results. The researcher also came up with a proposition that can be proven using this philosophy.

3.1.2 Research Approaches

3.1.2.1 Deductive Approach
This approach to research owes much to what we would think as of scientific research. It involves the development of theory that is subjective to rigorous test.
3.1.2.2 Inductive Approach

This is an alternative to the deductive approach which aims at building theory by studying the occurrence of events in a given social setting. This theory is common in research relating to business studies and other social studies.

The research made use of the inductive approach as it allows the researcher to build theory of performance management at Olam Zimbabwe. The researcher studied the theory of Performance management in occurrence of events in the Olam Zimbabwe business setting. The increase and decrease in performance of the total yield at Olam Zimbabwe was put under scrutiny and this information is being used to build the concept or theory of Performance management. This is because it is in the natural sciences where laws to provide the bases of explanations, permit the anticipation of phenomena, predict their occurrence and therefore allow them to be controlled.

3.1.3 Research Strategies

3.1.3.1 Survey

A survey is where empirical study involves collecting information from a larger number of cases, perhaps using questionnaires. Survey responses enable the researcher to tap into subjective attitudes and orientations, as well as more external indicators of the respondents’ personal situation. Olam Zimbabwe has a diversified workforce operating in different areas in Zimbabwe and this research strategy is most ideal to capture the diverse experiences. Moreso, for the researcher to use the survey strategy was most economical and useful when there is need to easily gather and analyse lots of information from a sizeable population.

3.1.3.2 Case study

A case study is defined as a strategy for doing research which involves and empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence (Saunders et al, 1997). Performance management is an area in that has been negatively affecting Olam Zimbabwe but has not been researched on. This may include various data collection methods such as questionnaires, interviews, observations and document analysis. For the researcher
this will had an advantage of using multiple data collection methods that was used to collect information from Olam Zimbabwe.

### 3.1.3.3 Experimental

This involves the deliberate manipulation of an intervention in order to determine its effects. An experiment may compare a number of interventions with each other, or compare one or more to a control group. If the researcher is also a participant this could be described as Action research. The major advantage of this design is that it allows the researcher enough control to examine the cause and effects relationships. However, as a disadvantage, the same control can create too much artificial environment that will translate to biased results specific to an environment.

The researcher used the case study design because of the various techniques that was employed considering the size of the organisation and the scatteredness of the respondents. Employees in Olam Zimbabwe are based in mainly remote areas mainly in the low veld areas which comprise Dande valley, Gokwe, Hurungwe-Makonde and Chiredzi-Mwenezi areas. Furthermore, the technique allowed the researcher to probe deeper into the problem under study at Olam Zimbabwe. Performance management is a contemporary phenomenon that has problem for Olam Zimbabwe and the case study design proved was used to empirically investigate the situation in order to come up with a solution.

### 3.1.4 Time Horizons

This looks at the time line that the research is to be conducted. It can be cross sectional or longitudinal studies.

#### 3.1.4.1 Cross sectional studies

This is a research study of a particular phenomenon at a particular point in time. This may have descriptive, exploratory or explanatory purposes depending on what the researcher seek to achieve (Rubin and Babbie, 2010, p.281). Most research projects are undertaken for academic courses and they are necessarily time constrained so they use this type of study.
3.1.4.2 Longitudinal studies
Longitudinal studies are used to observe people or events over time. They also use a sample to describe business activities at a single time (Hair et al, 2011, p.150). The researcher is able exercise a measure of control over variables being studies, provided that they are not affected by the research process itself.

The research made use of cross sectional studies as it is an academic research which is supposed to be accomplished within a specified period of six months. Even though the problem had been persistent for a long time at Olam Zimbabwe, the solution was deducted from the study that was done in this short period of time.

3.1.5 Multi-method Research and Triangulation

3.1.5.1 Quantitative research method
This type of research gives results in numerical values and the researcher uses mathematical and statistical treatment to help evaluate results. Scientists and Marketing Practioners carryout experiments and surveys using this approach respectively.

3.1.5.2 Qualitative research Methods
With this approach data is collected in the form of descriptions. This approach is used to study the way organisations, groups and individuals behave and interact. The difference with the former is that this approach uses non mathematical procedures when interpreting and explaining their research.

3.1.5.3 Triangulation
Triangulation refers to the use of different data collection methods within one study in order to ensure that the data are telling what you think they are telling. You may triangulate data sources such as primary and secondary, as well as qualitative and
quantitative methods. This combination of sources can be particularly useful in constructing case study descriptions of complex situations.

The research will make use of the triangulation method as it allows the researcher to analyse both qualitative and quantitative data in the same research instruments such as questionnaire. The questionnaire comprised of Likert scaled questions that require statistical data analysis and open ended questions that probe the respondents to provide more information in a particular area. The research also managed to triangulate using primary and secondary data sources in order to come up with conclusion and recommendation of the study.

3.1.6 Population

A population is the entire group of people, events or things of interest that the researcher wishes to investigate. The research studied by the population at Olam Zimbabwe. In this study the researcher has a population of 150 people. The population is composed of Executives (4), Line Managers (19) and General staff (115).

Table 3.1: Population and Sample

<table>
<thead>
<tr>
<th>Population</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>Harare</td>
</tr>
<tr>
<td>Line Managers</td>
<td>Head Office</td>
</tr>
<tr>
<td></td>
<td>13 Depots</td>
</tr>
<tr>
<td>General staff</td>
<td>Head Office</td>
</tr>
<tr>
<td></td>
<td>13 Depots</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Location</th>
<th>Size</th>
<th>Sample Size</th>
<th>Sample Selection Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>Harare</td>
<td>4</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Line Managers</td>
<td>Head Office</td>
<td>19</td>
<td>9</td>
<td>Systematic sampling</td>
</tr>
<tr>
<td>General staff</td>
<td>Head Office</td>
<td>115</td>
<td>85</td>
<td>Cluster Sampling</td>
</tr>
<tr>
<td></td>
<td>13 Depots</td>
<td></td>
<td></td>
<td>Simple random sampling</td>
</tr>
</tbody>
</table>

Source: Own Construction (2011).
3.2 DATA COLLECTION TECHNIQUES

3.2.1 Sample Size and Selection

For Line managers systematic random sampling will be used. The first manager picked from a piece of paper with names in a box will be done so through simple random sampling. Thereafter the every second (2\textsuperscript{nd}) manager will be picked from a hat until the sample size of nine (9) was reached. The general staff was sampled using the Cluster sampling technique so as to represent all the functions and depots around Zimbabwe. The sample will then selected from each spectrum using simple random sampling and a total of eighty five (85) general staff (technical and support staff) was obtained. The total sample size was fifty four (94). In summary, the researcher will use simple random, systematic random and cluster sampling techniques in selecting the respondents of this study.

3.2.3 Sampling Method

There are two ways of coming up with a sample. These are probability and non-probability sampling method.

3.2.3.1 Probability Sampling Method

Probability Sampling make certain that the probability of each condition being selected from the population is identified and is usually equal cases (Saunders et al, 1997). Normally the choice of components for the sample is by randomisation (Leedy, 1992). Summarised below are the random selection methods:

**Simple Random Sampling** - This method ensures that all items in the whole population have the same possibility of being incorporated in the sample. The method is normally used when it is assumed that the population is relatively homogenous with respect to random variable.

**Systematic Sampling** - Elements are selected from the population at a uniform interval that is measured in time, order or space. The first sample is selected randomly. This method differs from the simple random sampling in that each element does not have an equal chance of being selected.
**Stratified Sampling** – Stratified sampling, divides the population into segments or strata. Each stratum has relatively homogenous elements and from each stratum random samples can be selected. A specific number of elements can be selected at random from each stratum that corresponds to the proportion of that stratum in the population. Stratification can be worthless unless the population can be classified into strata that are homogenous in the state being investigated.

**Cluster Sampling** - The population can be divided into groups, or clusters and a random sample of clusters get selected. Thereafter the sampling units within these selected clusters may then be randomly selected to get the representative sample. Cluster sampling is normally used when the population is large and spread over geographical area.

**3.2.3.2 Non Probability Sampling Method**

Non-probability (non-random) sampling ensures that the probability of every cases selected from the entire population is recognized and cannot answer questions that require statistical inferences about the population’s characteristics.

The following are non-random sampling methods.

**Convenience Sampling** - The sample is drawn for the convenience of the researcher is not representative of the population.

