

**THE IMPACT OF A MERGER ON THE MOTIVATIONAL LEVELS AND
ORGANISATIONAL CULTURE OF AMALGAMATED BEVERAGE
INDUSTRIES EMPLOYEES IN COUNTRY REGION**

VANESSA ALEXANDRE DE SOUSA

**Dissertation submitted in fulfillment of the requirements for the
degree:**

**MAGISTER TECHNOLOGIAE
HUMAN RESOURCE MANAGENENT**

In the

**School of Entrepreneurship and Business Development
Faculty of Management Sciences**

at the

**Central University of Technology
Free State**

Supervisor: Mr. P.A Pelsler MA (PSYCH)

**BLOEMFONTEIN
OCTOBER 2006**

DECLARATION WITH REGARD TO INDEPENDENT WORK

I, Vanessa De Sousa, student number 20259859, do hereby declare that this research project submitted by me, in the fulfillment for the degree MAGISTER TECHNOLOGIAE: HUMAN RESOURCE MANAGMENT at the Central University of Technology, Free State, is my own independent work and has not been previously submitted by myself or any other person in the fulfillment of any qualification.

SIGNATURE OF STUDENT

DATE

ACKNOWLEDGEMENTS

My sincere thanks and appreciation to:

My heavenly Father, without you, this would not have been possible, thank you for giving me the strength to finish this task, and may the victory belong to You.

Manuel and Virginia De Sousa, thank you for always believing in me and for making me so proud to be your daughter, thank you for all your love and prayers throughout the years.

Vasco, Mario, and Samantha De Sousa, for your dedication and patience during the duration of my study.

James Pereira, for your continuous support and encouragement during my study period.

My angel in disguise, Mr. Anton Pelsler, for always believing in me, your guidance and support always helped me stay positive.

All ABI Country Region employees, without your help and enthusiasm, this study would have been impossible.

Dr C.A. van der Merwe, Senior Director: Institutional Research Institute, Central University of Technology, Free State

Mr. Johann Raath, for the linguistic revision of the dissertation.

SUMMARY

In today's dynamic and uncertain business environment, employees are required to work together to achieve a common goal. An organisation cannot survive without a highly motivated and progressive workforce. Management need to be highly innovative and adaptive, to survive the intensity of competition and change. This study is based on the conviction that enhancing and sustaining employee motivation is a manager's major function. In effect, management need to create and maintain a culture that fosters motivation, and determine whether employees are culturally adaptable, when two established cultures merge as one.

Against this background, the focus fell on attaining optimum performance and a culture that evokes a spirit of co-operation and is conducive to motivating employees to work willingly and effectively. The Amalgamated Beverage Industry was selected for the purpose of this study. The perceptions and opinions of management and that of the lower level employees were examined to determine the impact on the work motivational levels and organisational culture within Country Region employees. A probable influence was also given on the possible factors contributing to the maintained level of organisational culture and the high motivational levels within ABI. Attention was also focused on culture change and its possible impact on employees.

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION

1.1	Introduction and background	3
1.2	Research question	6
1.3	Aim of the study	7
1.3.1	Primary Aim	7
1.3.2	Secondary Aims	7
1.4	Field of research	8
1.5	Methodological overview	8
1.5.1	Literature study	8
1.5.2	Empirical research	10
1.5.3	Questionnaires	10
1.6	Chapter layout	12
1.6.1	Chapter 2: Dynamics of work motivation	12
1.6.2	Chapter 3: A diagnostic approach of the motivational theories	12
1.6.3	Chapter 4: Integration and application of the motivational theories	12
1.6.4	Chapter 5: Organisational culture	12
1.6.5	Chapter 6: Theories of organisational culture	13
1.6.6	Chapter 7: Research methodology	13
1.6.7	Chapter 8: Analysis of questionnaires	13
1.6.8	Chapter 9: Conclusions and recommendations	13

1.6.9 Annexure	14
1.6.10 Bibliography	14

CHAPTER 2: DYNAMICS OF WORK MOTIVATION

2.1 Introduction	16
2.2 What is motivation?	18
2.3 The meaning and importance of motivation	20
2.4 Sources of motivation	23
2.4.1 Extrinsic motivation	23
2.4.2 Intrinsic motivation	24
2.5 Approaches to motivation	25
2.5.1 Economic needs motivation	25
2.5.2 Social concept of motivation	26
2.5.3 Self-actualisation	27
2.5.4 Complex-person concept of motivation	27
2.5.5 Motivation and ability	28
2.5.6 Motivation as an inferred state	28
2.6 Summary	29

CHAPTER 3: A DIAGNOSTIC APPROACH OF THE MOTIVATIONAL THEORIES

3.1 Introduction	32
------------------	----

3.2	Content theories of motivation	32
3.3	Maslow's hierarchy of needs theory	33
3.3.1	Managerial applications of the need theory	36
3.4	Alderfer's modified need hierarchy model	37
3.4.1	Managerial applications of the ERG theory	40
3.5	Herzberg's two factor theory (motivation-hygiene theory)	41
3.5.1	Hygiene and motivating factors	42
3.5.2	Managerial applications of the dual theory	43
3.6	McClelland's achievement motivation theory	44
3.6.1	Employees with high achievement needs (nAch)	45
3.6.2	Employees with high power needs (nPow)	46
3.6.3	Employees with high affiliation needs (nAff)	47
3.6.4	Managerial applications of the achievement theory	48
3.7	Process theories of motivation	48
3.8	Vroom's expectancy theory of motivation	49
3.8.1	Interpretation of the expectancy model	52
3.8.2	Managerial applications of the expectancy theory	52
3.9	Adam's equity theory of motivation	54
3.9.1	Managerial applications of the equity theory	57
3.10	Latham and Lock's goal setting theory of work motivation	58
3.10.1	Managerial applications for setting performance goals	60
3.11	Summary	63

CHAPTER 4: INTEGRATION AND APPLICATION OF MOTIVATIONAL THEORIES

4.1	Introduction	66
4.2	Integrated model of motivation	66
4.3	Limitations of content and process theories	71
4.4	Important concepts that are applied to the field of motivation	73
4.4.1	Job design	73
4.4.2	Job enlargement	75
4.4.3	Job enrichment	76
4.4.4	Job characteristics model	78
4.4.5	Hackman and Oldham's theory of job characteristics	78
4.5	Managerial applications	82
4.5.1	Performance definition	84
4.5.2	Performance facilitation	85
4.5.3	Performance encouragement	85
4.6	Summary	86

CHAPTER 5: ORGANISATIONAL CULTURE

5.1	Introduction	88
5.2	Definitions of organisational culture	90
5.3	Dimensions of organisational culture	93

5.4	Increasing the importance of organisational culture	99
5.5	Important components of organisational culture	103
5.5.1	Internal integration	103
5.5.2	External adaptation	104
5.6	Summary	105

CHAPTER 6: THEORIES OF ORGANISATIONAL CULTURE

6.1	Introduction	108
6.2	Types of culture	109
6.2.1	Culture versus climate	110
6.2.2	Dominant and sub-cultures	111
6.2.3	Strong cultures versus weak cultures	113
6.3	Schein's theory of organisational culture	115
6.4	Schein's three levels of culture	116
6.4.1	Artifacts and creations	117
6.4.2	Espoused values	117
6.4.3	Basic underlying assumptions	118
6.5	Bennis's four competencies of organisational culture	119
6.5.1	Management of attention	119
6.5.2	Management of meaning	120
6.5.3	Management of trust	121
6.5.4	Management of self	121
6.6	Managerial applications	122

6.7	Summary	123
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CHAPTER 7: RESEARCH METHODOLOGY

7.1	Introduction	126
7.2	Profile of Amalgamated Beverage Industries (ABI)	127
7.3	Integration process between SAB and ABI	131
7.4	What is research?	132
7.5	Research question	133
7.6	Research strategy	134
7.7	The sampled population	134
7.8	Data collection method	136
7.9	Method of investigation	137
7.10	Reliability and Validity	137
7.11	The pilot study	139
7.12	Summary	142

CHAPTER 8: ANALYSIS OF QUESTIONNAIRES

8.1	Introduction	145
8.2	The work motivation and organisational culture questionnaire	146
8.3	Design of the questionnaire	146
8.4	Total number of questionnaires received versus total number issued	149
8.5	Feedback per question	150
8.5.1	Biographical information – section A	151

8.6	Feedback per question – work motivation section B	156
8.6.1	Question 8	156
8.6.2	Question 9	158
8.6.3	Question 10	159
8.6.4	Question 11	161
8.6.5	Question 12	162
8.6.6	Question 13	163
8.6.7	Question 14	164
8.6.8	Question 15	165
8.6.9	Question 16	166
8.6.10	Question 17	167
8.6.11	Question 18	169
8.6.12	Question 19	170
8.6.13	Question 20	171
8.6.14	Question 21	172
8.6.15	Question 22	173
8.7	Feedback per question – organisational culture section C	174
8.7.1	Question 23	174
8.7.2	Question 24	175
8.7.3	Question 25	177
8.7.4	Question 26	178
8.7.5	Question 27	179
8.7.6	Question 28	180

8.7.7	Question 29	182
8.7.8	Question 30	183
8.7.9	Question 31	184
8.7.10	Question 32	185
8.7.11	Question 33	187
8.7.12	Question 34	188
8.7.13	Question 35	189
8.7.14	Question 36	191
8.7.15	Question 37	192
8.7.16	Question 38	193
8.8	Summary	194

CHAPTER 9: CONCLUSIONS AND RECOMMENDATIONS

9.1	Purpose of this chapter	196
9.2	Introduction	196
9.3	Conclusions	196
9.3.1	Biographical characteristics of the research group	197
9.3.2	Power factor (Questions 8, 9, 16, 18, and 21)	198
9.3.3	Achievement factor (Questions 10, 11, 14, 17, and 22)	199
9.3.4	Affiliation factor (Questions 12, 13, 15, 19, and 20)	199
9.3.5	Performance (Questions 23 and 28)	200
9.3.6	Quality (Questions 24 and 38)	201
9.3.7	Participation (Questions 25 and 31)	201

9.3.8	Managerial Leadership (Questions 26 and 35)	202
9.3.9	Adaptability (Questions 27 and 32)	203
9.3.10	People (Questions 29 and 34)	204
9.3.11	Communication (Questions 30 and 37)	205
9.3.12	Innovation (Questions 33 and 36)	206
9.4	Recommendations	206
9.5	Summary	209

ANNEXURE:

Bibliography	211
Annexure A: Copyright release of questionnaire	228
Annexure B: Letter of confidentiality	229
Annexure C: Questionnaire	230

LIST OF FIGURES

Fig 2.1	The process of meeting needs	21
Fig 2.2	A motivational model	22
Fig 3.1	Maslow's hierarchy of needs model	35
Fig 3.2	The existence, relatedness and growth need hierarchy model	38
Fig 3.3	Herzberg's model of the dual factor theory	42
Fig 3.4	Classification of needs by the four theories of motivation	45
Fig 3.5	A model of the expectancy theory	51
Fig 3.6	Conditions of equity and inequity model	61
Fig 3.7	A model of the goal-setting theory	62
Fig 4.1	An integrated model of individual motivation to work	67
Fig 4.2	Integrating contemporary theories of motivation	69
Fig 4.3	A continuum of job design strategies	74
Fig 4.4	Benefits of job enrichment	77
Fig 4.5	The full job characteristics model	80
Fig 4.6	Steps to motivate employees to improve performance	83
Fig 5.1	The three layered view of organisational culture	95
Fig 5.2	Layers of organisational culture	97
Fig 6.1	Integrated framework for the transmission and integration of an organisational culture	122

Fig 7.1 Company structure 127

Fig 7.2 The



Table 7.1 Racial and gender representation in the pilot study 141

Table 8.1 Total number of questionnaires issued versus total number
questionnaires received per site 148

Table 8.2 Date of engagement pre and post merger composition of ABI
Country Region employees 155

LIST OF GRAPHS

Graph 7.1 Racial and gender composition of the total population for Country Region	140
Graph 8.1 Question 8	157
Graph 8.2 Question 9	158
Graph 8.3 Question 10	160
Graph 8.4 Question 11	161
Graph 8.5 Question 12	162
Graph 8.6 Question 13	163
Graph 8.7 Question 14	164
Graph 8.8 Question 15	165
Graph 8.9 Question 16	166
Graph 8.10 Question 17	168
Graph 8.11 Question 18	169
Graph 8.12 Question 19	170
Graph 8.13 Question 20	171
Graph 8.14 Question 21	172
Graph 8.15 Question 22	173
Graph 8.16 Question 23	174
Graph 8.17 Question 24	176
Graph 8.18 Question 25	177

Graph 8.19 Question 26	178
Graph 8.20 Question 27	179
Graph 8.21 Question 28	181
Graph 8.22 Question 29	182
Graph 8.23 Question 30	183
Graph 8.24 Question 31	184
Graph 8.25 Question 32	186
Graph 8.26 Question 33	187
Graph 8.27 Question 34	188
Graph 8.28 Question 35	190
Graph 8.29 Question 36	191
Graph 8.30 Question 37	192
Graph 8.31 Question 38	193

LIST OF CHARTS

Chart 7.1 Breakdown of grades and employees per site in Country Region	135
Chart 8.1 Gender composition of ABI Country Region employees	149
Chart 8.2 The racial composition of ABI Country Region employees	152
Chart 8.3 Percentage of employees in different departments	152
Chart 8.4 Percentage of peromenes grades in ABI Country Region	153
Chart 8.5 Percentage of respondents in Country Region sites	154
Chart 8.6 Educational levels of ABI Country Region employees	156

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION

1.1	Introduction and background	3
1.2	Research question	6
1.3	Aim of the study	7
1.3.1	Primary Aim	7
1.3.2	Secondary Aims	7
1.4	Field of research	8
1.5	Methodological overview	8
1.5.1	Literature study	8
1.5.2	Empirical research	10
1.5.3	Questionnaires	10
1.6	Chapter layout	12
1.6.1	Chapter 2: Dynamics of work motivation	12
1.6.2	Chapter 3: A diagnostic approach of the motivational theories	12
1.6.3	Chapter 4: Integration and application of the motivational theories	12
1.6.4	Chapter 5: Organisational culture	12
1.6.5	Chapter 6: Theories of organisational culture	13
1.6.6	Chapter 7: Research methodology	13
1.6.7	Chapter 8: Analysis of questionnaires	13

1.6.8	Chapter 9: Conclusions and recommendations	13
1.6.9	Annexure	14
1.6.10	Bibliography	14

CHAPTER 1

INTRODUCTION

This chapter provides a brief discussion of the study, the problem statement and the research methodology, and concludes with the layout of the study.

1.1 Introduction and background

The study explored the merging of two FMCG companies namely Amalgamated Beverages Industries and South African Breweries Ltd which merged in 2005 to form which is now known as ABI the Soft Drink Division of SAB Ltd.