**Quota Sampling** – The population is divided into segments and a quota of observations is collected from each segment. Furthermore, the respondent selection is in the same ratio as found in the general population.

**Judgemental Sampling** - The researcher attempts to draw a representative sample of population by using judgemental selection procedure. The amount of error depends upon the degree of expertise of the person making the selection.
The major disadvantage of non-probability sampling methods is the unrepresentative nature of the sample with respect to the population. This is likely to produce biased results because there is a chance of omitting the qualities of the population. Another disadvantage is the inability to quantify the sample error, with the consequence of invalidating any results from the statistical inferential approach based on this method.

3.2.4 Secondary sources of data
Secondary method of collecting data was based on document analysis of relevant literature. The data of this study was obtained from the texts that had significance and had a bearing on area under study, which is Performance Management. This will enable the understanding of the principles and theories that were to be explored and will essentially to be used as a tool in this study.

Library books, journals and the internet was used as background sources of information to bring to the fore practical issues that are faced in the implementation of performance management systems. This material was referred to provide insight as well as an understanding of the practicalities of the implementation of Performance Management Systems at Olam Zimbabwe.

3.2.5 Primary sources of data.
3.2.5.1 Observations
Observational Research is the process of watching people in context — in their natural environment, doing routine activities. The major tool of Observational Research is videotaping. With Observational Research, depending on the goals and needs of the study, researchers can gather anywhere from ten to hundreds of hours of documented observations.
3.1.5.2 Interviews
Interviews provide in-depth information about a particular research issue or question. Because the information is not quantifiable (i.e., not amenable to statistical analysis), the interview often is described as a qualitative research method.

The advantages of using the interview technique approach are that the respondents can expand on areas of interest and uses non-verbal cues such as facial expression to emphasis their response. The major disadvantage is that it is time consuming and costly. It further requires a trained interviewer to be able to adapt and probe more in line with the objectives of the research exercise.

3.2.5.3 Questionnaires
Individuals are able express their views and choose their own responses based on the way the questionnaire is designed (Cohen, Manion, Morrison, & Morrison, 2007). The researcher used a questionnaire that consists of both open-ended and closed questions which gave the researcher an advantage of acquiring both qualitative and quantitative responses on the area to do with performance management at Olam Zimbabwe.

For the purpose of this research, once the final version of the questionnaire was completed, the questionnaires were distributed to the respondents. Of the various method of questionnaire distribution, in some cases the group method will be adopted. In this method, the respondents are brought together to complete the questionnaires. The method was inexpensive and response rate was high.

The questionnaire comprised of 4 sections with an average of 8 questions per section. The questions comprised of 5 Likert scale questions, yes and no questions and open ended questions. This type of questioning is easy and faster to respond. This was also done to ensure that the respondents will be able to come up with standardised answers which will be objective to analyse to ensure reliability and validity of the data that is being collected.
3.3 DATA ANALYSIS TECHNIQUES
Data analysis will start with data processing. Data processing begins with data editing and coding (Zigmund, 2003, p.73). Once the questionnaires are picked they will be screened for anomalies. The questionnaires will then be coded with numbers assigned to each. The data will be processed by using a statistical package SPSS. The techniques that will be applied for data analysis will include item analysis and frequencies.

3.4 RESEARCH ETHICS AND CREDIBILITY
The researcher developed a cover letter that was send together with the questionnaire to Olam Zimbabwe respondents. The cover letters allowed participants the right to decline or discontinue participation, particularly in situations where the participant felt constrained to go along with the research because of presumed power of the researcher. This was done to ensure that the research process was ethical and employees were not being forced give information.

The researcher also informed the respondents in the questionnaire cover letter that all information that was obtained during the course of the investigation was confidential. So the researcher advised them not to write their names on the questionnaires.

To ensure credibility of the research instrument used a draft questionnaire was prepared. Prior to being finalized, the questionnaire was pre-tested on a small number of respondents at Olam Zimbabwe. After the pre-test the researcher reviewed the questionnaire, taking into account question wording and ordering. Appropriate transitions and section introductions were also added.

3.5 CHAPTER CONCLUSION
This chapter focussed on the methodology that the study used in order to conclusively address the research problem in Chapter 1. The primary data was collected through
making use of a questionnaire, which were distributed to employees of the company. The next chapter will analyse and discuss the results that were attained in the primary investigation.
CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

4.0 INTRODUCTION

The chapter focuses on the findings from both the primary and secondary research that was carried out. Most of the information was derived from the questionnaire that was distributed out to Olam Zimbabwe employees. The chapter commences with the response rate and data is analysed with respect of the four major objectives that were asked in the questionnaire and ends with a conclusion.

4.1 RESPONSE RATE

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Target Population</th>
<th>Number of Selected Population</th>
<th>Number of Questionnaire Respondent</th>
<th>Percentage Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Managers</td>
<td>9</td>
<td>7</td>
<td>77%</td>
</tr>
<tr>
<td>General Staff</td>
<td>85</td>
<td>54</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>94</strong></td>
<td><strong>61</strong></td>
<td><strong>65%</strong></td>
</tr>
</tbody>
</table>

The table above shows that 94 questionnaires were distributed, of which 9 went to Line Managers and 85 went to employees. Of all 94 questionnaires distributed 61 were returned and correctly filled and these will be considered for analysis. 19 questionnaires were not returned and the remaining 14 were spoilt. Thus the response rate for this research was 65% which makes the research study easy to generalize.
4.2 OBJECTIVE 1
To assess measures that Olam should adopt in order to increase the yield per hectare of contracted farmers.

4.2.1 Definition of Strategic Outsourcing

Figure 4.1: Definition of Strategic Outsourcing

About 71% of the respondents noted that the system of strategic outsourcing was being utilized at Olam Zimbabwe and 29% responded as not being utilized.

Discussion
The information that show 71% of respondents indicated “Yes” and 29% indicated “No” to the definition of strategic outsourcing shows that the majority of employees understood the process of strategic outsourcing at Olam Zimbabwe in its cotton operations. This was supported Barrar and Gervais, (2006) who indicated that some organisations now outsource essential production (core primary) activities so extensively that they no longer engage in production, as traditionally understood (p.3). Strategic Outsourcing system has been used in the cotton industry for a long period of time and farmers have played a huge role in the production while cotton companies finance inputs. This has been seen as a way that has improved farmer participation and has improved efficiency of farmers at Olam Zimbabwe. The fact that some employees indicated that they did not know about this system might suggest that this system is not being implemented properly by Olam Zimbabwe.
4.2.2 Benefits of outsourcing to farmers

The figure above show that about 64% of the respondents were aware of the benefits that were accruing to the farmers due to Olam Zimbabwe’s strategic outsourcing and 36% were not aware.

**Discussion**

The data that indicated 64% of respondents noted “Yes” and 36% indicated “No” to the view that farmers are benefitting from strategic outsourcing shows that the farmers are benefitting from the system. Literature reveal that Strategic Outsourcing has benefits associated with lowering of cost structure, differentiation and enhanced focus on core business (Barrar and Gervais, 2006). In a nutshell, strategic outsourcing schemes involve sponsoring by the organisation for the cotton crop and provision of production is done by the farmers while the organisation delivery of farmer liaison services to the farmers. Therefore, Olam Zimbabwe is in a position to focus on the core business of developing different farmer liaison services and thus exclude the cost of production of cotton. The Farmer Liaison Officers are able to deceminate information that is benficial for the crop production than to be involved in the actual production itself. Farmers are able to learn new ways of crop production that can improve the yeild per hectare thereby improving their income.
4.2.3 Strategic Outsourcing and cost structure

Figure 4.3: Strategic Outsourcing lowers the cost structure of Olam Zimbabwe

Figure 4.3 seek to analyse the data that strategic Outsourcing lowers the cost structure of Olam Zimbabwe. About 8% of respondents strongly agreed and the majority that is 57% of respondents agreed, while 23% of the respondents were neutral, 7% and 5% did not agree and strongly disagreed respectively to this statement.