The integration involved not only people but also practices and processes. Naidoo (2005:1) researched that motivation and resistance to change would be issues that would need careful management, in a bid to understand challenges and good practices. The process and consequences of merging and management were explored throughout the chapters and the findings are presented in this study.

Amalgamated Beverage Industries (ABI) underwent an integration into South African Breweries (SAB) when it became the Soft Drinks Division of SAB Ltd. during 2005. This change in ownership inevitably created some uncertainty among ABI employees.

According to Mukherje (2006:1) mergers are growing in sophistication and complexity, and organisations are taking into consideration the importance of cultural flexibility and the

influence of HR policies on long and short term goals. But until it develops into a comprehensive practice, analyzing the cultural similarities and differences between merging companies presents the greatest challenge in mergers and acquisitions.

According to Steve Bluen, the Human Resources Director of SAB Ltd: “This is an important step forward, which I believe will enable us to focus even more keenly on the core areas of functional excellence, human capital competitiveness, our high performance culture and strategic partnering with line management” (ABI Intranet, 2005).

The most important and critical challenge is to ensure that preceding the merger between two companies, a cultural assessment is required so that an effective integration programme may be put into place once the merger is complete. Ultimately, the amalgamation of two cultures must bring the organisations to focus on the main issues such as dealing with employees’ insecurities, and most importantly, the leadership team which becomes a major challenge during a merger (Mukherje 2006:1).

Research conducted by Naidoo (2005:3) confirms that the lack of a sufficient and well executed integration plan is commonly a cited motive for failure during a merger as it results in a defeat of strategic leverage which is needed to add value in the organisation. The integration plan includes all facets of an organisation such as its technologies, policies, systems, culture, and attention to the people element.

Schein (2000:9) is of the opinion that organisations are indefinitely different and no single cultural custom exists between the two. During a merging situation the issues become more complicated than just the integration of two large organisations, it becomes a concern of genuinely different beliefs and assumptions about how work is conducted in each organisation, and it becomes complicated when two established cultures try to merge into one.

Motivation amongst employees in a merger situation is driven by an investigational environment, and there is a perception of grandeur among employees that anything is possible. However once an integration between two organisations is established with the passing of time certain rules and structures are put into place, and employees soon realise that they are no longer permitted their own ways of doing things. Roles and responsibilities change, the enthusiasm of the merge fades and other motivational patterns emerge and affect the organisation's culture (Organisational Motivation, 2005).

Bertrand (2002) states that organisational culture is associated with the shared assumptions, values and beliefs held by the organisational members. These factors are at work, however subliminally within the organisation's limitations. It becomes critical in attempting to analyse an organisation's culture to understand the motivational forces that support or oppose change and improved performance.

Baker (2002:1) states that culture is required for both successful organisational change and maximising the value of human capital (workforce); culture management should contribute to management capabilities and while the right culture may be a necessary condition for the

organisational success, it is by no means a sufficient prerequisite. A critical element facing managers during a merging process would be to determine what the most effective culture is for their organisation, and learn how to adapt or change their organisation's culture effectively.

Internationally and gradually in South Africa, there have been changes in the way that employees grade different facets of their jobs and their organisational culture. This means that South African Breweries (SAB) needs to direct their attention to what makes employees satisfied, successful and motivated to perform better and remain with the organisation (Gilmour, 2005).

According to Giesen (2004) knowing what motivates employees is only a section of the challenge, the real test is the ability to establish a culture within the organisation that boosts the employees morale and motivation. Both the significance of work as well as the working environment may have an influence on employees' motivation

1.2 Research question

Did the merger with the South African Breweries Ltd (SAB) have some bearing on Amalgamated Beverage Industries' organisational culture and work motivation levels of employees in Country Region?

1.3 Aim of the study

1.3.1 Primary Aim

To determine whether the current status of organisational culture within ABI Country Region employees was altered and work motivational levels declined as a result of the merger with SAB Ltd.

1.3.2 Secondary Aims

- To examine the impact of cultural change on ABI employees within Country Region.
- To establish the influence of the merger on work motivational levels and employees' performance.
- To ascertain managers perceptions on organisational culture as more positive than their subordinates
- To determine lower level employees' views on organisational culture as more negative than their managers
- To ascertain managers' opinions on the increased work motivational levels within lower level employees after the merger with SAB.
- To analyse management and lower level employees' perceptions regarding the work motivational levels

- To ascertain the differences in views regarding work motivation and organisational culture of new employees who joined ABI after the merger with SAB Ltd and employees who experienced the merger.

1.4 Field of research

For the purpose of this study the field of research is the Soft Drinks Industry in Country Region which consists of (Klerksdorp, Mafikeng, Welkom, Bethlehem, Kroonstad, Vaal and Regional Office).

All seven sites were visited personally by the researcher and a work motivation and organisational culture questionnaire was explained and submitted to each employee within the target population. All questionnaires were collected by the researcher. The process consisted of a day at each respective site.

1.5 Methodological overview

1.5.1 Literature study

As far as the collection of data is concerned Leedy and Ormrod (2001:94) state that data are parts of information that any specific situation gives to the observer. The data compilation approach consists of a combination of the researcher's purpose and practical boundaries in the research setting (Anderson, Ones, Sinangil & Viswesvaran, 2001:11).

Melville and Goddard (1996:xiv) describe research as “a process of expanding the boundaries of ignorance, it’s about answering unanswered questions”.

Against this background the unit of analysis in this study was individually based and data was mainly recorded by means of questionnaires (Annexure C), being thus the primary method of collecting data.

According to Leedy and Ormrod (2001:95) primary data is crucial in understanding certain phenomena. Secondary data was also used, and is described as “not from the truth itself, but from the primary data”. Secondary data was used in terms of information received by respondents and subject related literature.

According to Garbers (1996:283) qualitative research is directed at the expansion of theories and understanding. The purpose of qualitative research is to promote better self-understanding and improve insight. Qualitative researchers are often described as being the research instrument because the bulk of their data collection is dependent on their personal involvement in the research (Leedy & Ormrod, 2001:102).

Qualitative research was used in this study to enable the researcher to analyse the relevance of the findings. The only disadvantage of this method was that it was time-consuming.

1.5.2 Empirical research

In order to carry out the empirical section of this study, close co-operation with ABI Country Region (Vaal, Welkom, Bethlehem, Kroonstad, Klerksdorp, Mafikeng & Regional Office) was necessary.

1.5.3 Questionnaires

As previously mentioned the design and compilation of questionnaires is a time consuming practice which involves trial and error arranging and selection of questions to achieve the desired information from the respondents. Consideration was given to the general educational standard and the prevalent degree of illiteracy, the questions were kept as simple as possible using clear wording and avoiding technical jargon.

A questionnaire from the Human Resources Management Group in California, United States was adapted and customised to suit ABI's unique situation and needs (refer to annexure C).

A pilot study was conducted beforehand in order to test the understanding of the questions to be asked. The target population consisted of Management level (P7), Junior Management (P8 – P9), Supervisory level (P10 – P12) and Salaried Staff (P13 – P14), which created a balance

between the major subgroups within Country Region. The General Manager of Country Region, Len Swart, suggested that a fifth level be included in the final questionnaires, which is the Executive level (P5-6) which consists of an additional two employees to see if there are any differences of opinions from executive levels and lower levels in the company. The researcher distributed and collected the questionnaires personally at the various regions to ensure a consistent and accurate response rate.

The final questionnaire consisted of three parts. Firstly the Biographical details (section A), secondly the Social Motivation (section B), which measures three specific motives that have been identified by behavioural researchers as a powerful tool for understanding and predicting the performance of individuals in a specific work situation and consists of three indicators which correlates with McClelland's Achievement Motivation Theory (paragraph 3.6 page 44). Lastly the Organisational Culture (section C) which measures eight characteristics of an organisation's culture that support and sustain high performance. The part correlates with Schein's theory of organisational culture discussed in Chapter 6.

The conclusions and recommendations of this study were done according to the parameters set by the research methodology practices. In this regard Leedy and Ormrod (2001:8) note that the methodology controls the study, directs the acquisition of data, arranges the data in logical relationships, sets up means of refining raw data, and plans an approach so that the meanings that lie below the surface become manifested. A conclusion or series of conclusions, could then lead to an expansion of knowledge.

1.6 Chapter layout

1.6.1 Chapter 2: Dynamics of work motivation

This chapter will provide an overview of definitions of motivation at work, the different sources, and approaches to motivation.

1.6.2 Chapter 3: A diagnostic approach of the motivational theories

Consisting of a theoretical framework of the various motivational theorists and a discussion of process and content theories, this chapter concludes with certain applications for management.

1.6.3 Chapter 4: Integration and application of the motivational theories

This chapter involves the construct applications and interpretations of the different motivational theories and how these theories are integrated. The important concepts that are applicable to the field of motivation and general applications for management are discussed.

1.6.4 Chapter 5: Organisational culture

This chapter provides an overview of culture in an attempt to explain and discuss the elements, functions, and understanding of culture. It also discusses the practicalities of organisational culture.

1.6.5 Chapter 6: Theories of organisational culture

The joining of the theoretical framework for the successful transmission and integration of an organisation's culture with reference to various organisational culture theorists.

1.6.6 Chapter 7: Research methodology

This chapter will provide an overview of ABI as a company. It consists of the empirical research techniques harnessed in the study for the collection of data. It outlines the population in the context of the study, and the selection of samples.

1.6.7 Chapter 8: Analysis of questionnaires

The research findings of the study are stipulated in this chapter.

1.6.8 Chapter 9: Conclusions and recommendations

This chapter will highlight the conclusions reached, based on the analysis of the research findings, as well as appropriate recommendations.

1.6.9 Annexure

The annexure section includes the authorisation copyright letter from the Human Resources Management Group to adapt their work motivational and organisational culture questionnaires (annexure A), the cover letter of confidentiality to the target population and line managers with regards to the submission of questionnaires (annexure B), the work motivation and organisational culture questionnaires (annexure C).

1.6.10 Bibliography

The Harvard method of reference was utilised throughout the text and in documenting the sources.

TABLE OF CONTENTS

CHAPTER 2: DYNAMICS OF WORK MOTIVATION

2.1	Introduction	16
2.2	What is motivation?	18
2.3	The meaning and importance of motivation	20
2.4	Sources of motivation	23
2.4.1	Extrinsic motivation	23
2.4.2	Intrinsic motivation	24
2.5	Approaches to motivation	25
2.5.1	Economic needs motivation	25
2.5.2	Social concept of motivation	26
2.5.3	Self-actualisation	27
2.5.4	Complex-person concept of motivation	27
2.5.5	Motivation and ability	28
2.5.6	Motivation as an inferred state	28
2.6	Summary	29

CHAPTER 2 DYNAMICS OF WORK MOTIVATION

This chapter will provide an overview and definitions of work motivation, and a discussion will follow with regards to the different sources and approaches that pertain to motivation.

2.1 Introduction

Success in an organisation arises from the manner in which companies and businesses continuously stimulate their employees to perform. An organisation will falter if it is not subjected to a frequent stimulus, which in turn becomes a crucial factor in each and every organisation and business relationships whether with customers, employees or managers (Freemantle, 2001:1).

According to Greenberg and Baron (2000:130) many organisations have interesting ideas about how to motivate their employees, but these ideas are not always efficient as they rely heavily on pay for performance and incentives, because ideas of emotional attachment are not always effective in motivating the workforce.

Freemantle (2001: 9-10) disagrees stating that neglect of motivational ideas leads to the neglect of employers to continually stimulate the soul, spirit and emotion of their employees. All

individuals need to be stimulated at work to provide better productivity and increased motivational levels. This neglect may eventually cause employees to display a subconscious working mode. The closer the relationship between organisations and employees the more effective it will become in analysing whether the organisation can meet the employees' needs and expectations.

The attempt of managers in motivating their employees within the field of organisational behaviour need to apply and conduct sound scientific research to all issues faced in improving the motivation of individuals, as managers are extremely interested in motivational research and knowledge and the efforts indicated about how employees are motivated in the organisation. Therefore the approach towards understanding motivation is based not only on an intuition but also on a science (Greenberg & Baron, 2000:130).

Within this research study, the opinion is that both theoretical questions may be asked like, "What motivates the employees working in a organisation and why", as well as applied questions such as "How can this knowledge with regards to the attitudes and level of motivation of employees be put into practical use" (Greenberg & Baron, 2000:130).

This chapter pinpoints the conceptual and theoretical background, as well as some of the practical implications of the theoretical contributions, and includes some of the motivation techniques used in organisations.

The aim of this research is to determine whether the current status of organisational culture within ABI Country Region employees was altered, and work motivational levels declined, as a result of the merger with SAB Ltd.

Various motivational theories cannot fully explain all or even part of the variation of organisational culture, therefore a research based theory of motivation should contribute to the understanding of the organisation's culture (Mullins, 1999:414). The focus of this chapter concerns the most important aspects of motivation. A simplified motivational model is presented, followed by a discussion of this model. However, it is important to realise that this model is by no means a complete theory, but rather an organising device, which identifies the main motivational concepts and their major interrelationships between the different variables of motivation.

This chapter is based on the conviction that enhancing and sustaining employee motivation is a manager's major function. Traditionally a manager's task was to administer the process of converting raw materials into a final product and ensuring that the work gets executed. In today's organisations employees are no longer seen as a commodity; instead they form part of a working group that requires the continuous stimulus from their managers to survive. It's because of the complexity of motivation and the fact that there is no ready made solution or single answer as to what motivates people to work efficiently, that the model of understanding motivation and the different theories are important to the manager (Mullins, 1999:414).

2.2 What is motivation?

Motivation is seen as a force that energises, directs, and maintains behaviour. Karathanos, Pettypool and Troutt (1994:16) define motivation as the degree to which a person is moved or aroused to expend effort to achieve some purpose. Motivational theories aim to identify these factors. Work motivation refers to how much a person tries to work hard and work well to the arousal, direction, and persistence of effort in work settings.

These energetic forces of motivation originate both beyond and within an individual's existence to introduce work-related behaviour, and to determine its form, arousal, direction, and duration. There are three significant constituents to this definition. The first part of this definition is arousal, which is about the energy that drives employees' behaviours. The second part of the definition is about the choices that employees make between different kinds of behaviour to achieve their goals and the direction of these behaviours. The last part of the definition is concerned with how long employees are willing to persist at attempts to meet their goals, and to sustain their behaviour. A comprehensive understanding of work motivation requires an integration of these concepts (Munchinsky, 1999:331).

Champoux (2000:117) contends that an understanding of these concepts assists managers in developing and managing a system of motivation, while integrating a conceptual framework allowing management to analyse and diagnose motivational dilemmas within an organisation.

It is important that an employer selects and trains his/her employees to be both motivated by, and satisfied with, their jobs. Work motivation is generally defined as the force that drives a

worker to perform successfully. Not only is the way a manager selects stimuli important to motivate his/her employees, but to be able to implement the stimulus factor into motion and develop a deep awareness of the employees' feelings and emotions, as well as of a deep rooted spirit that drives employees forward in response to a selected stimulus (Aamodt, 1999:406).

2.3 The meaning and importance of motivation

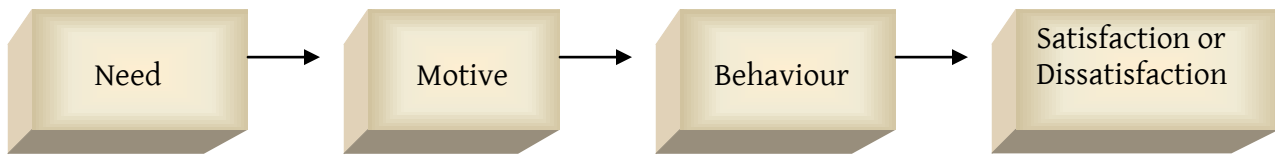
According to Schultz, Bagraim, Potgieter, Viedge and Werner (2003:53) effective managers need to understand what motivates their employees to perform well. The main aim for management is to comprehend what it is that sustains and motivates their workforce. Firstly a manager must inquire what employees' needs are and what goals they have set for themselves. Organisations need to be constantly stimulated if they are to retain their competitive degree, and this means having managers at all various levels in the organisation that have the ability to stimulate each and every employee. An effective manager must comprehend that each individual employee is unique; and understand the need of each employee's goals.

Today's successful businesses managers need to comprehend employees' individual needs and display genuine admiration to their workforce. It is crucial for managers to make all efforts to maintain the most valuable people, create allegiance and develop a strong organisational culture (West, 2004:37.) To understand people, it is not only necessary to understand their behaviour and needs, but also to understand what stimulates such behaviour. Motivation underlies, basically, why people behave in a certain way. The basic question is "Why do people do what they do"? Motivation pivots around why people choose a particular course of action

in preference to others, and why they continue with a chosen action, often over duration of time and in the face of difficulties and problems (Mullins, 1999:406).

According to Lussier (1998:176) the primary reason why people do what they do is to achieve their needs or desires. Motivation means that internal process which directs behaviour to satisfy the employee's needs. Lussier's process is depicted below.

Fig 2.1 The process of meeting needs

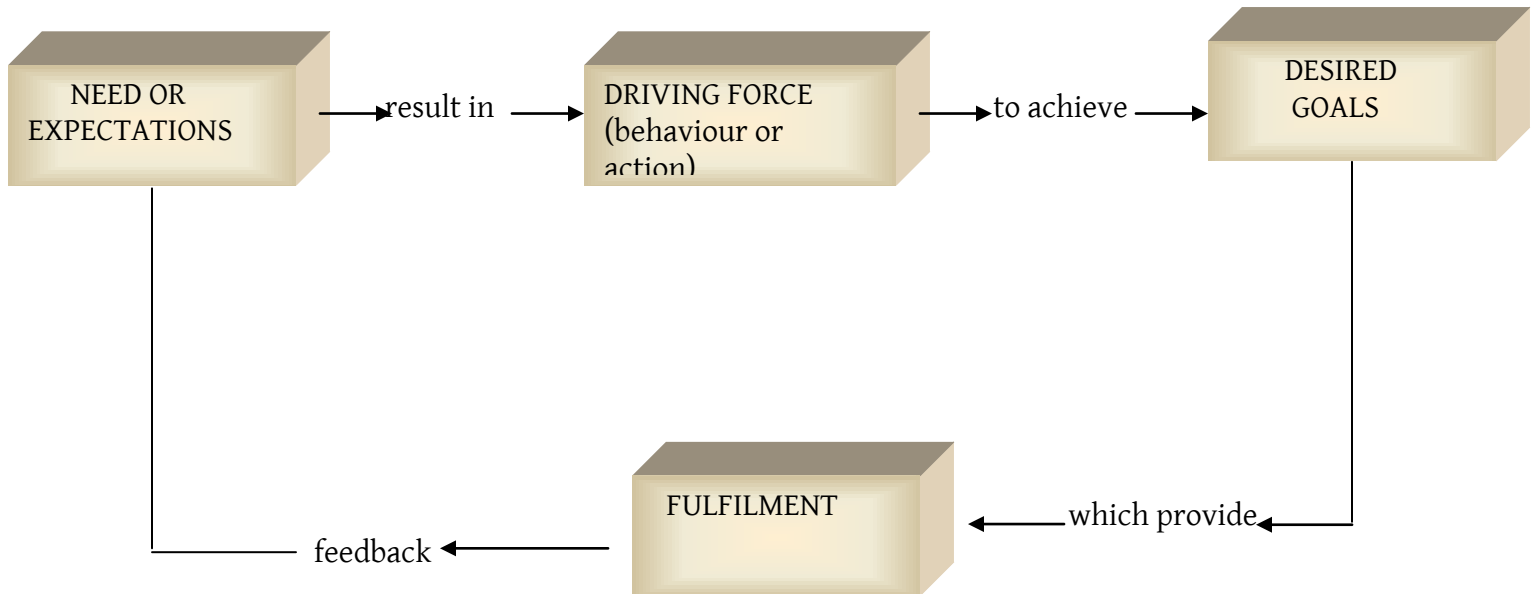


Source: Lussier (1998:176).

This type of satisfaction is short lived, because once your need has been gratified another need arises again. Managers often view motivation as an employee's willingness to achieve the organisation's objectives (Lussier, 1998:176).

This basic motivational model which is illustrated in Figure 2.2 depicts the underlying concept of employees' driving force by which they attempt to achieve some goal to fulfil a need or expectation.

Fig 2.2 A motivational model



Source: Mullins (1999:407).

People's behaviour is influenced by what motivates them to perform. Their performance is a product of both ability level and motivation. The motivational levels of employees within organisations need to be correlated so that a manager is able to utilise this knowledge and improve the work within the organisation. Managers need to encourage their employees to direct their efforts (the driving force) towards the successful achievement and accomplishment of the goals, performance and objectives of the organisation (Mullins, 1999:406)

A study conducted by Wright (2004:59) predicts how the organisation's work context might influence work motivation. This model of work motivation measures whether elements of the organisational work context, such as greater goal accomplishment, technical limitations, and goal ambiguity, may have unfavorable results on work motivation: job goal specificity, job difficulty and self-efficacy. Results indicated that the model could identify specific leverage points that may increase work motivation and, therefore lead to greater productivity.

2.4 Sources of motivation

Rainey (2001:20-21) states that organisational behaviour defines intrinsic work motives or rewards as that which is mediated within the employee as psychic rewards deriving directly from the work itself. Extrinsic rewards are mediated externally, and are exemplified by rewards that come from the organisation such as salary and promotions.

2.4.1 Extrinsic motivation

Extrinsic motivation occurs when an employee performs a given behaviour to attain something innovative that will satisfy a lower-order need such as salary and fringe benefits, security, promotion, contract of service, the work environment and conditions of work. Such tangible rewards are often determined at the organisational level and may be largely outside the control of individual managers (Pierce & Gardner, 2001:234).

These motivating forces will support an individual to participate in certain behaviour because the person either is rewarded for doing so or threatened with punishment for not doing so. Society has created many extrinsic rewards to ensure that people accomplish what is in their best interests (Sternberg, 1998:50).

2.4.2 Intrinsic motivation

Intrinsic motivation arises out of performing a behaviour in and of itself, because it is appealing or pleasurable and is related to psychological rewards such as the opportunity to use one's ability, a sense of challenge and success, receiving appreciation, positive acknowledgement, and being treated in a caring and considerate manner. (Pierce & Gardner, 2001:234).

Intrinsic motivators are motivating forces that come from within a motivated individual, which are at work when the individual participates in behaviour because the person enjoys doing so. People do their most inspired work when they are intrinsically motivated. This is not to say that these people were oblivious to extrinsic rewards, such as money, or fame. Rather, they were task-focused. They did what they did for the love of their work, with the money, fame, or other extrinsic rewards a pleasant by-product (Sternberg, 1998:537).

There are four essential elements that determine whether extrinsic motivation will undermine intrinsic motivation. The first factor is expectancy. The extrinsic rewards will undermine intrinsic motivation only if the individual expects to receive the awards on performing the

tasks. The second factor is the significance of the reward. The reward must be meaningful to the individual. The third factor is whether the reward is tangible (e.g. a certificate, a prize or money) as a motivating factor.

Whereas tangible rewards tend to challenge intrinsic motivation, intangible rewards such as praise or recognition do not seem to undermine it. The fourth and final factor is whether the reward is non-contingent. Tangible rewards are likely to undermine intrinsic motivation when they are non-contingent, and thus are given without regard to whether a task is completed in a high qualitative manner (Sternberg, 1998:537).

2.5 Approaches to motivation

Although there has been consensus about the need of motivated employees, controversy exists as to how to induce higher levels of motivation, and the development of different approaches to organisation and management has highlighted the altering concepts of work motivation (Mullins, 1999:411).

2.5.1 Economic needs motivation

Employees would be motivated by obtaining the highest possible wages through working in the most efficient and productive way. In probability, the incentive (wages) will work effectively the first time, but money as a stimulus would also have declining effects. To be effective in maintaining the employee's motivational levels high, innovative and new

stimuli must be used from time to time (Freemantel, 2001:28).

According to Papmehl (2002:12-14) employees' motivation to succeed is influenced less by financial reward than by growth and development prospects. Conversant employees' wish to be fairly compensated for the work they conduct. Money is not always the key motivator, but employees need to be kept informed and stimulated on a continuous basis.

2.5.2 Social concept of motivation

Employees not only attend work for a simple fiscal reward but also to satisfy various needs, such as a social need. The systems approach also supports the social concept of motivation. This socio-technical system is concerned with the relations between psychological and social elements, the needs and demands of individuals, and the technical and structural attributes of the organisation (Mullins, 1999:411).

Employee recognition programs are essential motivational tools. Managers need to encourage their employees with enthusiasm that their hard work is recognised and appreciated, or else they will be left with an organisation with diminishing productivity levels. Simple practices such as verbal praise are useful. In order to achieve the most effective results, managers need to construct a well-structured program that provides meaningful awards. ABI (Amalgamated Beverages Industry, the soft drink division of SAB Ltd) has a loyalty programme devised to motivate their workforce known as the Ignition Awards. Research has proven that

organisations with cultures that promote specialised development and employee empowerment frequently see the results of their outcomes converted into enhanced financial performance (Messmer, 2004:13).

2.5.3 Self-actualisation

Attention to the social organisation and theories of individual motivation, the personal adjustment of the individual within the work situation, is the major focus of concern. This approach is the self-actualisation concept of motivation which is the drive to become what one is capable of becoming, and comprises of progression and achieving one's potential and self-fulfilment (Robbins, 2001:156).

2.5.4 Complex-person concept of motivation

The complicated behaviour of human nature together with the varying situational factors leads to the complex-person concept of motivation. This contingency approach to organisation and management takes the notion that there are a large number of variables, or situational factors, which influence organisational performance. Contingency theory is concerned more with dissimilarity between organisations than with similarities, and maintains managers must be adaptable in their behaviour according to the specific condition and the different needs and motivations of employees (Mullins, 1999:411).

2.5.5 Motivation and ability

To perform a task successfully an employee must be motivated to perform the task. A feeling of authority gives the employee an experienced knowledge of authority and control in the working environment to be able to feel responsible for their successes and failures. A common assumption of the majority of theorists is that performance is a function of both motivation and ability (McShane & Von Glinow, 2000:113). If either motivation or ability is lacking, performance will be negatively affected (Robbins, 2001:173).

2.5.6 Motivation as an inferred state

Motivation is a psychological state of the individual, and while motivation may have an effect on an employee's observable behaviour, it is not the same as that behaviour. Motivation is not directly observable, it must be inferred. Motivational processes may be inferred from an investigation of an incessant flow of employees' behaviour that are branded by both heredity and environment factors, and are observed through their effects on employees' personalities, belief systems, comprehension, abilities and skills (Muchinsky, 1999:331).

2.6 Summary

This chapter provides a theoretical overview of the knowledge pertaining to motivation, and proceeded by examining the approaches to motivation. Not only is it important for managers and the organisation to select the stimuli, but to be able to get the stimulus factor in motion, a deep awareness of employees' emotions needs to be taken into consideration such as their intrinsic and extrinsic motivation. By creating this awareness, management orientates itself in a positive position to adapt to changes and improvement, as this is critically important especially when it comes to relationship orientated jobs in a customer service organisation such as ABI (Amalgamated Beverages Industry). A historical overview of the origin of the various schools of thought will be followed in the next chapter by the most popular content and process theories, and with applications of concepts applicable to the field of motivation and the integration of the various motivational theories.

TABLE OF CONTENTS

CHAPTER 3: A DIAGNOSTIC APPROACH OF THE MOTIVATIONAL THEORIES

3.1	Introduction	32
3.2	Content theories of motivation	32
3.3	Maslow's hierarchy of needs theory	33
3.3.1	Managerial applications of the need theory	36
3.4	Alderfer's modified need hierarchy model	37
3.4.1	Managerial applications of ERG theory	40
3.5	Herzberg's two factor theory (motivation-hygiene theory)	41
3.5.1	Hygiene and motivating factors	42
3.5.2	Managerial applications of the dual theory	43
3.6	McClelland's achievement motivation theory	44
3.6.1	Employees with high achievement needs (nAch)	45
3.6.2	Employees with high power needs (nPow)	46
3.6.3	Employees with high affiliation needs (nAff)	47
3.6.4	Managerial applications of the achievement theory	48
3.7	Process theories of motivation	48
3.8	Vroom's expectancy theory of motivation	49
3.8.1	Interpretation of the expectancy model	52
3.8.2	Managerial applications of the expectancy theory	52

3.9	Adam's equity theory of motivation	54
3.9.1	Managerial applications of the equity theory	57
3.10	Latham and Lock's goal setting theory of work motivation	58
3.10.1	Managerial applications for setting performance goals	60
3.11	Summary	63

CHAPTER 3

A DIAGNOSTIC APPROACH OF THE MOTIVATIONAL THEORIES

This chapter outlines the content and process theories of motivation. Content or need theories specify the needs that employees have and the way they contribute to motivation and thus affecting job performance. Process theories of work motivation focus on how employees make choices among alternative behaviour and levels of effort.

3.1 Introduction

In favour of the diversity of the current explanations for motivated behaviour in organisations, the purpose of this chapter is to provide an overview and an evaluation of the major theories of motivation. For each of these theories, the central tenets of the theory are presented, as well as a critical evaluation of the theory as a model of work motivation. Following this discussion the chapter is concluded with applications for managers.

3.2 Content theories of motivation

Content theories fall into the category of need theories of motivation, which proposes those employees in the working environment that seek to fulfil many of their needs, and that this behaviour is therefore directed towards need gratification. Content theories attempt to explain that individuals possess motives waiting to be satisfied, and there is an attempt to

explain motivation in terms of what arouses and energises employees' behaviour (McKenna, 2000:92).