Discussion

The statistics that show 8% of respondents strongly agreed and 57% agreed suggests that strategic outsourcing lowers the cost structure at Olam Zimbabwe. Greaver (1999) revealed that this strategy reduce cost through superior provider performance (p.5). It is cheaper for a farmer to produce cotton yields on the small land hectrage that they occupy than for Olam Zimbabwe to be involved in production. Olam Zimbabwe has a limitation of land and if the organisation considers the cost of leasing land for production, the cost of the final product will not be profitable than if they finance farmers to produce on their land. In the process of production Olam Zimbabwe will not incur costs such as tillage, weeding and labour involved but will incur the costs associated with farmer liaison services and distribution of inputs, collection of the cotton seed from farmers up to ginning and exporting. About 23% of respondents were neutral suggesting that these employees were not aware of the cost drivers of the organisation and impact of crop production to the costs of the production of the organisation. About 7% and 5% of respondents who disagreed and
strongly disagreed respectively to the statement suggest that some employees did not perceive the benefit that the organisation was accruing due to strategic outsourcing. This might be due to the reason that they are not involved in the budgeting and allocation of costs in the organisation therefore might view the system as costly. Some respondents noted that the management of Olam Zimbabwe should come up with a system that quantifies costs and results for employees in the system of strategic outsourcing. This will reduce subjectivity in the evaluation of performance.

4.2.4 Strategic outsourcing and ability to differentiate products

![Figure 4.4: Strategic Outsourcing provides Olam Zimbabwe the ability to differentiate products](image)

The figure above seeks to analyse that Strategic Outsourcing provides Olam Zimbabwe the ability to differentiate products. The results show that about 7% and 49% strongly agreed and agreed respectively. About 31% were neutral whereas 10% and 3% disagreed and strongly disagreed respectively.

**Discussion**

The majority of respondents that is 7% and 49% strongly agreed and agreed acknowledging that the organisation differentiated products through strategic outsourcing of production. The organisation is good at satisfying different customers with diverse needs and tastes in the cotton business in the world. Olam Zimbabwe
also has managed to enter into other agricultural products apart from cotton production for example maize and rice in order for it to sustain in the market. According to McIvor (2005) experts in markets, “can develop great knowledge gap, infrastructure, invest in software and training systems, to be more efficient in differentiating products that best satisfy customers” (p.22). About 31% of employees were neutral, 10% disagreed and 3% strongly disagreed to the statement suggesting that employees were not aware of the different lint quality products the organisation was sending for exports. The respondents suggested that some of the decisions by top management should be decentralised to them to ensure quick delivery of service and improve performance.

4.2.5 Strategic outsourcing and ability to focus on its core business

Figure 4.5: Strategic outsourcing and ability to focus on its core business

Figure 4.5 above seek to analyse that that Olam Zimbabwe is able to focus on its core business because it has outsourced its primary production to farmers. The majority of respondents show that 15% strongly agreed and 52% agreed. About 25% of respondents were neutral while 3% and 5% did not agree and strongly disagreed respectively.
Discussion

The statistics show that 67% of respondents at Olam Zimbabwe agreed that the organisation was able to focus on its core business because of strategic outsourcing. The remaining 33% of employees was neutral and did not agree the organisation was focusing on their core business. This is supported by the fact that Olam Zimbabwe has managed to invest in providing inputs and extension services to farmers. Hill and Jones (2009) concurred noting that organisations can enhance their core competencies and so are able to push out value limit and create more significance for their customers (p.305). The organisation is able to put more attention to the export market into what quality of products they expect. Therefore, the organisation is able to invest in extension or farmer liaison services so that they do not just produce quantity products but also the quality that satisfy the market.

4.2.6 Active involvement of farmers in research design and development

![Figure 4.6: Active involvement of farmers in research design and development](image)

The figure above is an analysis that farmers are actively involved in research design and development that enables Olam Zimbabwe to improve local farming systems. About 13% of respondents strongly agreed, 54% agreed, while 18% were neutral and the remaining 8% and 7% disagreed and strongly disagreed respectively.
Discussion

The statistics that show 67% agree suggest that employees appreciated that farmer experimentation was a necessary tool in enhancing farmer knowledge in strategic outsourcing. Farmer knowledge can be enhanced by the organisation coming up with field days, training sessions and seminars that give farmer the ability to receive and give feedback on development in the cotton crop. This will help to come up with crop production systems that best suit different areas where cotton is planted (Baksh, Hassanand Maqbool, 2005, p.1). At the same time different cotton varieties can be developed to meet the diverse world lint market. About 18% of respondents were not sure about the involvement of farmers in research design and development. The remaining 8% and 7% disagreed and strongly disagreed respectively. This suggests that farmer involvement was not going to improve in farmers’ production system. Other respondents concurred and noted that the system of strategic outsourcing gave much attention to the farmer and the organisation in achieving their results or performance, yet the employee who is bridging the system does not get any recognition and information that was pertinent to improve their own performance, which in turn improve the farmer and the organisation.

4.2.7 Strengthening of Human capital on contracted farmers

Figure 4.7: Strengthening of Human capital on contracted farmers
The figure above shows that 7% and 49% strongly agreed and agreed that there is strengthening of human capital in farmers that have been contracted by Olam Zimbabwe. About 31% were neutral and the remaining 10% and 3% disagreed and strongly disagreed respectively.

Discussion
The data above indicate that 56% are in agreement and this suggests that there is strengthening of human capital in farmers due to strategic outsourcing. As the farmers get more and more technical skills the more they become technically knowledgeable in the cotton production hence the human capital in most communal areas is enhanced. Enhancing farmer technical skills and research abilities, involving them in decision making in new technology help them in meeting their day to day needs (Kaaria et al, 2004). About 31% of respondents were neutral and this proposes that these employees were not aware of the strengthening of human capital of farmers by Olam Zimbabwe. This also applies to 13% of respondents disagreed suggesting that farmers are not empowered to reach their capabilities required investment which is the responsibility of organisations like Olam Zimbabwe. Organisations in resources distribution disseminate what they view as adequate for the cotton production, and this leaves a gap in human capitalisation that still need to be covered.

4.2.8 Enhancing access to information

Figure 4.8: Enhancing access to information
The figure above show 8% and 48% strongly agreed and agreed respectively that enhancing access to information and linking local or indigenous knowledge to scientific knowledge are major resources in supporting improvement processes. About 31% were neutral and the remaining 10% and 3% disagreed and strongly disagreed respectively.

**Discussion**

The statistics that indicate that 8% strongly agree and 48% agreed proposes that information of cotton production and innovation was being distributed to farmers contracted by the organisation. Research by Bakhsh, Hassan and Maqbool (2005) noted that knowledgeable farmers have an ability to manage various farming activities better than illiterate ones as far as production technology of crops is concerned (p.3). The organisation normally uses field days, farmer visits and farmer training to disseminate information to farmers. About 31% were neutral and the remaining 13% disagreed and strongly disagreed respectively suggesting that information should also dissemination through different medias such radios and print as a way to promoting the farmer knowledge by Olam Zimbabwe. This will assist the organisation to access as many contracted farmers as possible since the organisation’s operations cover almost the whole country mainly in rural areas.
4.3 OBJECTIVE 2

To assess measures that Olam should adopt in order to increase the yield per hectare of Farmer Liaison Officers.

4.3.1 Reward system and performance

Figure 4.9 above seek to analyse that the reward system at Olam Zimbabwe effectively discriminates between good and poor performers and ties rewards to performance, and gives the best people opportunities for progression. About 17% strongly disagreed, 52% of respondents disagreed respectively while 15% of respondents were neutral, 12% and 4% respectively agreed and strongly agreed to this notion.

Discussion

About 17% strongly disagreed and 52% strongly disagreed that there was effective discrimination by the reward system between good and poor performers by Olam Zimbabwe. This suggests that there is a problem with the reward system at Olam Zimbabwe which does not encourage employees to produce what is expected of them. While literature inform that rewards are necessary in performance management as they encourage job engagement and promote commitment among employees (Armstrong, 2006). If there are no clear systems that differentiate poor and good performers, good performers are bound to relax in producing their best results or
yields and poor performers are bound to continue with their old deeds they were rewarded for. About 15% of respondents were neutral about the issue while 12% and 4% respectively agreed and strongly agreed. This suggests that these employees were getting satisfaction from the reward system. Even though most of the employees’ jobs were not tied to the reward system some employees were getting rewards for works performed. The element that these employees are in the same organisation and are treated differently regardless of work performed suggest that it makes it hard for the organisation’s goals of achieving high yields.

4.3.2 Organisational culture

\[\text{Figure 4.10: The organisational culture on teamwork, collaboration, openness and friendship.}\]

The figure above seek is an analysis that the organisational culture at Olam Zimbabwe promotes teamwork, collaboration, openness and friendship. About 14% of respondents strongly disagreed and 48% disagreed, while 18% were neutral, 13% agreed and 5% strongly agreed.

**Discussion**

The results show 62% of respondents disagree suggests that there is no culture that promotes a bond between employees and the organisation. This also suggests that there is no value collaboration and teamwork between employees. Therefore, the employees cannot share best practices that will help to increase cotton yields for the
organisation. The remaining 18% were neutral, 13% agreed and 5% strongly agreed. This represents the minority of employees which means that the organisation still needs to administer their corporate culture to all employees in the organisation. This is because a good organisational culture fosters mutual reliance and friendship among employees. According to Hopf et al (1998) it is important for corporate culture to evolve to a point where it produces performance improvement as a constant effort (p.16). A culture for performance helps the organisation to grow and be able to look at each other as a holistic unit that is focussed on achieving a particular goal. The respondents suggested management should be flexible in coming up with uniform performance standards should be developed by the organisation for Farmer Liaison Officers.

4.3.3 Employees’ Job design

![Bar Chart]

Figure 4.11: Employees’ jobs are designed in such a way that they can produce the Olam Zimbabwe intended results

The figure above show that about 15% and 51% of respondents strongly disagreed and disagreed that jobs are designed in such a way that they can produce the Olam Zimbabwe intended results. The figure also shows that 23% of employees were neutral. About 8% and 3% agreed and strongly agreed to this opinion respectively.
Discussion

About 15% strongly disagreed and 51% disagreed show the majority of employees noted that jobs are not designed to meet the intended results of the organisation. If jobs are not well designed they do not produce meaningful results or yields for both the organisation and the employee. The lack of results will not foster a sense of contribution of the employee to the organisation. About 8% and 3% agreed and strongly agreed to this opinion respectively. In order for this to be effective jobs should be designed in such a way that they are meaningful, interesting and challenging (Nohria, Groyberg and Lee, 2008, p.81). This can be enhanced through job rotations and job enlargement from time to time. This will give employees an ability to be able to make decisions in their particular jobs or tasks.

4.3.4 Adequate systems and resources to support employees in performance

![Figure 4.12: There are adequate systems and resources to support employees in performing their roles](image)

The figure above shows that 13% and 54% of respondents strongly disagreed and disagreed that there are adequate systems and resources to support employees in performing their roles. About 7% of respondents agreed that systems were available while 26% were neutral on the issue.
Discussion
About 13% of respondents strongly disagreed and 54% disagreed indicate that the organisation does not have a clear system in terms of resource allocation to farmers hence low the low yields. Resources might be allocated to undeserving farmers. This suggests that the organisation does not have transparent processes that make resource allocated to Farmer Liaison Officers to produce results. About 7% of employees agreed that systems were available while 26% were neutral on the issue. This suggest that the organisation has on some employees build trust by being just and transparent in granting rewards, assignments and other forms of recognition. According to Hopf et al (1998) substance and timing of resources allocation decisions have a direct bearing on the effectiveness and efficient allocation of strategies in order to improve performance. Public Health Foundation (2004) also noted that for performance targets to be achieved concerted efforts, resource and managerial action to drive systems is required. This can be enhanced if Olam Zimbabwe looks into its processes or infrastructure that is used to produce the cotton crop up to lint production. Thus, the organisation should emphasis for fairness in the process. This will also encompass proper allocation of required resources for these Farmer Liaison Officers to be able to produce the intended results. Some respondents noted that it is better for them to be part of the process than for them to be blamed for failing to meet the organisation’s goals they were not part of initially.
4.3.5 Goal setting for the achievement of higher yields

Figure 4.13 above seek to analyse that Goal setting is important for the achievement of higher yields for Farmer Liaison Officers in Olam Zimbabwe. The majority of respondents that is 57% agreed and 16% strongly agreed. The remaining 21% of respondents were neutral and 5% disagreed to the concept.

Discussion

The statistics show that 73% agreed suggests that goals need to be accepted by the employees as desired, achievable, within their means and available resources. There should also be continuous feedback on performance of the individual in line with set goals. The remaining 21% and 5% of respondents was neutral and disagreed to the concept. Goal setting is an issue that is affecting cotton yields by Farmer Liaison Officers for the past 5 years. If the goals cannot be met then the individuals will have to change their behaviour so that it will be adjusted to meet the expected goals (O'Neil and Drillings, 1994, p.13). Therefore results show that if this is adopted meaningful positive outcomes can be expected. Respondents noted that they should be involved in the setting up of the performance standards. This includes the setting of goals and targets as well as communicating expectations.
4.3.6 Expectancy of rewards and awards are important for the achievement of higher yields by Farmer

The figure above show that the majority of respondents that is 66% and 25% agreed that the expectancy of rewards and awards are important for the achievement of higher yields by Farmer. The outstanding 7% and 3% of respondents was neutral and disagreed to the conception.

Discussion

The statistics indicate that 81% of respondents agreed suggests that this helps an individual to make an assessment of whether he performs in a certain way he will get the quantifiable results. This assist in shaping the behaviour of employees to adjust to his/her goals thereby improving performance based on the rewards and awards (Green, 1992, p.2). This shows that lack of these rewards and awards have a bearing effect on performance because most of the employees think that they are necessary. The outstanding 7% and 3% of respondents was neutral and disagreed to the conception. This shows that these employees did not understand the benefits that came with creating expectancy when an employee is performing his or her job in enhancing yield per hectare for Farmer Liaison Officers.
4.3.7 Incentives and increase in productivity of employees

Figure 4.15: Incentives and increase in productivity of employees

About 85% and 15% of respondents think and do not think respectively that incentives are necessary to increase productivity in employees.

Discussion

The statistics that 85% noted “Yes” and 15% noted “No” shows that incentives are necessary in terms of increasing productivity of employees in at Olam Zimbabwe. The fact that an employee is expecting to receive a reward give an employee the ability to work harder thereby producing more than what is expected of them. This is supported by Armstrong (2006) who noted that rewards have to a great extend effect of encouraging employees to produce more than what is expected from them. On the other hand the more the rewards increase for an employee has an inverse relationship on production if there is no proper system to align the two. As rewards increase production will be reducing. Rewards are extrinsic in nature and they reach a point whereby the employer cannot continue to increase rewards as there will be no link to yield being produced.
4.3.8 Performance management system and resources allocation

Figure 4.16: Performance management system and resources allocation

About 90% and 10% of respondents noted “No” and “Yes” respectively that Olam Zimbabwe’s performance management system also considers decisions concerning resources allocation.

Discussion

The statistics that 90% of respondents disagreed and 10% agreed that the performance management system was linked to resources allocation and this suggest that the organisation does not have systems that marry the two aspects. Therefore, it is necessary to include a mixture of quantitative and qualitative measures in developing performance measures for the organisation as this help to justify acute management decisions on resources allocation (Hopf, 1998, p.16). The input of employees in resources allocation is very paramount for management to consider when making decision because this has a direct bearing on their performance. Farmer Liaison Officers are the ones who meet directly with the farmers and that make their contribution more accurate.
4.4 OBJECTIVE 3

To establish strategies the organisation should adopted to promote employee retention, satisfaction and loyalty.

4.4.1 Non cash remuneration benefits for retention employees

![Bar chart showing the percentage of respondents who agree or disagree with non cash remuneration benefits](image)

**Figure 4.17: The organisation offers non cash remuneration benefits (health care and retirement) that are able to retain employees**

The figure above seeks to analyse that the organisation offers non cash remuneration benefits (health care and retirement) that are able to retain employees. About 69% of the respondents disagreed and 31% strongly disagreed.

**Discussion**

The statistics that show that 69% disagreed and 31% strongly disagreed suggests that the absence of noncash benefits also has an effect on the turnover of employees at Olam Zimbabwe. According to Lochhead and Stephen (2004) it important for benefits to be provided by an organisation as flexibility in benefits packages can enhance retention as it creates responsiveness to the specific needs and circumstances of individual employees (p.4). Apart from the salary an employee will be receiving he or she will also be focussing on how they will sustain in the event they are no longer employed. Thus they feel insecure to work for the organisation when their future is bleak afterwards. The other important issue to mention is that of health care, if an
employee gets injured on duty or off duty the organisation. It will become a burden for the employees while they are working to satisfy the organisation’s needs. Thus the organisation needs to be flexible in looking into these issues to reduce staff turnover.