If managers can comprehend that employees have specific needs that motivate them to behave in certain ways, then they are able to devise a reward system both to satisfy these needs as well as achieve the expected goals within the organisation (Pinnington & Edwards, 2000:127).

According to Naylor (1999:542) the major content theories are:

Maslow's hierarchy of needs model, Alderfer's modified need hierarchy, Herzberg's two-factor theory, and McClelland's achievement motivation theory. It is the manager's responsibility to judge the relevance of these different theories, and decide on how effectively these theories may be utilised in the organisation.

3.3 Maslow's hierarchy of needs theory

Although content theories are based on the assumption that we may ascribe a comparable set of needs to all employees, theories within this category differ in their aspects of what these needs are. Maslow's basic proposition is that people are wanting beings, and what they want depends on what they already have. He outlined what is perhaps the most influential of the content theories. He suggested that there exists a hierarchy of prepotency that persists employees to progress. Once an employee stratifies a need at one level in the hierarchy, it

ceases to motivate his/her behaviour, instead the next level up the hierarchy leads him/her to become more motivated (Fincham & Rhodes, 1999:132).

Maslow's theory begins with two reasonable assumptions:

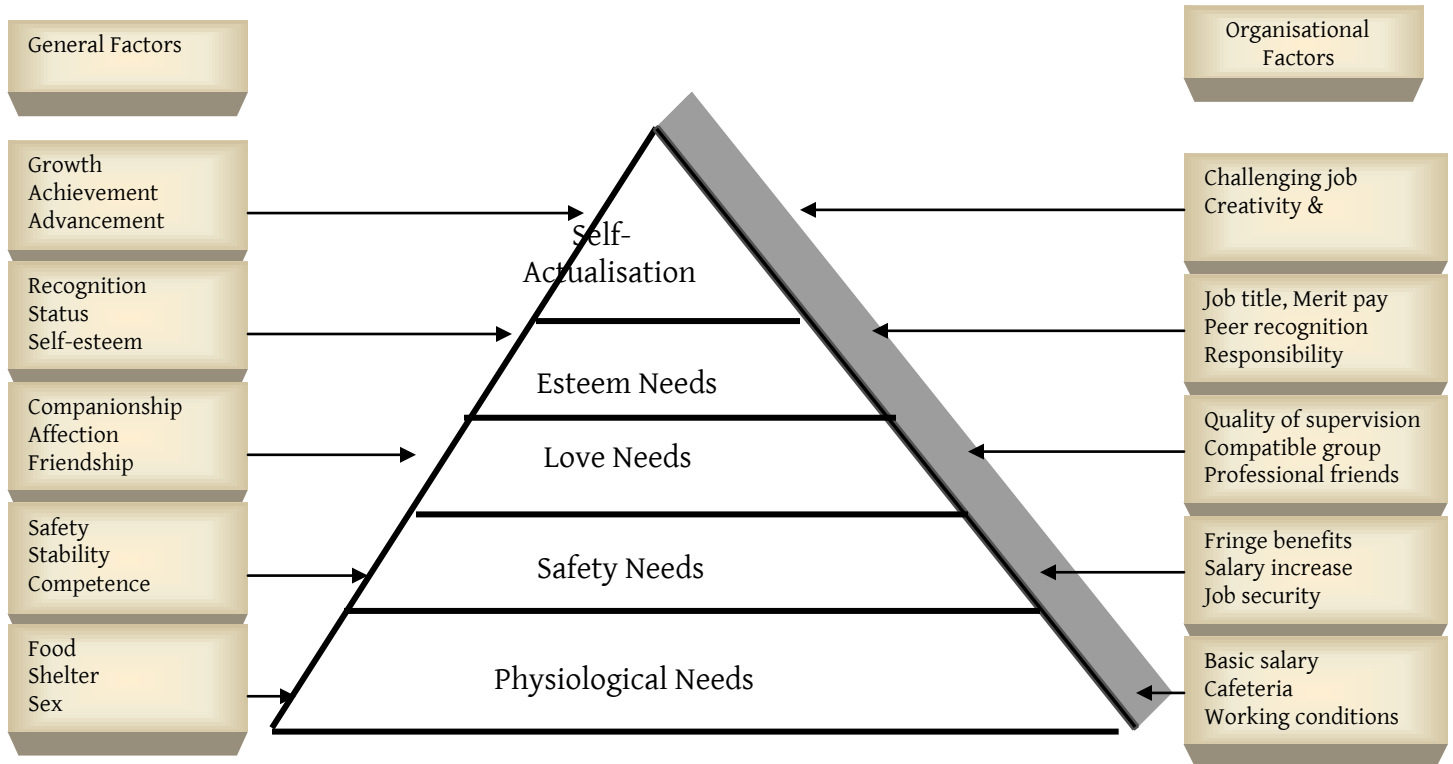
- ◆ Human beings have many different needs, varying from lower-level natural needs through higher-level psychological ones (see figure 3.1).
- ◆ These needs exist in a chain of command, before higher-order needs can become motivators and affect behaviour, lower-level needs must be gratified (Seta, Paulus & Baron 2000:125).

Maslow felt that organisational needs could be condensed into five groups of basic human needs, and that these needs are so basic that they motivate the behaviour of employees in the organisations, which are:

- ◆ Physiological Needs: which include the need to receive a basic salary and good working conditions.
- ◆ Safety Needs: the need for a secure and stable environment with fringe benefits, salary increase and job security.
- ◆ Social Needs: the need for supervision, professional friends and being part of a compatible team.
- ◆ Esteem Needs: includes self-esteem through personal achievement such as merit pay, job title, peer recognition and assumed responsibility.
- ◆ Self-Actualisation: which represents the need for self-fulfilment; a sense that the

person's potential has been realised by a challenging job and creativity (Champoux, 2000:120-121).

Figure 3.1 Maslow's hierarchy of needs model



Source: Pierce and Gardner (2001:228).

According to the theory, the first four levels of the hierarchy are concerned with deficiency motivation, or striving for stability and self-maintenance. The basic needs such as food and shelter are at the bottom of the hierarchy, which then progress through physical well being, social acceptance, self-esteem and finally self-actualisation. The various need levels are interdependent and overlapping, and once a need is satisfied it activates the next higher need

on the hierarchy. This process continues until the need for self-actualisation is activated (Fincham & Rhodes, 1999:132).

For Maslow, the following qualities are indicative of a self-actualised individual: independence, autonomy, creativity, self- expansion, growth, a tendency to form deep friendships and a general transcendence with the environment. Maslow states that the need for self-actualisation will very seldom reach a final stage of gratification, the more this need is satisfied, the stronger it becomes (Schulz *et al.*, 2003:55-56).

Mosley (2000) postulates that in order to make a merger effective, employees need to be open, creative, inventive and practical. They can only do this when they have reached self-actualisation, and esteem needs of the hierarchy. These employees focus on the likelihood of cost cuts and job losses. Security becomes a major concern. The basic needs are usually met by salary payments; fear of losing this salary cheque may create serious insecurity, and the impact on the organisation is dramatic. Employees feel isolated and focus on their own doubts and fears. Until their sense of security is restored, employees will continue to be locked into the basic needs levels and will not progress, in Maslow's hierarchy.

3.3.1 Managerial applications of the need theory

Maslow's hierarchy of needs has a positive effect on managers, offering some useful principles for guiding managers to think about ways of motivating their employees, namely:

- ◆ Identifying and acceptance of employees' needs

- ◆ Realisation that needs may fluctuate among employees
- ◆ Providing gratification for the particular needs currently not achieved
- ◆ Realising that giving more of the same reward may have a withdrawing impression on motivation (Newstrom & Davis, 2002:108).

Managers need to appreciate the diversity of employees and offer incentives or goals that correspond to them and value the motivational potential of intrinsic motivators and the existence of the higher order needs (Faculty of Business Administration, 2004).

3.4 Alderfer's modified need hierarchy model

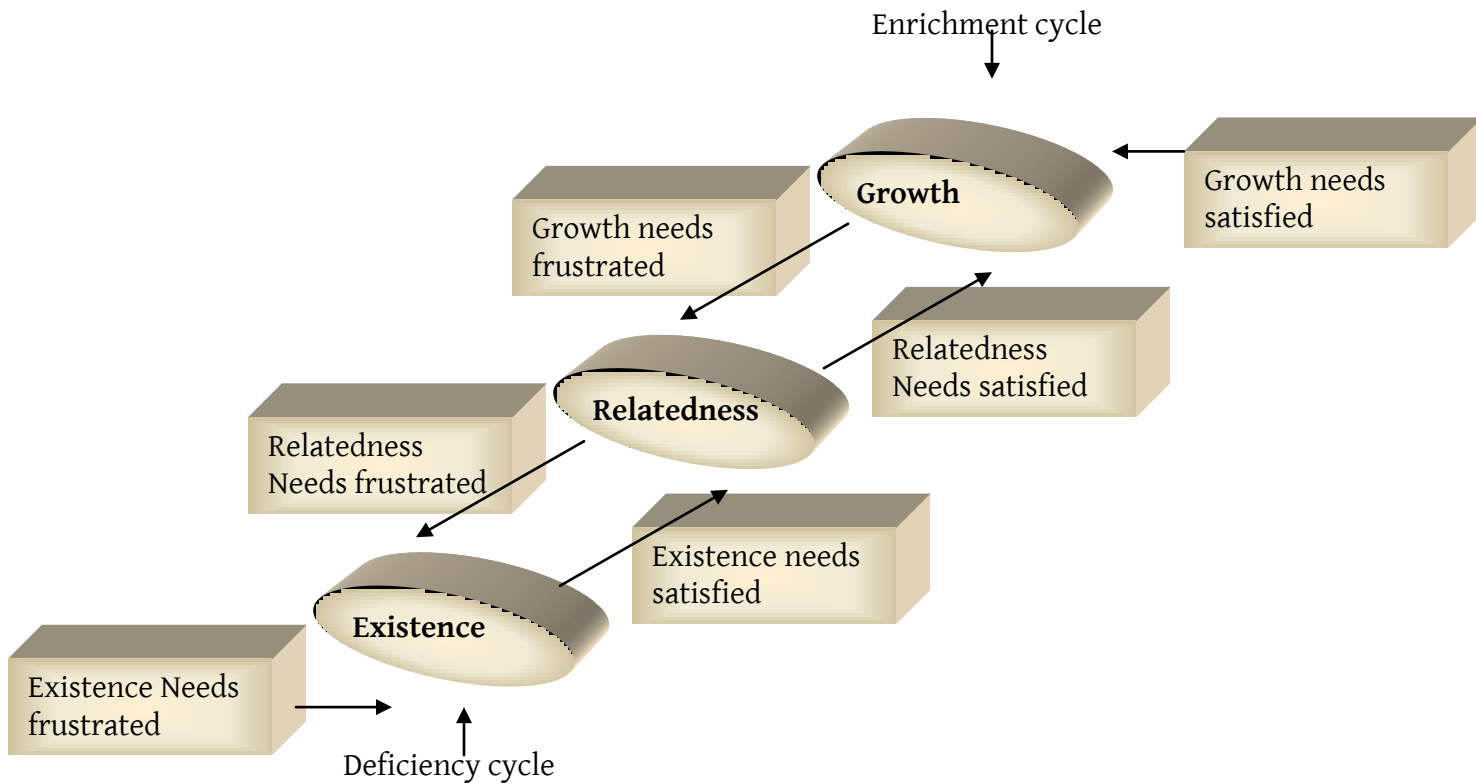
In response to Maslow's theory, Alderfer projected an alternative theory. This approach is known as the ERG theory and it is a much more simplified model. Not only did Alderfer stipulate only three types of needs instead of five, but he also exposed the fact that these needs are not activated in a precise order but as an alternative any need can be activated at any given time (Seta *et al.*, 2000:127). This theory consists of three groups of basic needs:

- ◆ Existence needs are a person's physical and material wants
- ◆ Relatedness needs are the same as belongingness and love needs
- ◆ Growth needs are the desires to be productive and creative and develop additional capabilities. These three groups of needs form a hierarchy.

According to the Sunday Times (quoted by Arnolds & Boshoff, 2004:1) the extent to which organisations satisfy the growth needs of employees has a momentous impact on organisational commitment. There is a general apprehension on behalf of managers that

employees who are not sanctioned through training and development will not be committed to the organisation.

Figure 3.2 The existence, relatedness and growth need hierarchy model



Source: Champoux (2000:123).

Figure 3.2 identifies the number of ways in which an organisation assists its members to gratify these needs. There are four key elements namely, satisfaction progression, frustration, frustration regression, and aspiration, which are crucial to understanding the ERG theory (Pierce & Gardner, 2001:231).

Alderfer's theory relates to Maslow's theory that satisfaction progresses through the needs; as employees fulfil their existence needs their energy is aimed toward relatedness needs. Once these needs have been gratified their growth needs become more dominant.

The second component is frustration that arises when employees neglect to satisfy a particular need, this results in making the employee more determined to satisfy this unmet need.

Alderfer's third component is frustration regression, which causes employees to modify their interest to a more satisfied tangible need. Lastly the aspiration component notes that by its very nature, growth is intrinsically satisfying, therefore the more employees satisfy their growth need the more important it becomes, the more stalwartly they are motivated to satisfying it (Pierce & Gardner, 2001:231).

According to Newstrom and Davis (2002:110-111) the ERG model does not presume a particular succession from one stage to the next instead it consents to the possibilities that all three levels can be progressive at any given time. It also specifies that an aggravated employee at either of the two higher levels may return to focus on a lower level and then progress again. Finally whereas the first two levels are limited in their requirements for satisfaction, the growth needs not only are indefinite but also are actually further activated each time satisfaction is attained.

Need theories of motivation have been the basis of many intercessions to increase employee job performance. This vagueness creates reference for which strategies managers would explore to eradicate need scarcity on the different organisational levels to motivate employees, especially during times of change (Arnolds & Boshoff, 2000:53).

3.4.1 Managerial applications of the ERG theory

Managers need to continually participate in the management of their employees' motivational needs, for example if an employee's growth needs are hindered due to a company policy or procedure, then it is the manager's responsibility to attempt to minimise and reinforce the employee's efforts towards the fulfilment of his or her other needs (relatedness needs or existence needs). Managers applying the ERG theory are able to understand motivation at work in their organisations and to become aware and more sensitive in the diagnosing of an employee's behaviour at work (Schultz *et al.*, 2003:58).

Managers should take into consideration that intrinsically motivated behaviour is behaviour in which an individual participates to feel competent and self-determining. Managers need to be aware of the fact that when there is no stimulation employees will yearn for it. An employee who gets no encouragement from the working environment will not feel competent and self-determining; therefore, he or she will seek out the prospect to behave in other stimulating and confronting ways. Managers therefore need to surmount over challenges or reduce inappropriateness, to produce a stimulating and competent working environment (California State Polytechnic University, 2004).

3.5 Herzberg two factor theory (motivation – hygiene theory)

Herzberg theory consists of two sets of needs, instead of five sets as theorised by Maslow and three sets classified by Alderfer. Herzberg projected one of the most influential motivation theories, which is known as the two-factor theory, which also underlies the significance of higher-order needs in motivating employees in the organisation. He called the first set “motivators” (esteem, self-actualisation/growth). Motivators, which correlate to the jobs, individuals’ performance, and the capability to experience a sensation of achievement as a result of performing them. The second set of needs he termed “hygienes”. Hygienes relate to the working environment and is based on the basic human needs (physiological, safety, and social/existence and relatedness). Herzberg stationed the two-factor theory on Maslow’s need theory, and contends that two diverse needs of individuals are engaged in understanding job behaviour (Lussier, 1998:180).

His dual factor theory is conceptualised on the principle that the factors that make employees feel good and upright about their jobs are extensively diverse from the factors that make them undergo a feeling of dreadfulness about their jobs. That is because, certain factors in the organisation leads to an employee feeling a sense of job contentment, and other factors lead to an employee feeling a sense of displeasure with regards to job dissatisfaction. Herzberg also found that employees who felt positive about their jobs ascribed this to internal factors, and those who felt negativity about their jobs ascribed their attitude to external factors. Based on his research motivators are seen as factors of endorsing positive and constructive emotions in

the organisation, these factors are listed in figure 3.3. By contrast negative feelings in the organisation are caused by hygiene factors (McKenna, 2000:97).

Figure 3.3 Herzberg's model of the dual-factor theory

Dual-Factor theory	
Motivators	Hygiene Factors
Achievement	Company policy and administration
Recognition	Supervision
Work itself	Salary
Responsibility	Interpersonal relations
Advancement	Working conditions
Growth	Status and security

Source: McKenna (2000:97)

3.5.1 Hygiene and motivating factors

Motivation factors are identified as responsibility, achievement, recognition, advancement, and the work itself. These factors constitute the job content and what employees convey within the organisation. Employees therefore conduct superior performance within the organisation due to the presence of these factors. The way the employees feel in the organisation is due to these factors. In addition these motivation factors also lead to positive

mental health and challenge employees to endow with contributions to the working environment (Nelson & Quick, 2003:160).

Hygiene factors on the other hand consist of company policies, administrations, technical supervision, salary, interpersonal relations, status and working conditions.

These factors form the context of the job and are regarded as guiding factors. An employee's motivation is not directly affected in the work environment but influences the extent of the employee's disapproval. They are seen as maintenance factors and do not stimulate an employee's growth or development; they contribute solely to an individual's indispensable need (Nelson & Quick, 2003:160-161).

3.5.2 Managerial applications of the dual theory

According to Schultz *et al.*, (2003: 60) Herzberg's two-factor theory suggests that managers need to consider the following:

- ◆ Factors that lead to job dissatisfaction need to be eradicated. Hygiene factors must be sustained and remain under the manager's regulation.
- ◆ Managers need to place emphasis on those factors connected with the work itself such as promotional opportunities, growth, acknowledgement, sense of accomplishment and responsibility. Employees find these factors intrinsically rewarding and are stimulated, which in turn leads to elevated job execution and performance.
- ◆ Managers adopting Herzberg's approach need to encompass motivators into employees'

jobs, so as to positively endorse job satisfaction and remove all negativity (McKenna, 2000:98).

3.6 McClelland's achievement motivation theory

McClelland's needs theory of motivation is primarily a classification of needs such as achievement, power, and affiliation. Lussier (1998:182) proposes that McClelland does not categorise the lower-level needs, his affiliation needs are analogous to that of the social and relatedness needs; power and achievement are related to esteem, self-actualisation and growth. Figure 3.4 indicates the similarities and differences of the need classifications of the four theories of motivation.

Unlike Maslow, McClelland believes that needs are developed as employees interrelate with the environment, based on their character and individuality. All individuals possess the need for achievement, power, and affiliation, but the extent of this possession may vary. One of these three needs tend to override within each employee, and motivates his/her actions (Lussier, 1998:182).

Robbins (2000:48) identifies four main arousal-based and socially developed motives, namely:

- ◆ The Achievement motive (nAch) a manifest need that concerns individuals' issues of excellence,
competition, challenging goals, persistence and striving to succeed.

- ◆ The Power motive (nPow) the need that concerns an individual's need to make an impact on others, influence others and make a difference in life.
- ◆ The Affiliation motive (nAff) a manifest need that concerns an individual's need to establish and maintain close interpersonal, intimate relationships.

Figure 3.4 Classifications of needs by four theories of motivation

Maslow's Need Hierarchy Theory	Alderfer's ERG Theory	Herzberg's Two-Factor Theory	McClelland Manifest Needs Theory
Self-Actualisation	Growth	Motivators	Power
Esteem			Achievement
Social	Relatedness		Affiliation
Safety	Existence	Hygiene	
Physiological			

Source: Nelson and Quick (2003:157)

3.6.1 Employees with high achievement needs (n Ach)

Employees with a high (n Ach) flourish if the given tasks enable them to become challenged and are given a sense of control over what they accomplish, and they become satisfied by receiving regular feedback on their performance in the organisation, whether they are advancing or not. High flyers work more efficiently when unaccompanied, where they have autonomy over the end product of their actions. These employees avoid situations, which do not offer a set standard of measuring their performance. Money to these high achievers is seen more as a symbol of achievement rather than an intrinsic motivating factor. Failure is a negative concept whereas these employees strive only for success (Robbins, 1998:176).

It is anticipated that achievement motivation research has been effective in extending the understanding of the characteristics of employees with a high achievement need within management, and it becomes beneficial to managers to evolve this aptitude to the other employees in the organisation (McKenna, 2000:96).

3.6.2 Employees with high power needs (n Pow)

People with high (n Pow) tend to govern and influence a situation and seek to endeavour positions of authority and status. People with a high need for power tend to have a minimal necessity for affiliation where managers tend to loom for power. Power is critical for successful management. In many organisations employees want more power and control over their jobs (Lussier, 1998:184).

To motivate employees with a high (n Pow) is to permit them the freedom to arrange and monitor their jobs and allow them flexibility. Enable them to participate in decision making, especially when the decision affects them directly. They tend to produce better results when working alone rather than working together as a team. Managers need to assign such individuals to a complete task rather than just a part of a task. People are motivated to attain power and authority because achieving it satisfies their needs (Lussier, 1998:184).

Employees in an organisation with a high need for power actively yearn for situations in which they are able to influence other employees. They prefer to exercise autonomy rather than to be powerless, and it is conceivable that managers and workers are much more likely to feel that they have too little, rather than enough or too much, authority in their work, as certain managers get pleasure and satisfaction from influencing the work situation in a way that is compatible with their own interest. McClelland distinguishes between two types of people with a high need for power. One form is known as personalised power which includes the use of exploitative and dominating behaviour; the other form is known as socialised power which involves the process of persuading and influencing other individuals (Schultz *et al.*, 2003:58-59).

3.6.3 Employees with high affiliation needs (n Aff)

People with a high (n Aff) regard friends and relationships as important. They reap enjoyment from developing, helping, nurturing and teaching others. They try to avoid confrontation and supervision because they like to be one of the group rather than its leader. By enabling an

individual to participate as part of a team is a great motivating tool for individuals with a high need for affiliation. They obtain satisfaction from the people they work with rather than participating in a single duty. Praise and recognition make these employees feel worthwhile. Managers need to delegate the responsibility for orienting and training new employees to them (Lussier, 1998:185).

3.6.4 Managerial applications of the achievement theory

According to Robbins (2001:164) managers need to continuously and successfully train and stimulate their employees in accomplishing their achievement needs. Through effective training and stimulation to think in terms of accomplishment, winning and success, employees may also educate themselves on how to behave in a high achievement manner by selecting situations in which they experience personal success, responsibility and feedback. Management may select an employee with a high need for achievement and continuously train him/her to become a high flyer in the organisation.

3.7 Process theories of motivation

Content motivation theories attempt to understand what motivates people, while process motivation theories attempt to understand how and why people are motivated. Its focus is more on behaviour than on needs (McShane & Von Glinow, 2000:74).

Process theories attempt to identify the relationship among the changing variables, such as psychological and behavioural processes in motivation (Rainey, 2001:30). The emphasis of

process theories is on the process of individual goal setting and the evaluation of satisfaction, after the goals have been attained (Smit & Cronje, 1999:316).

Smit and Cronje (1999: 308) proposes the major process theories of motivation, which are:

- ◆ Expectancy Theory
- ◆ Equity Theory
- ◆ Goal Theory
- ◆ Attribution Theory

3.8 Vroom's expectancy theory of motivation

Vroom's expectancy theory forms the view that people are influenced by the expected outcomes of their goal directed behaviour such as goal attainment and needs. Vroom states that human behaviour is focused towards the achievement of goals, and motivation is a function of each employee's anticipation in the organisation that will result in needs that have been achieved and that have psychological worth. Expectancy theory was devised to explain how motivation becomes a function of each employee's expectation which can be motivated when they have different values and priorities for rewards (Pinnington & Edwards, 2000:128).

George and Jones (2000:60) affirms that the expectancy theory is based on how employees make different decisions in the work environment; these choices determine what they do on the job and how hard they work, which has profound effects on organisational effectiveness. This theory provides managers with a framework on how to get employees to exert

organisationally functional behaviour, and encourage them to produce high levels of effort when conducting this behaviour.

Arnolds and Boshoff (2004:2) conclude that during a merger employees endure the consequences of uncertainty and the concern linked to the new tasks and having to discard long-standing work ethics. This results in declined motivation and commitment which carry the seeds of many other organisational dilemmas, including the non attainment of organisational effective behaviour.

Expectancy theorists agree that motivation results from three different types of beliefs that people have:

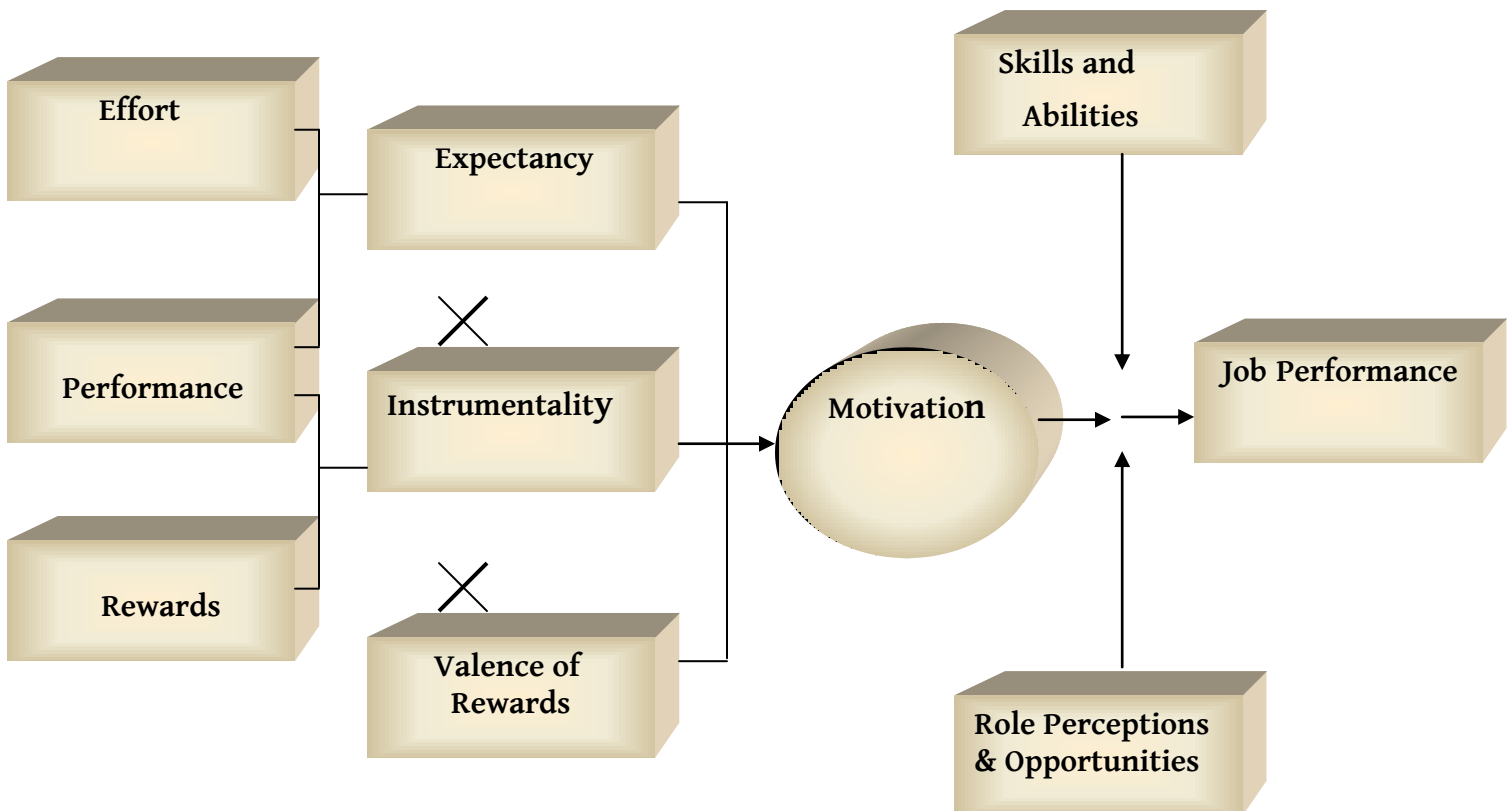
- ◆ Expectancy - the individual's belief that a particular act will lead to a particular outcome
- ◆ Instrumentality - an individual's beliefs whether his/her performance results in a reward provided by the organisation.
- ◆ Valence - whether or not the reward will enable the individual to achieve personal goals within the organisation (Greenberg & Baron, 2000:149).

The expectancy theory recognises the role an individual will strongly work towards if it is something of high value. According to Vroom's theory, focus is on the role of motivation in the overall work environment, and he asserts that employees are motivated to work when they expect that they will be able to achieve the things they want from their jobs. Motivation,

combined with a person's skills and abilities, role perceptions, and opportunities, actuate job performance (Greenberg & Baron, 2000:150).

Pinnington and Edwards (2000:129) show that the expectancy model distinguishes the attractiveness of the extrinsic and intrinsic rewards obtainable by the organisation and depends on how much employees merit them (see figure 3.5).

Figure 3.5 A model of the expectancy theory



Source: Greenberg and Baron (2000:150).

3.8.1 Interpretation of the expectancy model

Newstrom and Davis (2002:120) contend that the three crucial factors in the model may exist in numerous combinations. This combination relationship will result in the most powerful motivation when there is a high positive valence, high expectancy and high instrumentality.

Moderate motivation levels occur when a desire for a reward is high but either of the probability estimates is low. Weak motivation occurs when both the expectancy and instrumentality are low even if the reward has a high valence. A special case of negative valence occurs when an employee would not prefer a promotion due to stress, loss of time and additional responsibilities; in situations like these the strength of the avoidance behaviour depends not only on the negative valence (the promotion) but on the expectancy and instrumentality factors as well (Newstrom & Davis, 2002:120).