4.4.2 Culture of engagement that allow freedom to make the decisions

Figure 4.18: Olam Zimbabwe has a culture of engagement that allow freedom to make the decisions necessary to do my job well

The majority of respondents that is 49% disagreed and 31% strongly disagreed that Olam Zimbabwe has a culture of engagement that allow freedom to make the decisions necessary to do job well. About 2% was neutral, 8% agreed and 2% strongly disagreed.

Discussion

The statistics that show 80% of respondents disagreed, 2% were neutral, and 10% agreed shows that the organisation does not have a culture of engagement. According to Handin (2007) employees who are involved in determining how work gets done have a sense of ownership and an opportunity to contribute to improvements in company performance (p.2). A culture of engagement enables employees to develop a psychological contract with the organisation. An employee is able to look in retrospect into what he or she has achieved with the organisation and this tends to create a sense of ownership with the organisation. Claus (2007) noted that employees
who are engaged are more likely to stay with their employer because of their contribution in the organisation (p.2). Employee retention is important as it help to keep Olam Zimbabwe’s specialized employees from leaving.

4.4.3 Utilization of knowledge, skills and capabilities

Around 16% of respondents strongly disagreed and 57% of respondents disagreed that Olam Zimbabwe employees’ work fully utilizes knowledge, skills and capabilities. About 21% of respondents were neutral and 2% and 3% agreed to the issue.

**Discussion**

The statistics that show 16% strongly disagreed and 57% disagreed suggests that Olam Zimbabwe employees` work does not fully utilize knowledge, skills and capabilities. Employees who are educated and experienced need larger scope of autonomy in order for them to fully utilize knowledge, skills and capabilities. If the scope is low they tend to leave the organisation for organisation that gives them room to perform. About 21% of respondents were neutral and 2% strongly agreed and 3% agreed to the issue. For knowledge, skills and capabilities to be successful utilized according to Pope (2005) expectations and responsibilities need to be clearly defined because personal satisfaction is derived from meeting an objective (p.142).
Employees who are given an ability to utilize their knowledge, skills and capabilities work more than what is expected of them and they tend to produce better results.

### 4.4.4 Fairness and competitiveness of total compensation (salary and incentives)

![Figure 4.20: Olam Zimbabwe's total compensation (salary and incentives) are fair and competitive](image)

The figure 4.20 above is an analysis that Olam Zimbabwe’s total compensation (salary and incentives) are fair and competitive. About 31% of respondents strongly disagreed and 49% disagreed, 2% were neutral, 8% agreed and 2% strongly agreed to the notion.

**Discussion**

The statistics above show 80% disagreed and 10% agree indicate the issue of salaries and incentives is affecting majority the employees at Olam Zimbabwe and has an effect on employee satisfaction. This will in turn also affect the expected yield that the organisation intends to achieve in the long run. When employees believe that they are unfairly remunerated, or work conditions are poor, benefits are not enough, they feel frustrated with the organisation and their work (Leimbach, 2006, p.3). The moment the employees are dissatisfied the overall production of the organisation is affected. This will also have an effect on the staff turnover if the employee finds alternative jobs.
4.4.5 Employee career growth scheme

Figure 4.21: The organisation has an employee career growth scheme that is aligned to the company goals and objectives

The figure above is an analysis that the organisation has an employee career growth scheme that is aligned to the company goals and objectives. About 66% of respondents disagreed, 10% strongly disagreed, 3% of respondents agreed and 21% were neutral.

Discussion

Statistics show 76% of respondents disagreed and 21% were neutral indicate that the organisation has an employee career growth scheme that is aligned to the company goals and objectives. If an employee has a career that is not aligned to the company goals and objectives, there is a tendency of that employee not being able to meet the required needs of a task or job being performed. There will give rise to confusion on what is expected of him and what the organisation require. The organisation might be expecting too much from the employee yet the employee has capabilities to produce less or visa vi. According to Bernthal and Wellins (2007) employees need to understand how their roles are linked to the organisation’s overall successful expectations and responsibilities should be clearly defined (p.3). This will assist in coming up with job designs which meet career growth schemes for employees for them to produce in their own capacity as well as meeting the organisation’s goals.
This will reduce or remove any likelihood over expecting or under expecting performance of employees in the organisation.

4.4.6 Regular feedback on performance from supervisors

![Pie chart showing the distribution of feedback responses.]

Figure 4.22: Employees get regular feedback on their performance from their supervisors on a regular basis

According to figure 4.22, about 15% strongly disagreed and 59% disagreed that respondents get regular feedback on their performance from their supervisors on a regular basis. Around 11% agreed and 5% strongly agreed to the view.

Discussion

The statistics that show 74% disagreed and 16% agreed indicate that employees do not get regular feedback on their performance from their supervisors on a regular basis. According to Claus (2007) feedback builds employee capacity for learning and accomplishing unrealized potential and also contributes to employee engagement and retention (p.1). An employee is able to know how he or she has been performing over a period of time. Everytime an employee is provided with feedback on performance managers should create a learning environment between them and employees as a way to improve performance in future. This is important for the continuous improvement of the employee’s performance and if he or she is doing well he or she is able to stay with the organisation for a long period of time.
4.4.7 Regular training to enhance performance

Figure 4.23: Employees get regular training to enhance their performance in their job

The graph above seeks to analyse that employees get regular training to enhance their performance in their job. The majority of respondents that is 7% strongly disagreed and 64% disagreed while 10% were neutral, 11% agreed and 8% strongly agreed to the issue.

**Discussion**

The majority of the respondents that is 72% disagreed 18% agreed and 10% were neutral indicate that employees do not get regular training to enhance their performance in their job. While in the contrary, training and development opportunities provide employees with an incentive to stay with a company because they become actively involved in their own career development and tailor personal development plan that meets their particular goals (Handin, 2007, p.2). If the training gap for employees remains between current and expected performance, employees are bound to continue producing in the current performance. This will affect the long term performance of the Olam Zimbabwe in cotton yields. By personally developing employees’ capabilities through training enhances their abilities to handle much higher jobs and this will increase their morale when working for the organisation. Thus employees will have a sense of ownership or responsibility in the way they conduct their tasks.
4.4.8 Job security in the job that you currently performing

According to figure 4.24 about 90% of the respondents lack job security on current job and 10% of employees noted that they had job security.

Discussion
The statistics that show 90% lack job security and 10% had job security indicate that there is no job security at Olam Zimbabwe. According to the Business Dictionary (2011) job security usually arises from the terms of contract of employment, collective bargaining agreement or labour legislation that prevent arbitrary termination, layoffs and lockouts. Where there is no job security means the working relations are not good. An employee may stay in an organisation where there is no job security because he or she does not have a choice to move. At the same time, they will be searching for new jobs than to retain the one they have already at Olam Zimbabwe. So, if opportunities come they will leave; this therefore justify the 43% staff turnover in 2008-2009 cotton seasons.
4.4.9 Long term commitments to stay with the organisation for the next 5 years

![Chart showing long term commitments to stay with Olam Zimbabwe for the next 5 years](image)

**Figure 4.25: Long term commitments to stay with Olam Zimbabwe for the next 5 years**

About 85% of the respondents noted “No” while 15% indicated “Yes” to the notion that they had long term commitments to stay with Olam Zimbabwe for the next 5 years.

**Discussion**

About 85% of the respondents do not have long term commitments indicate that the majority of employees are not willing to stay with Olam Zimbabwe for the next 5 years. According to Johnson (2007) emphasizing a company’s purpose stimulates loyalty, especially when employees realise the connection between their values and the company mission. Thus, this will drive them to stay with the organisation for a longer period especially if they see the organisation’s objectives being met.
4.5 OBJECTIVE 4

To analyse options that are available for the organisation to improve employee reward and recognition.

4.5.1 The variable pay system on improved employee reward

![Graph showing the distribution of responses to the variable pay system at Olam Zimbabwe](image)

**Figure 4.26: The variable pay system at Olam Zimbabwe has improved employee reward**

The figure 4.26 above is an analysis that the variable pay system had improved employee reward at Olam Zimbabwe. About 15% of respondents strongly disagree, 33% disagreed, while 16% of respondents were neutral, 31% of employees agreed and 15% strongly agreed.

**Discussion**

The statistics show that 48% of respondents disagreed, 16% of employees were neutral, and 46% indicate that some employee agreed and some disagreed that they were acquiring value from the system at Olam Zimbabwe. The reason why there are mixed reactions means that there are employees who are benefiting and others who are not. That’s to suggest that the reward system it is not being administered companywide to all employees. Yves (2010) reiterated that variable pay can be knotted to the performance of the organisation, the results of a unit, an individual's achievement, or any amalgamation of these. This tends to affect the team spirit of
employees when performing their duties especially if a task involves different departments. Thus the level of engagement of employees getting the variable pay will be higher than those not acquiring the extra income. The employees suggested management to come up with a committee that would look at the issuance of variable pay and awarding of incentive bonuses. The system is supposed to be implemented to all employees to strengthen unit of purpose among employees.

4.5.2 Introduction of a stock option scheme

![Bar Chart]

**Figure 4.27: Introduction of a stock option scheme can help improve employee reward at Olam Zimbabwe**

The figure above indicates the majority of respondents which represent 11% of strongly agreed and 48% who agreed that the introduction of a stock option scheme can help improve employee reward at Olam Zimbabwe. While 18% were neutral, 15% disagreed and 8% strongly disagreed that this will help to improve employee reward.

**Discussion**

The majority of respondents which represent 57% agreed, 18% were neutral and 23% disagreed indicate that this will help to improve employee reward. This shows that most of the employees welcome the initiative if the organisation can come up with a stock option scheme. This strategy can help the organisation in increasing reward as
well as retaining key employees especially when they are contributing positive results to the organisation. An increase in the performance of the organisation will in turn increase the income of the employees. Stock options have been seen as a compensation class that persuades executives to aim for the long-term benefit of their company (Chakhovich et al, 2010, p.311). In the case of Olam Zimbabwe not only executives will benefit but also the employee who report to them. Employees can benefit from these long term benefits and this will assist in motivating employees to stay with the organisation for a long time. If this implemented the longer an employee will stay with Olam Zimbabwe the greater the value this employee will acquire from the stock he or she will be holding on to.

### 4.5.3 Profit-sharing helps to reward employees for contributions

![Figure 4.28: Profit-sharing helps to reward employees for their contributions to a company's achieved profit goal](image)

According to figure above 54% of respondents agreed and 16% strongly agreed that profit-sharing assists to reward employees for their contributions to a company's achieved profit goal. About 13% were neutral, 11% disagreed and 5% strongly disagreed.
Discussion
The statistics that show 54% of respondents agreed and 16% strongly agreed indicate that profit-sharing helps to reward employees for their contributions to an organisation’s achieved profit goal. The idea behind profit-sharing is to reward employees for their contributions to a company's achieved profit goal. This is supported by literature which state that profit sharing schemes encourages employees to stay in an organisation because employees are required to be vested in the program over a number of years before receiving any cash (Yves, 2010). The introduction of this scheme has advantage for Olam Zimbabwe and for the employees in terms of boosting their incomes. Profit is a motive that an organisation seeks to achieve on a year to year basis. If the organisation is able to cascade the yield to employees there is a tendency of employees motivating them. About 13% were neutral, 11% disagreed and 5% strongly disagreed. This suggest that profit sharing can be done can be done in a subjective way that employees will not benefit from the program. Locke (2004) in support noted that this benefit has an advantage of keeping fixed costs low, this can advocate for a subjective bonus determination in sharing the profits. So if the system is not properly done it can create problems for the organisation.

4.5.4 Incentive bonuses are awarded to all employees openly

![Figure 4.29: Incentive bonuses are awarded to all employees openly at Olam Zimbabwe](image_url)
The figure above seek to analyse that incentive bonus are awarded to all employees openly at Olam Zimbabwe. About 15% and 59% of respondents strongly disagreed and disagreed respectively. While 10% of respondents were neutral, 11% agreed and 5% strongly agreed that those bonuses are awarded openly.

**Discussion**

The figure above show that 15% and 59% of respondents strongly disagreed and disagreed respectively and this indicates that incentive bonus are not awarded to all employees openly at Olam Zimbabwe. If employees are not involved in the awarding of bonuses in an organisation employees will not be convinced if what they are getting is commensurate to the effort and results achieved because bonuses are generally short term motivators. According to Locke (2004) a bad incentive plan encourages employees to do wrong things in a wrong way and this lead to divisions among employees (p.133). About 10% of respondents were neutral, 11% agreed and 5% strongly agreed that those bonuses are awarded openly. A bonus payment can also be made in recognition of efforts in a one-off extraordinary event, or to reward staff that have performed exceptionally but have reached the top of their incremental salary range where an accelerated salary increment is not an option (University of Adelaide, 2008, p.9). It is unfortunate that this is not being done effectively at Olam Zimbabwe yet there are so many benefits that can be achieved by the organisation if properly done. Having an Incentive bonus scheme is not enough there is also need for the organisation to maintain the system for employees to continue to produce the required yield or results.
4.5.5 Job grading system that objectively differentiate employee grades

The figures above seek to analyse that Olam Zimbabwe has a job grading system that objectively differentiate employee grades. About 15% of respondents strongly disagreed and 56% disagreed to this notion. About 13% of respondents were neutral, 11% agreed and 5% strongly agreed that the job grading system objectively differentiate employee grades.

Discussion

Since 15% strongly disagreed and 56% of respondents disagreed this shows that Olam Zimbabwe has a job grading system that does not objectively differentiate employee grades. This support that some employees’ grades were almost likened to that of seasonal employees while there is a big difference in the roles being performed. This shows that the organisation does not have a system that properly differentiates job grades. About 13% of respondents were neutral, 11% agreed and 5% strongly agreed that the job grading system objectively differentiate employee grades. Quite a few organizations do not use ratings instead they adopt what might be called ‘holistic’ assessment. There is one conception based on subject elements and another on objective elements. The first envisages values such as trust and integrity; the second rationality and controls based on compliance and performance measurement.
This might suggest why some employees were content with the job grading system that was prevalent in the organization. This suggests that there is a high element of subjectivity in the awarding of the job grades on employees as literature purports.

4.5.6 Recognition programs that encourage employees to perform

![Figure 4.31: Recognition programs that encourage employees to perform](image)

The figure above show that 18% strongly disagreed, 52% disagreed and while 11% respondents were neutral that Olam Zimbabwe has recognition programs that encourage employees to perform. About 13% of respondents agreed and 5% strongly agreed to this notion.

**Discussion**

The figure above show that 70% disagreed, 11% of respondents were neutral, 18% strongly agreed indicate that Olam Zimbabwe does not have recognition programs that encourage employees to perform. Glasscock and Gram (1996) noted “that effective recognition methods should be sincere; fair and consistent; timely and frequent; flexible; appropriate; and specific.” They go on to explain that it is important that every action which supports a company's goals is recognized, whether through informal feedback or formal company-wide recognition. The results show that employees are not receiving adequate feedback or recognition that can be able to
motivate them in their day to day tasks as literature reveals. According to Houldsworth and Jirasinghe (2006) the outcome of a successful performance review should make employees feel that their contribution has been fully considered and there is a sound basis for future performance planning (p.188). Since the Olam Zimbabwe is lagging behind in its financial or monetary benefit this is one way in which the organisation has an opportunity to boost the morale of its employees. The respondents noted that the organisation should establish with recognition programs that encourage them produce.

4.5.7 Salary and benefits are objectively linked to your contribution

![Bar chart showing salary and benefits are objectively linked to your contribution](image)

Figure 4.32: Salary and benefits are objectively linked to your contribution

The figure above show that 90% of respondents indicated “No” and 10% indicated “Yes” that salary and benefits are objectively linked to your contribution to Olam Zimbabwe.

Discussion

The statistics that 90% of respondents indicated “No” and 10% indicated “Yes” that shows that salary and benefits are not objectively linked to your contribution to Olam Zimbabwe. Mazoni (2010) urged that when money is knotted to goal attainment, dysfunctional side effects can appear like misrepresentation of performance; therefore designing strategies meant to improve performance will be a cost to the organization. This is because employees quickly realize that the company is good at sharing the
effort but bad at sharing the gains and as soon as they learn this, they lower their energy to what they are paid for. This is a problem that employees at Olam Zimbabwe are complaining about; there is no linkage between their effort and their rewards. The respondents noted that their salary grades should not be close to those of the NEC employees as this did not match their job description.