3.8.2 Managerial applications of the expectancy theory

An expectancy theory does, however, draw attention to the complexities of work motivation. It provides further information in helping to explain the nature of behaviour and motivation in the changing of the work environment culture, and it helps to identify problems in an employee's performance. During a wave of mergers, almost in every industry, the revived interest in new ways to manage employee performance exists in an undulating environment, (Penson, 1999:35).

Yet despite the agreement over the meaning of work motivation, there's substantial disagreement over which factors motivate employees to work. The complexity of motivation is obvious in the interaction of the forces among an individual, the job and the radical changes in the working environment that account for the degree of direction and determination of effort exerted at work (William & Lankford, 2003:20).

The implication of the expectancy theory indicates that managers should give attention to the creation of a work environment conducive in nature to hard work, set reachable goals where employees may relate to the corporate changes due to a merging situation, and provide value of training, which will help employees motivate and improve their job performance (Observer, 2001:1).

Managers should give employees recognition for the efforts they exert and boost their confidence to increase their expectancies within the organisation. Managers also need to identify the valent outcomes of their employees' knowledge as the content theories should guide managers in this regard. Performance should be made instrumental in positive outcomes, and employees' overall performance should be recognised and appreciated accordingly (Smit & Cronje, 1999:320).

In order for managers to understand and follow the systematic processes through which motivation occurs, they need to utilise the expectancy model as a valuable tool. It also stimulates managers to create a motivational climate in the working environment that will

encourage employees in displaying appropriate and productive behaviour (Newstrom & Davis, 2002:121).

Observer (2001:1) agrees that if an organisation has undergone a merger or other major changes, managers need to assist employees and understand the reasons for this change and inform employees as much as possible. By creating an environment in which employees are willing to stay and grow. Managers should talk regularly with their employees about their career paths, their ideas and abilities.

3.9 Adam's equity theory of motivation

The equity theory explains how people tend to judge fairness by comparing outcomes they receive. As a process theory of motivation, it explains how employees are likely to behave when they feel inequitably treated, and this in turn affects their level of motivation (McShane & Von Glinow, 2000:79).

Adam's equity theory is the only motivational theory that includes a social component, it comprises of the social comparisons that employees make when they evaluate their contributions with the productions they receive. This theory states that an employee assesses his or her inputs to a specific job against what he or she gets from the job (outputs), and then compares the quota (proportion) of these inputs to outputs with another employee's ration of inputs and outputs. A state of equality exists if the employee compares his or her ratio to be

equal to that of another employee. If the ratios are unequal the state of affairs is measured as unfair and a status of inequity is said to subsist (Schultz *et al.*, 2003:64).

The equity theory suggests several possible courses of action that individuals may follow to change inequitable states to equitable ones (see figure 3.6). Generally the majority of employees who are underpaid may either lower their inputs or raise their outcomes.

Either one of these options may bring about equity tension, or because of this negative tension individuals are motivated to rectify the situation. The solution that employees seek for makes the equity theory more diverse and complex. There are four concepts that employees may use when choosing a referent:

- Self-inside – the position that an employee experiences inside his/her organisation
- Self-outside – the position that an employee experiences outside his/her organisation
- Other-inside – another individual or group inside the employee's organisation
- Other-outside – another individual or group outside the employee's organisation (Robbins, 2001:169-170).

Figure 3.6 Conditions of equity and inequity model

	Individual		Referent
Equity	$\frac{\text{Outcomes}}{\text{Inputs}}$	=	$\frac{\text{Outcomes}}{\text{Inputs}}$
Overpayment Inequity	$\frac{\text{Outputs}}{\text{Inputs}}$	>	$\frac{\text{Outputs}}{\text{Inputs}}$
Underpayment Inequity	$\frac{\text{Outputs}}{\text{Inputs}}$	<	$\frac{\text{Outputs}}{\text{Inputs}}$

Source: George and Jones (2000:67).

According to Observer (2001:1) during a merger, managers underestimate that money is not necessarily the be all and end all. Managers need to offer career development and challenging work opportunities which are often greater incentives than money to stay on with the organisation.

Equity theory has some important implications for ways of motivating individuals. It suggests that under rewards equity seeks to reduce employees' feelings of inequality, and it should be avoided implying that companies that attempt to save money by cutting a percentage of employees' salaries may find that the employees respond by cutting a few minutes of their work days, or otherwise reducing their production levels (Newstrom & Davis, 2002:124)

Overrewarded equity predicts that employees will feel an imbalance in their relationship and needs, since the increase in performance shown in response to overpayment inequity tends to be temporary in nature. Employees eventually believe that they deserve the higher pay they are receiving and bring their work level down to a normal level and their job commitment (Newstrom & Davis, 2002:124)

Arnolds and Boshoff (2004:2) point out that dissatisfaction with career factors within an organisation are perceived as job security, and promotion opportunities have been reported to shape the employees' organisational commitment. Clearly defined career paths are important determinates to an organisation's equity and commitment.

According to the Management Review (quoted by Arnolds & Boshoff 2004:1) a positive correlation exists between monetary remuneration as an important determinant of organisational commitment, and it demonstrates a strong positive relationship with organisational commitment.

3.9.1 Managerial applications of the equity theory

According to McShane and Von Glinow (2000:81) there are possible ways that managers may utilise the reduction of inequity. Managers need to change the inputs and outcomes of employees' performance. Employees' perceptions may destroy inputs and outcomes to restore equity; managers need to focus on changing these perceptions and pay attention to employees

who try to escape the inequitable situation by leaving the organisation. Focus needs to be on the restoration and changing of the comparison of other's inputs or outcomes.

Managers should be aware that the understanding of equity in the work environment is important, especially when employees work within several social systems. Managers need to predict which employees would experience inequity and how important it would affect their behaviour (Newstrom & Davis, 2002:125).

3. 10 Latham & Lock's goal setting theory of work motivation

Latham and Locke (quoted by Pinnington & Edwards, 2000:127) state that the advantage of goal theory is that it provides practical applications for managers in gaining an insight as to how employees respond to assigned goals and how they influence employees' beliefs about their ability to perform. Most managers need to direct employees' energies towards achieving organisational goals by incorporating incentives, as most managers are not in a position of authority to influence or alter employees' personalities.

When it comes to assessing employees during a merge or change in the work environment there is not necessarily anything wrong with setting goals, as this is at least one situation where goals based on performance may not be appropriate. That situation subsists when an employee is facing a task that is either new or intricate in nature. In such an instance, it may be beneficial to set goals that are based on an employee's development in learning a new skill, rather than on his or her actual performance in accomplishing or executing it (Seijts, 2001:40).

Locke and Latham (quoted from Muchinsky, 1999:350) conclude that goals direct work behaviour and performance. Goals are intended behaviour that helps focus employees' attention on items of greater importance to the organisation. However, two conditions must be met before goals can influence performance in a positive manner. First, the employee must be perceptive to the acceptable behaviour carried out, and secondly goals are also useful after the desired behaviour which the employee is willing to achieve has been conducted.

Muchinsky (1999:350) contends that the above-mentioned goals may be rejected, based on the premise that employees make the assumption that they are too difficult or too easy, or because the employee does not know what behaviour is required to achieve them. Consent of the goal entails that the employees purpose to engage in the behaviour required for goal attainment. The goal-setting theory states that the more challenging goals, the higher levels of work performance are produced. The consignment to specific goals is seen as comparative to its difficulty. Goals can also be classified into specificity; some goals are general while others are specific. The more specific the goals, the more focus is placed on the employees effort in their pursuit and the more directed the behaviour develops.

3.10.1 Managerial applications for setting performance goals

Schultz *et al.*, (2003:61) suggests the following should assist management in warranting the goal-setting process. Goals channel employees' energies in certain paths and are seen as behavioural objectives. The more difficult it is for the attainment of the goal, the greater the employees' motivation to attain it will become. Managers need to give regular feedback on employees' performance in pursuit of the goals so that management may locate whether employees' endeavours are on target.

Schultz *et al.*, (2003:61) affirm that the source of motivation, according to the goal-setting theory is the process of determining specific levels of performance for employees to achieve. This must be united with the employees' reception of the goals. Goal setting works as a motivational process because it generates an incongruity between current and expected performance. Rather than dealing with motivation as a product of inherent needs, the result may lead to a feeling of apprehension and inequity. Goal setting assumes employees set acceptable targets that help them satisfy their achievement determination and contributes to feelings of proficiency. In particular, the emphasis in goal-setting theory is based exclusively on the direction of the employees' behaviour.

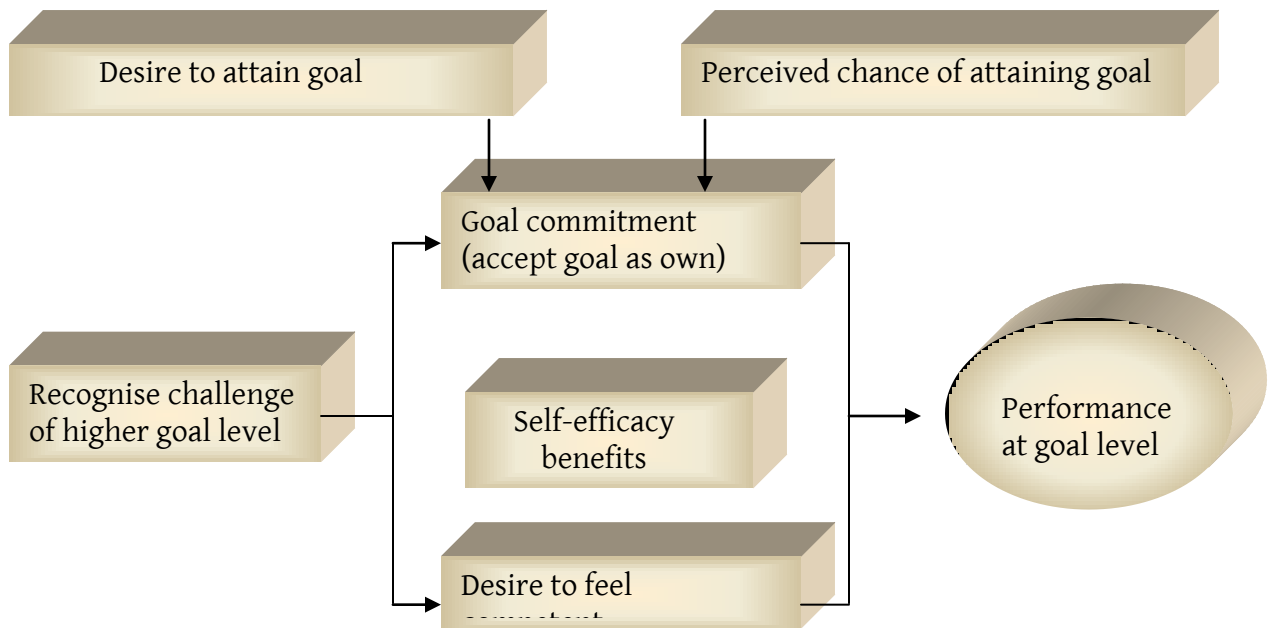
Feedback is necessary, but by itself, it is not sufficient to cause goals to impinge on performance. For example, individuals who are progressing at a leisurely pace necessary to achieve a goal must know this in order to be able to regulate their effort level, or to seek for more effective tactics for attaining the goal. The most effective feedback is that which allows

individuals to make modifications so that they may grow and develop their skills and effectiveness. At the same time, however, providing feedback where employees lack dedication to specific goals has a minimal effect on their performance. It has been documented that it is imperative to specify goals and obtain feedback to intensify performance. Providing employees with accurate feedback, however, may be a challenging task (Seijts, 2001:40).

The most robust part about joining two organisations during a merge is about how employees respond to this change in environment. There needs to be open and ongoing communication and/or feedback which is the solution to keeping employees content (Kirby, 2004:4).

According to Newstrom and Davis, (2002:117) managers may adapt a more effective method of obtaining acceptance to allow employees to participate in the goal-setting process. One of the most effective ways that managers may utilise their contributions is to praise them on their work and inquire about their inputs, and provide formal recognition for their achievements.

Figure 3.7 A model of the goal-setting theory



Source: Greenberg and Baron (2000:139).

An experiment conducted, tested the hypothesis that participation in goal setting enhances self-efficacy and skills. Subjects were sixth-grade children who previously had been categorised with a learning disability. The result of the experiment was that although challenging goals promoted motivation more than no goals, participation in goal setting led to the highest self-efficacy and skills (Schunk, 1998:1).

3.11 Summary

Managers need to realise that all motivation theories are not equally good or equally useful. Managers cannot assume that they understand employees' needs. They should however recognise the variety of needs that motivate employee behaviour and ask employees to better understand their own needs. Individual employees differ in their needs, and managers should be sensitive to ethnic, national, gender, and age differences in this regard. Managers may increase employee motivation by training (increase perceptions of success because of increased ability), coaching (increased confidence), and task assignments (increased perceptions of success to become more experienced). Managers must understand what their employees want.

The main purpose of any manager is to ensure that they reap the best out of the people who work for them. By devoting time and effort in planning and implementing a strategy for managing the effect of a merger on the organisation, they will radically reduce the duration and effect of post-merger drift, thus making an excessively larger contribution to the bottom line. It is the employees within the organisation who must develop the consolidation, merge the cultures, and acquire the intended goals. Employees will either disrupt the success of the new organisation or they will come together and focus their attention, expertise and effort on the achievement of the goals of the new entity (Mosley, 2000).

This chapter provided a theoretical overview of the theoretical body of knowledge pertaining to motivation, and was preceded by a historical overview of the origin of the various schools of

thought which followed by the most popular content, process theories. Looking back across the various theoretical models, reviewed in this chapter, it is observed that although early theoretical models of motivation were quite diverse in their propositions concerning the determinants of motivated behaviour, they have demonstrated a great degree of consistency. More specifically, these theories all share a common emphasis on the importance of goals in a self-regulatory processes. Given the strong support for the propositions of these theories concerning the impact of goals on behaviour, as well as the mechanisms by which feedback and goals are utilised to regulate behaviour, this goals based approach appears to hold considerable promise to the advancement of the field of work motivation.

TABLE OF CONTENTS

CHAPTER 4: INTEGRATION AND APPLICATION OF MOTIVATIONAL THEORIES

4.1	Introduction	66
4.2	Integrated model of motivation	66
4.3	Limitations of content and process theories	71
4.4	Important concepts that are applied to the field of motivation	73
4.4.1	Job design	73
4.4.2	Job enlargement	75
4.4.3	Job enrichment	76
4.4.4	Job characteristics model	78
4.4.5	Hackman and Oldham theory of job characteristics	78
4.5	Managerial applications	82
4.5.1	Performance definition	84
4.5.2	Performance facilitation	85
4.5.3	Performance encouragement	85
4.6	Summary	86

CHAPTER 4

INTEGRATION AND APPLICATION OF MOTIVATIONAL THEORIES

This chapter identifies an integrated approach of process and content theories of motivation, and the limitations posed by these theories. An in depth approach of the job characteristics model is discussed, followed by general applications for managers.

4.1 Introduction

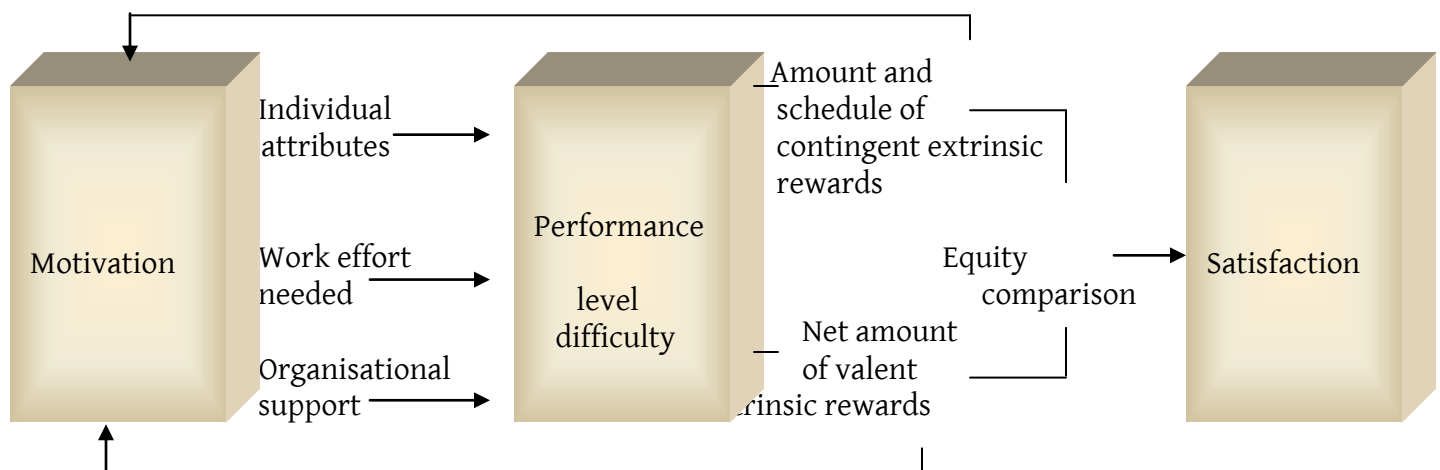
There is no ideal motivational model but some do add value to the awareness of motivational processes that are executed in any organisation. Several motivational models were presented in the previous chapter and all these models have both strengths and weaknesses. The cognitive (process) models are likely to govern organisational practices in the future; they are the most unswerving with the supportive and holistic view of employees as thinking individuals who make conscious decisions everyday regarding their behaviour (Newstrom & Davis, 2002:125).

4.2 Integrated model of motivation

Schermerhorn, Hunt and Osborn (2000:121) outline the integrated view of a model of an employee's motivation to work shown in figure 4.1. This figure is influenced by Vroom's expectancy theory (as mentioned in Chapter 3). Job performance and satisfaction are detached, but potentially interdependent, work results. Individual characteristics such as an

employee's ability and understanding, organisational support (resources, technology and work effort) influence performance directly. Employee motivation directly influences work application, and the explanation to motivation is the ability to create a work environment that responds positively to an employee's needs and goals. Whether or not the work environment provides motivation for an employee depends on the availability of rewards and their perceived value. Content theories direct employees' to comprehend attributes and detect the needs that provide motivational value to the probable rewards. Motivation will be directly and positively affected when an employee experiences intrinsic rewards for work performance. Motivation also occurs when job satisfaction results form either extrinsic or intrinsic rewards that are equitably assigned. Although it is difficult to motivate employees, this model together with the integration of the process and content theories, helps managers to reach toward higher performance satisfaction (Schermerhorn *et al.*, 2000:121).

Figure 4.1 An integrated model of individual motivation to work



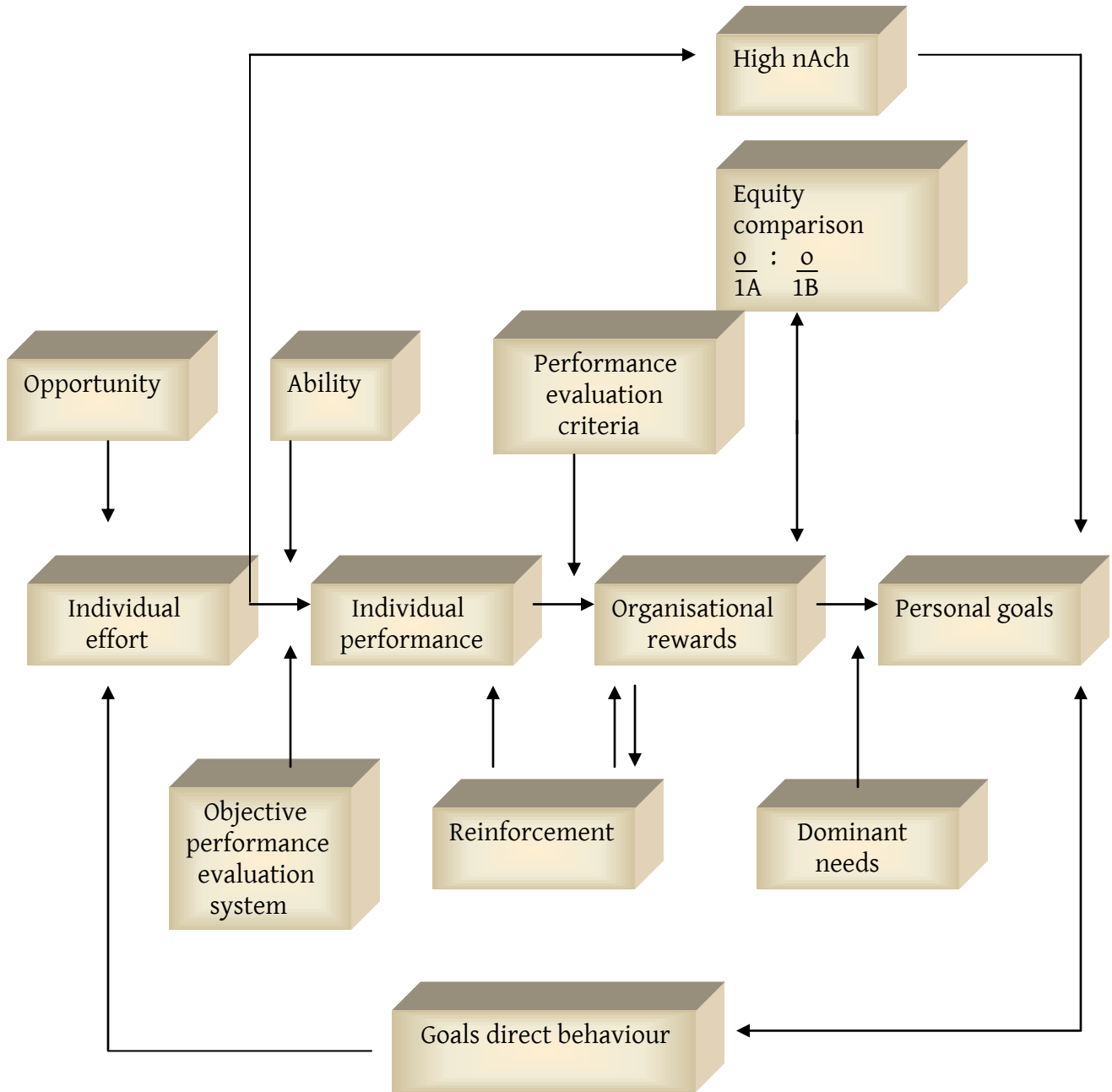
Source: Schermerhorn *et al.*, (2000:121).

According to Fairfield-Sonn, Ogilvie and Delvecchio (2002:2) mergers and acquisitions may have a traumatic event in the lives of employees and organisations. This turbulence in turn, is often associated with declines in organisational commitment and job satisfaction of employees, which may become costly to a firm. A study conducted by Fairfield-Sonn *et al.*, (2002:2) found that job satisfaction and job commitment correlate positively with the key organisational outcomes such as absenteeism, turnover, and employee performance, which on the other hand, influences organisational effectiveness and financial performance.

According to McKenna (2000:112) process theories have a different perspective when compared to the content theories, especially when expectancy and goal-setting theories are explained. For example, employees who are motivated by the expectancy theory, their tasks of achievements have a higher degree, by distinction, the goal-setting theory advocates that employees are motivated by high challenging and complicated assignments, where the degree of success is not assured. There are however similarities between the four process theories. They all identify employee and situational influences that are likely to involve outcomes and all have an orientation entrenched in the future of organisations and concerned with employees' behaviour.

Robbins (1998:191) presents a model that integrates much of what is known about motivation. The motivational theories discussed complement each other, and each motivational theory is used in a different stage of the motivation process (Smit & Cronje, 1999:321).

Figure 4.2 Integrating contemporary theories of motivation



Source: Robbins (1998:191)

Robbins (1998:190-191) suggests that an employee must commence by recognising that opportunities may support or restrict the employee's effort, this effort is also influenced by goals, which direct behaviour. Expectancy theory predicts that an employee will display high degrees of effort if a strong relationship exists between effort and performance, performance and rewards, and rewards and satisfaction, of the employee's individual objectives. For an employee to achieve high performance he/she must have the requirements necessary to carry out this function, and the performance appraisal system that measures the employee's performance must be perceived as fair and objective.

The performance-reward relationship will be strong if the employee perceives it as a reward. Motivation will be strong if performance satisfies the dominant needs consistent with their goals in the organisation. This model also takes into consideration the achievement need theory and equity theory. Employees who are high flyers are internally driven, as long as the activity they are engaged in provides them with personal dependability, feedback and risk taking. If employees perceive the organisational reward system as paying off for good performance, this will reinforce the employees to attain goals in the working environment. Equity theory also plays a key factor in rewards. The employees will evaluate the rewards (outcomes) they receive from their inputs they make with the outcome input ratio of relevant others, and inequalities may have an influence on the effort completed (Robbins, 1998:191-192).

4.3 Limitations of content and process theories

Content and process theories of motivation may be used as an essential tool to guide managers on best operating practices for motivating their employees. It was believed by Maslow, and later by Herzberg, that the hierarchy of needs identify universal needs that are coherent across different national cultures. McClelland's need theory argues strongly for the influence of culture, when it states that a higher need for achievement is brought about through upbringing. McClelland disputes, that employees may be taught these achievement values from an early age. Maslow's hierarchy of needs theory states that the higher and lower-order needs are natural feelings to all human beings, and the degree to which they are culturally acquired by employees in organisations is not fully known (Pinnington & Edwards, 2000:134).

Alderfer (quoted by Pinnington & Edwards, 2000:134) managed to find some empirical support for the claim that the higher-order needs become more important as lower-order needs are satisfied. He also found that when employees were aggravated from gaining the higher-order needs, they regressed to enquiring more about satisfaction from lower-order needs. This contradicts Maslow's theory, which suggests that once contentment is realised at a lower level, individuals will be motivated to achieve fulfilment from a higher level.

A realistic example of regression would be a group of employees who were originally satisfied with their level of pay seeking more money for the same job after a period of time failing to obtain satisfying interpersonal associations with the workplace (Pinnington & Edwards, 2000:134).

Findings of research studies on Maslow's hierarchy may be explained by other theories that appear to be uniformly reasonable to Maslow's explanation. Nevertheless, despite these inadequacies, content theories and especially Maslow's theory, remain the best known to managers in organisations today. Process theories of motivation, whether mainly concerned with job satisfaction, general motivation, or job design, are inclined to be formulated in terms of expectancy theory (Pinnington & Edwards, 2000:134).

The process theory helps managers in understanding that individual differences must be taken into account. The reward system, to an extent, must be able to take care of employees' different needs and perceptions. Expectancy theory shows that employees make different assessments of actions, goal achievement, and the associations between actions and rewards. Expectancy theory is, however, a multifaceted needs-satisfaction model of motivation that has been condemned for its lack of simplicity in guiding management actions (Pinnington & Edwards, 2000:134).

Employees need to reflect with their identification with the organisation as a whole, and feelings about it as merger and acquisitions may challenge this personal identification as well as to lead to questions for the employee regarding the organisation's future, thus eroding the employee's commitment to the firm. These uncertainties may also raise questions for the employees concerning the manager's ability and or willingness to meet their expectations. As these uncertainties increase, employees may begin withdrawing their psychological commitment and motivation to work in the organisation. This may have an impact on performance and job satisfaction (Fairfield-Sonn *et al.*, 2002:3-4).

However, managers have found it complicated to establish how to implement expectancy theory in their organisations, and have often been skeptical of the advantage gained from doing so. Content and process theories of motivation are beneficial for gaining a better understanding of how individuals may be motivated. However, they have been criticised for the limited scope to which their fundamental approaches may be applied in practice (Pinnington & Edwards, 2000:134).

4.4 Important concepts that are applied to the field of motivation

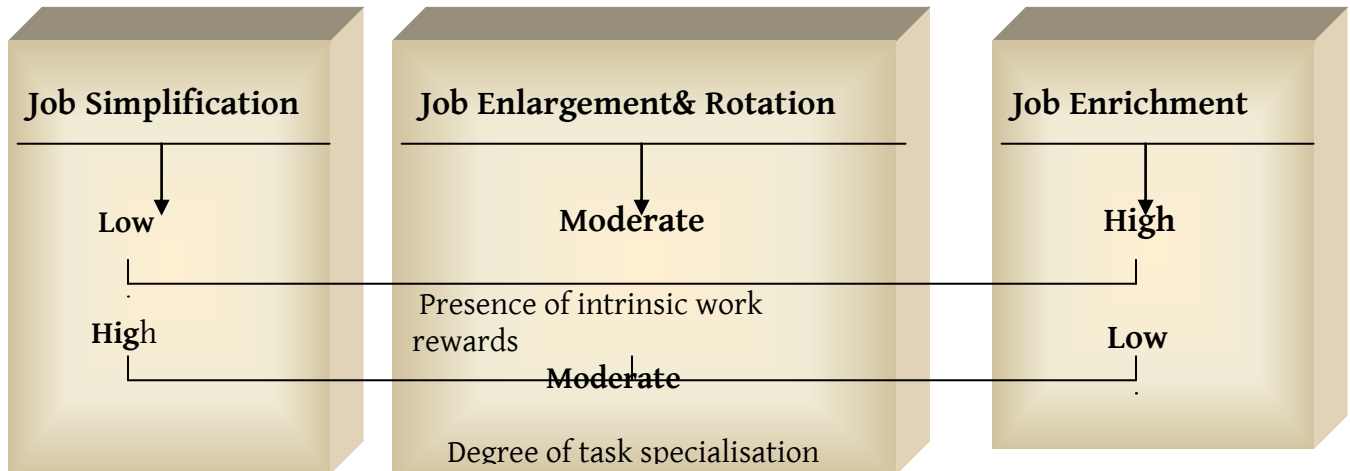
4.4.1 Job design

Bratton and Gold (1999:102) state that to be able to give organisations a competitive advantage, attention needs to be focused on job design. It is defined as:

“The process of combining tasks and responsibilities to form complete jobs and the relationships of jobs in the organisation. Job description includes job titles, purpose, and duties, according to specifications and information for the potential of a job” (Spencer, 1995:128).