4.6 CHAPTER CONCLUSION

This chapter looked at the data analysis and discussion of the study. The researcher summarised responses from the questionnaires and put them into pictorial form. Discussion sort to build a theoretical framework that emanated from the results of both primary and secondary research. Chapter 4 managed to establish research conclusions and recommendations that are originating from the results which will be explained in Chapter 5.
CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION
This chapter will focus on the conclusion and recommendation of the study. The researcher deduced the conclusion and recommendations from the data analysed and discussed in Chapter 4. This will assist in coming up with the solutions that Olam Zimbabwe may consider to improve in its employee performance.

5.1 CONCLUSION
The researcher concluded that:

Objective 1: To assess measures that Olam should adopt in order to increase the yield per hectare of contracted farmers.

- The organisation was using the system of strategic outsourcing in its cotton operation. It was outsourcing cotton production to farmers extensively that they were no longer involved or engaged in its production. The results showed that the farmers have benefited from the farming knowledge and income that they have received from the organisation. The organisation through its Farmer Liaison workers need to tap into the knowledge they have disseminated to ensure that they get positive results from the farmers. To a certain extend the organisation should frequently check for training or knowledge gaps on farmers so that their training programmes looks at new and relevant information every time.

- Through Strategic outsourcing Olam Zimbabwe managed to breathe new ideas in the industry and farmers in terms of innovation and growth but negative results are still being experienced in yields. Olam Zimbabwe needs to look
into key area such as planning with the relevant stakeholders in the cotton crop production. In other words, the organisation will have to develop its extension services in line with the information they are disseminating knowledge and resources to farmers.

- The results show that the Olam Zimbabwe also benefited from the system of strategic outsourcing. The organisation achieved in the area of having a lowered structure, differentiated products and ability to focus on the core business of Olam Zimbabwe. Hence, it has managed to progressively fund credit input scheme every year. But the increase in inputs does not reflect increase in yields that the organisation is attaining at the end of the season. Therefore, the organisation should refocus its business processes in the system of strategic outsourcing so that it is linked its operational performance. Failure to do this it will continue to experience the same negative trend of results.

Objective 2: To assess measures that Olam should adopt in order to increase the yield per hectare of Farmer Liaison Officers.

- Olam Zimbabwe Farmer Liaison Officers were not motivated to produce the required yield per hectare. The employees noted that employees’ jobs were not properly designed to the results that the organisation anticipated. The fact that they were not involved from the planning up until the evaluation process made it very hard for them to perform to achieve what the organisation wanted to accomplish. Thus, the organisation should establish performance guidelines before Farmer Liaison Officers start a farming season and this should be followed up until crop harvesting. In this case goals to be achieved have to be set and it is also important to attaché reasonable rewards or bonuses to higher achievers. This will in turn motivate the Farmer Liaison Officers and give a sense of urgency in producing yields that satisfy the organisation’s objective.
They also noted that the organisation lacked culture of performance for Farmer Liaison Officers to achieve the targets. The organisation was mainly focussed on the final outcome or results they need to be achieved. The organisation should develop short term awards for achievement in all departments. This in a way will be able to cement a system that will collaborate departments to work as units that depend on each other to produce a result. This will in turn affect the way resources are allocated to the employees for them to perform. This can be done through involving Farmer Liaison Officers in strategic or operation meeting on issues that pertain to cotton production. Thus creating openness and friendship among Farmer Liaison Officers and other employees in other departments. Through this team work can be achieved in the organisation and higher yields can be achieved by Olam Zimbabwe.

The organisation lacked proper systems for coming up with a goals for jobs performed. This indicated that their jobs lacked key result areas for them to focus on a day to day basis. Therefore, organisation should relook into the job description of Farmer Liaison Officer and come up with key result areas which can be expected from them in their jobs. Through these key result areas the organisation can objectively come up with rewards such as salaries through a proper structured job grading system. If all this is synchronised in the performance management system the Farmer Liaison Officers will be able to achieve the desired yield.

Objective 3: To establish strategies the organisation should adopted to promote employee retention, satisfaction and loyalty.

Results show that the organisation is rigid towards achieving results at the expense of the one producing. Olam Zimbabwe had faced high staff turnover in 2008 - 2009 season but they failed to develop ways to retain employees in the organisation. Thus, this justify why employee do not have plans to stay
with the organisation for the next 5 years. However, there are various ways that can be used by the organisation in order to retain employees in the organisation. First and for most the organisation need a total reward structure that can make employees satisfied with their job. Salary and benefits are the first point of attraction for employees to be satisfied with their jobs.

- Secondly, in order to create loyalty among the employees so that they can stay with the organisation for a long time. The organisation should come up with properly laid down career growth schemes for employees. These will show a career path way an employee will have to take in future as the organisation will also be growing. This will assist both the employee and the organisation to come up with regular training programs on employees. The organisation under such an arrangement is able to assess on a regular bases to see if there are any training needs that require to be addressed before an employee reach a particular predetermined position. The employee will also become loyal to the organisation and become more satisfied with his or her job because of what he/she will be expecting in his/her career path. Regular feedback will also be necessary in the performance of the employee so that they can learn quickly. In this case the employee has every reason to stay with the organisation for a long period of time.

- Results show that employees sighted underutilisation of knowledge, skills and capabilities as a problem in terms of them being satisfied with their jobs. Thus, employees also showed that they had no long term commitments with the organisation in the next 5 years. Therefore the organisation needs to come up with a culture of engagement for employees to make decision which are paramount for them to achieve in their tasks. This can also be beefed with the job redesign so that there will not be any conflict between employees and managers on performance. In the process of job redesign managers should focus on employee talent identification and suggest ways to improve the capabilities.
Objective 4: To analyse options that are available for the organisation to improve employee reward and recognition.

- The organisation does not have a proper reward and recognition system that can extrinsically motivate the employees to work for the organisation. Incentives bonuses and the variable system were being subjectively provided to some employees. This was a cause of concern to employees who could not receive the benefit. Employees also complained that the organisation did not have a proper job grading system that could meet the positions and properly grade employees where they deserve. The reward system should revise the incentive bonus scheme and the variable pay system so that it can be adapted to all employees in the organisation. There is need to put a transparent system in employee rewards first as a way to gain trust from the employees. Secondly in awarding incentive bonuses the organisation should come up with a panel or committee that look into employees’ performance regularly so that there is objectivity in awarding.

- The organisation did not have recognition programs that could intrinsically motivate employees in performing their tasks. The lack of recognition has to a great extend contributed to the decline in yield per hectare. Thus the organisation should come up with recognition programs. Recognition programs can be no or low cost such as personal thank you or recognition lunches for example or it can be moderate or high cost such as cash bonuses. Both programs if done properly by Olam Zimbabwe can go a long way in creating a psychological contract between the employee and the organisation.
Objective 5: To recommend the effective and appropriate Performance Management Systems that could be implemented at Olam Zimbabwe.

- The organisation does not have a proper performance management system for its employees as well as for the organisation. The organisation has developed performance related pays such as variable pay and incentive schemes but the rationale behind determining rewards is a concern for employees. The management depend on subjective decisions on what they expect from the employees. It ineffectiveness to administer thus has a negative effect on the work flow of employees because there is not proper tracking system. That is why it is hard for them to manage their performance in order to come up with their target of 45 000 tonnes per year/ season. Thus this mismatch in anticipated results from the employees and the organisation can only be resolved if a holistic performance system that looks at goals and results can be implemented.

- The performance management system that the researcher suggests will be appropriate and effective for Olam Zimbabwe is the balanced scorecard. The balanced scorecard has an advantage of looking at all important perspectives of the organisation. Most performance management systems look at financial measures as the only source to measure the success or failure in performance of an organisation. The balanced scorecard therefore looks at both financial and intangible resources such as customers, human resources and innovation and growth that are paramount for the business to grow. The balanced scorecard is different from the system that is being used at Olam Zimbabwe in a way that it is futuristic in determining results.

5.2 RESEARCH PROPOSITION

According to the results that was collected by the researcher show that Olam Zimbabwe lacks proper management systems that can assist it to be one of the best cotton ginners in Zimbabwe. Therefore the researcher agree to the proposition that by “the adoption of an effective performance management system will improve
employee performance at Olam Zimbabwe.” This will assist in coming with a system synergy that can link all stakeholders suppliers of raw material, farmer, employees and the organisation`s infrastructure.

5.3 RECOMMENDATIONS

The researcher recommends that:

- The organisation needs to align the system of strategic outsourcing to a performance management system. This should also link this system to resources allocation and ensure that employees are also part of the program. This will enhance a sense of ownership that can foster growth in their careers and the production of farmers. The higher the performance of the Farmer Liaison Officers the higher the yield to be produced by the farmers.

- The organisational culture at Olam Zimbabwe should include performance management so that Farmer Liaison Officer will view it a way of life. This will assist them in developing a system for continuous growth that can help to achieve the desired yield per hectare. The organisation should look into the expectancy of rewards and see to it that it is also linked to the goal that has been set by the organisation.

- The organisation should link employees values to the company’s mission and objective. This will tend increase the job security of employees in the organisation thereby boosting employees’ job satisfaction. On the other hand the organisation should develop a culture that focus on relationships of employees. This is cheap but will help the organisation to understand its employees problems or issues better, thus come up with quick responses. This will encourage the employees in not only focussing on money as a motivator to achieve results, thereby encouraging them stay with the organisation for a
long period of time. Loyalty for the organisation can also be increased by enhancing the culture of engagement that allows freedom to make decisions on their jobs.

- The organisation can consider other reward mechanisms that are linked to performance such as share option schemes and profit sharing. These schemes are cheaper for the organisation for they will also motivate the employees themselves to be participants in producing the yield that can assist them to earn worthy rewards. Moreover, low cost recognition programs such as appreciation or thank you notes and lunches can be adopted so that employees feel that they are part of the organisation and their contribution is being recognised.

- The researcher also recommends the organisation to adopt the performance management remuneration based model and 360 degrees feedback system. These performance management remuneration based system encompass all key facets that are necessary for Olam Zimbabwe to adopt an appropriate performance management system. These include strategy, rewards, structures, culture and business results. The 360 degrees feedback system can also bring value to the organisation in continuously assessing employees’ performance from time to time. The main advantage is that the organisation can be able to view feedback for different stakeholders the employee associates with on a regular basis. Thus they are able to timely adjust their operational and strategic plans to meet the prevailing market conditions.

5.4 AREAS FOR FURTHER STUDY

The researcher looked at Olam Zimbabwe an organisation in the cotton industry because of convenience. The researcher also recommends the same research be extended to other organisations in the industry or research the performance with regards to yields of the cotton or agricultural industry in Zimbabwe.
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APPENDICE 1

SURVEY QUESTIONNAIRE
Survey Questionnaire

Graduate School of Management
Mt Pleasant
Harare
Zimbabwe

Dear Respondent

The researcher is a final year student studying for a Master of Business Administration Degree with the Graduate School of Management at the University of Zimbabwe. The research which seeks to study ‘The Effectiveness of the Performance Management Systems on Employee Performance: A Case Study of Olam Zimbabwe From 2006 – 2010’. This research is an issue of great importance within Olam Zimbabwe and yet little is currently known about the consequences.

You are one of a small number of people who are being asked to give your opinion on this issue. The researcher would greatly appreciate it if you could assist by completing and returning the attached questionnaire by the

If you have any questions you wish to ask or there is anything you wish to discuss, please do not hesitate to telephone the writer on 0774 163 036 or email on tafadzwajahwi@gmail.com.

All information you provide will be totally confidential and will not be disclosed to third parties without your permission. You will notice that your name and address will not appear on the questionnaire and there is no identification number. This is purely an academic research and all the information received will be treated in the strictest of confidence.

Thank you in advance for your assistance in this matter.

Yours Faithfully

Tafadzwa Jahwi
MBA Research Candidate
Objective 1
To assess measures that Olam should adopt in order to increase the yield per hectare of contracted farmers.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Strategic Outsourcing represents the fundamental decision by an organisation to reject the internalization of an activity (farming in Olam Zimbabwe’s case) and alternatively acquire it externally (from communal farmers). Do you think this system is being utilized by Olam Zimbabwe to improve its performance?</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>In your own opinion, do you think farmers are benefited because of Strategic Outsourcing by Olam Zimbabwe?</td>
<td></td>
</tr>
</tbody>
</table>

Please answer the following statements and indicate on which end of the scale you mostly agree with. The scale is as follows.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<td>3</td>
<td>5</td>
<td>5</td>
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</tbody>
</table>

| 1.3 | Strategic Outsourcing lowers the cost structure of Olam Zimbabwe |
| 1.4 | Through strategic outsourcing Olam Zimbabwe is able to differentiate products |
| 1.5 | Olam Zimbabwe is able to focus on its core business because it has out sourced its primary production to farmers |
| 1.6 | The active involvement of farmers in research design and development enables Olam Zimbabwe improve local farming systems |
| 1.7 | There is strengthening of Human capital in the farmers that have been contracted by Olam Zimbabwe. |
| 1.8 | Enhancing access to information and linking local or indigenous knowledge to scientific knowledge are major resources in supporting improvement processes |

1.9 In your opinion what improvements should be done to increase yield per hectare by farmers contracted by Olam Zimbabwe?
   a) ...........................................................................................................
   b) ...........................................................................................................
   c) ...........................................................................................................
Objective 2
To assess measures that Olam should adopt in order to increase the yield per hectare of Farmer Liaison Officers.

Please answer the following statements and indicate on which end of the scale you mostly agree with. The scale is as follows:

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>5</td>
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</tbody>
</table>

2.1 The reward system at Olam Zimbabwe effectively discriminates between good and poor performers and ties rewards to performance, and gives the best people opportunities for progression

2.2 The organizational culture at Olam Zimbabwe promotes teamwork, collaboration, openness, and friendship

2.3 My Job is designed is such a way that I can produce the Olam Zimbabwe’s intended results

2.4 There are adequate systems & resources to support me in the performing of my role

2.5 Goal setting is important for the achievement of higher yields for Farmer Liaison Officers in Olam Zimbabwe

2.6 Expectancy of rewards and awards is important for the achievement of higher yields for Farmer Liaison Officers in Olam Zimbabwe

2.7 Do you think incentives are necessary to increase productivity in employees?

2.8 Do you think the Olam Zimbabwe’s performance management system also considers decisions concerning resources allocation?

2.9 In your opinion what improvements should be done to increase yield per hectare by farmer Liaison Officers by Olam Zimbabwe?

a) ........................................................................................................................................

b) ........................................................................................................................................

c) ........................................................................................................................................
Objective 3
To establish strategies the organisation should adopt to promote employee retention, satisfaction and loyalty.

Please answer the following statements and indicate on which end of the scale you mostly agree with. The scale is as follows:

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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</tr>
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</table>

3.1 The organisation offers non-cash remuneration benefits (health care and retirement) that are able to retain employees
3.2 Olam Zimbabwe has a culture of engagement that allows freedom to make the decisions necessary to do my job well
3.3 Olam Zimbabwe employees’ work fully utilizes knowledge, skills and capabilities
3.4 Olam Zimbabwe’s total compensation (salary and incentives) are fair and competitive
3.5 The organisation has an employee career growth scheme that is aligned to the company goals and objectives
3.6 Employees get regular feedback on their performance from their supervisors on a regular basis
3.7 Employees get regular training to enhance their performance in their job

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td>3.8 Do you have job security in the job that you currently performing in Olam Zimbabwe?</td>
<td></td>
</tr>
</tbody>
</table>
3.9 Do you have long term commitments to stay with Olam Zimbabwe for the next 5 years

3.10 Do you have any suggestions that can assist in improving retention, satisfaction and loyalty?

.................................................................................................................................................................................................................................................................
Objective 4
To analyse options that are available for the organisation to improve employee reward and recognition.

Please answer the following statements and indicate on which end of the scale you mostly agree with. The scale is as follows:

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

1. The variable pay system at Olam Zimbabwe has improved employee reward
2. Introduction of a stock option scheme can help improve employee reward at Olam Zimbabwe
3. Profit-sharing helps to reward employees for their contributions to a company's achieved profit goal
4. Incentive bonuses are awarded to all employees openly at Olam Zimbabwe
5. Olam Zimbabwe has a job grading system that objectively differentiate employee grades
6. Olam Zimbabwe has recognition programs that encourage employees to perform

7. Do you think your salary and benefits are objectively linked to your contribution to Olam Zimbabwe?
8. If you cannot stay with Olam Zimbabwe for the next 5 years or more, please state your reasons

THANK YOU