Figure 4.3 shows how alternative job design methods fluctuate in the way that compelled assignments are defined and the amount of intrinsic motivation that an employee may provide. The most suited job design and the requirements of the organisation for high performance, proposes a suitable fit with employees’ skills and needs, and provides opportunities for job satisfaction.

Figure 4.3 A continuum of job design strategies.



Source: Schermerhorn *et al.*, (2000:155)

A study conducted by Arocena and Villanueva (2003:199) analysed the requirements of incentives on the basis that the employment relationship is not solely a replacement of work for money, but mainly, in addition to a salary, a job also gives a right of entry into a working experience, which establishes the potential for employees' human capital attainment and for his or her social and specialised knowledge.

4.4.2 Job enlargement

The aim of job enlargement is to reduce monotony and boredom within the organisation. It involves increasing a job to include a broad range of tasks at the same level of demand (Turner & Turner, 1995:131).

Smit and Cronje (1999:257) contribute that a job is enlarged when an employee conducts an ample range of activities and tasks of approximately the same level of skill, such as a clerk who is designated as a second manager. This expanded job will be more attractive because it composes of diversity.

A study conducted by McLagan and Nel (1996:5) where the society's collective vision of institutional governance is undergoing a fundamental shift, investigates the replacement of authoritarianism by participation. Such a shift requires profound changes in about how successful organisations must work. Because technology reduces the number of employees required to produce a service, it increases the scope of production for which each employee is responsible. It increases the size of the employees' job and associated responsibility. As automation and computers take on the routine or dangerous work, the new employee becomes a manager of exceptions. Technology in the work itself makes each employee's impact more significant and his or her commitment and involvement more critical. Most importantly, the characteristics of the new workforce mandate that organisations move to participation.

4.4.3 Job enrichment

Herzberg introduced job enrichment in his work motivation model, which is a process intended to improve production through job design and increase an employee's motivation and job satisfaction. By including more motivators to the job, job enrichment can make work more purposeful, inspiring, and challenging, for the employee (Skinner & Ivancevich, 1996:339).

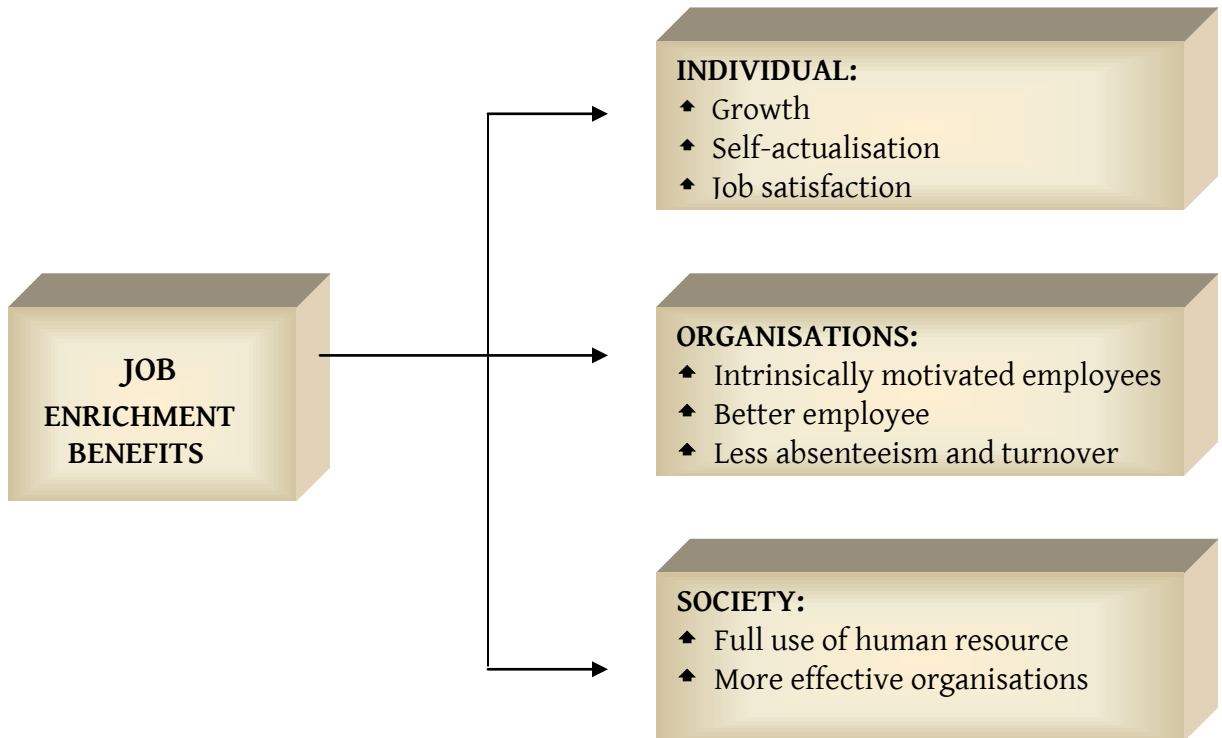
The term job enrichment refers to numerous ways in which tasks are rotated, enlarged, and comprehensive. An example of this process is the use of job rotation, which involves the sporadic changing of an employee from one work simplified task to another (Bratton & Gold, 1999:107).

According to Schermerhorn *et al.*, (2000:157) job enrichment includes the following criteria:

- ◆ Allow employees to plan
- ◆ Allow employees to practice control
- ◆ Maximises job freedom in the organisation
- ◆ Increases difficulty of work tasks
- ◆ Helps employees gain knowledge in being task experts
- ◆ Provides feedback on performance
- ◆ Increases performance accountability
- ◆ Provides complete units of work

Job enrichment brings many benefits (Figure 4.4) like encouraging development and self-actualisation. The job is structured in such a manner that intrinsic motivation is encouraged. Motivation is increased, therefore performance should improve, thus providing a more prepared and constructive job. Negative effects also become condensed such as turnover, grievances, and indolent time. In this manner both the employee and organisation benefit. In summary the employee performs better, enjoys greater job satisfaction, and becomes more self-actualised, thus being able to contribute in all life responsibilities more resourcefully (Newstrom & Davis, 2002:245-246).

Figure 4.4 Benefits of job enrichment



Source: Newstrom and Davis (2002:246)

4.4.4 Job characteristics model

The job characteristics model proposes certain steps for improving motivation, job satisfaction, and performance, which have been successfully utilised in South Africa as an amended job redesign practice to address human resource problems currently facing managers and human resource practitioners (Wiesner & Vermeulen, 1997:177). This model stipulates that specific core job dimensions create vital psychological states, which may lead to numerous constructive personal and work outcomes.

The model depicted in figure 4.4 concedes that these relationships are strongest among employees who display a high need for individual growth and improvement. Employees, who do not expect to experience the psychological responses to the core job dimensions, do not show interest in personal growth and development. Thus the model identifies a valid restriction of job enrichment; not all employees want or can apply job enrichment to their jobs (Smit & Cronje, 1999:326).

4.4.5 Hackman and Oldham's theory of job characteristics

It all starts with a commitment to purpose, worthwhile work, and making a difference. According to Struder (2004:21-22) these are the core values mentioned above. Managers who reinforce these behaviours will discern a change more rapidly. Creating a positive relationship takes three positive connotations to balance every negative one. The author is not suggesting that management should stop noticing what is wrong but the goal is to enhance

responsiveness and celebrate all that is right; this is a decisive step in creating the kind of organisational culture that generates greatness.

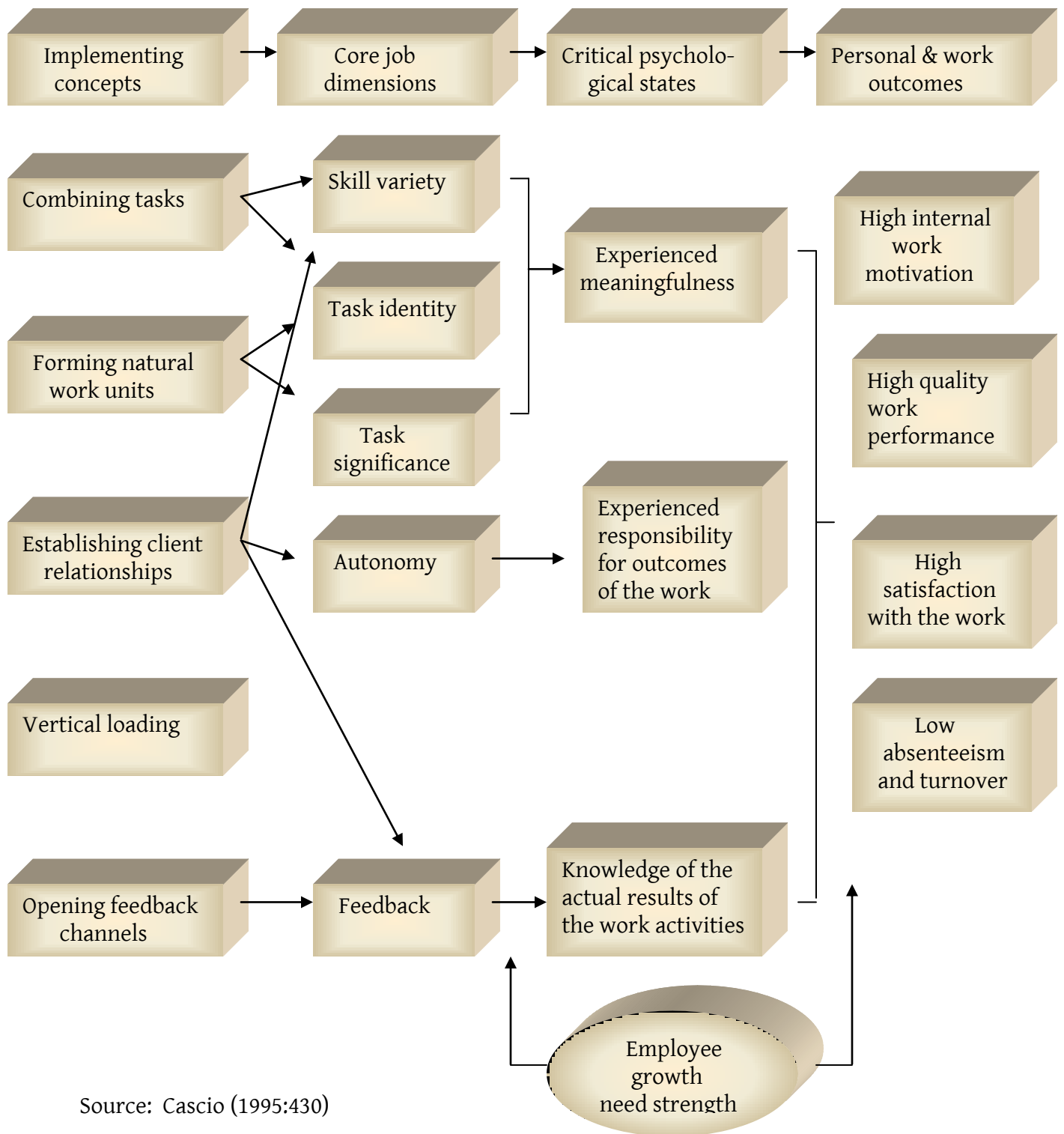
Hackman and Oldham recommend three conditions for internal motivation:

- ◆ The employee must acknowledge the results of his or her work, if not, it will be difficult to be influenced emotionally by the outcomes.
- ◆ Employees must experience responsibility for the outcomes, of their work, they must be able to take initiative and feel pride in these outcomes and display a feeling of concern when the organisational goals are not achieved.
- ◆ Employees need to experience work as meaningful (Boonzaier, Ficker & Rust, 2000:3).

Armstrong (1996:382) concludes that constructive reinforcement and personal gain are experienced when employees are conscious of performing skillfully on a task (knowledge of results) that the employee feels liable and responsible for (experienced responsibility) and which is considered as meaningful and of value (experienced meaningfulness). These three psychological states are improved by the existence of five specific job characteristics, namely: skill variety, task identity, task significance, autonomy, and feedback.

Cascio (quoted by Schermerhorn *et al.*, 2000:157) contends that the higher a job scores on each characteristic achieved in the model, the more it is considered to be enriched and developed. Figure 4.5 presents a model of job characteristics theory; it identifies five core job characteristics that are particularly important to job designs.

Figure 4.5 The full job characteristics model



According to Cascio (1995:429) four positive personal and work outcomes; high internal work motivation, high-quality work performance, high work satisfaction, and low absenteeism and turnover, result when an employee works in an organisation with the three critical psychological states.

The presence of these characteristics creates a sense of well being within the employees.

These good feelings motivate them to continuously promote higher performance. There are five job characteristics that create good psychological feelings about the job:

- ◆ Skill variety refers to the degree to which a job requires a variety of different activities in carrying out the work, which involves the use of a number of different skills and talents of the employee.
- ◆ Task identity is defined as the degree to which the job requires completion of a whole and identifiable piece of work.
- ◆ Task significance represents the degree to which the job has a substantial impact on the lives or work of other people, whether in the immediate organisation or in the external environment.
- ◆ Autonomy represents the extent to which the job allows the employee substantial freedom, independence, and discretion, in scheduling the work and in determining the procedures to be used in carrying it out.
- ◆ Feedback refers to the extent to which performing the work activities required by the job results in the employee obtaining direct and clear information from the job about the effectiveness of her or his performance (Boonzaier *et al.*, 2001:4).

The theory also states that only people who strongly value and desire personal feelings of accomplishment and growth and who are satisfied with the organisation's internal environment (pay, security, supervisors, and co-workers), will have a positive response to a job that is highly characterised by these five core dimensions. The strategy for stimulating the five job dimensions to produce a work environment rich with the three critical psychological states, is referred to as "implementing concepts". As figure 4.5 shows, these are:

- ◆ Combining tasks if possible, to form outsized segments of work;
- ◆ Forming natural work units, by categorising the basic work objects and aligning them into natural categories;
- ◆ Establishing client relationships, by identifying who the client is, and instituting the most direct connection possible, and stipulating criteria by which the client may review the quality of the product that he or she receives;
- ◆ Vertical loading, bridging the gap between preparation, and having control over the work;
- ◆ Opening feedback channels, by establishing client liaisons and placing quality control close to the employee and providing feedback of the employee's performance

(Cascio, 1995:429-430).

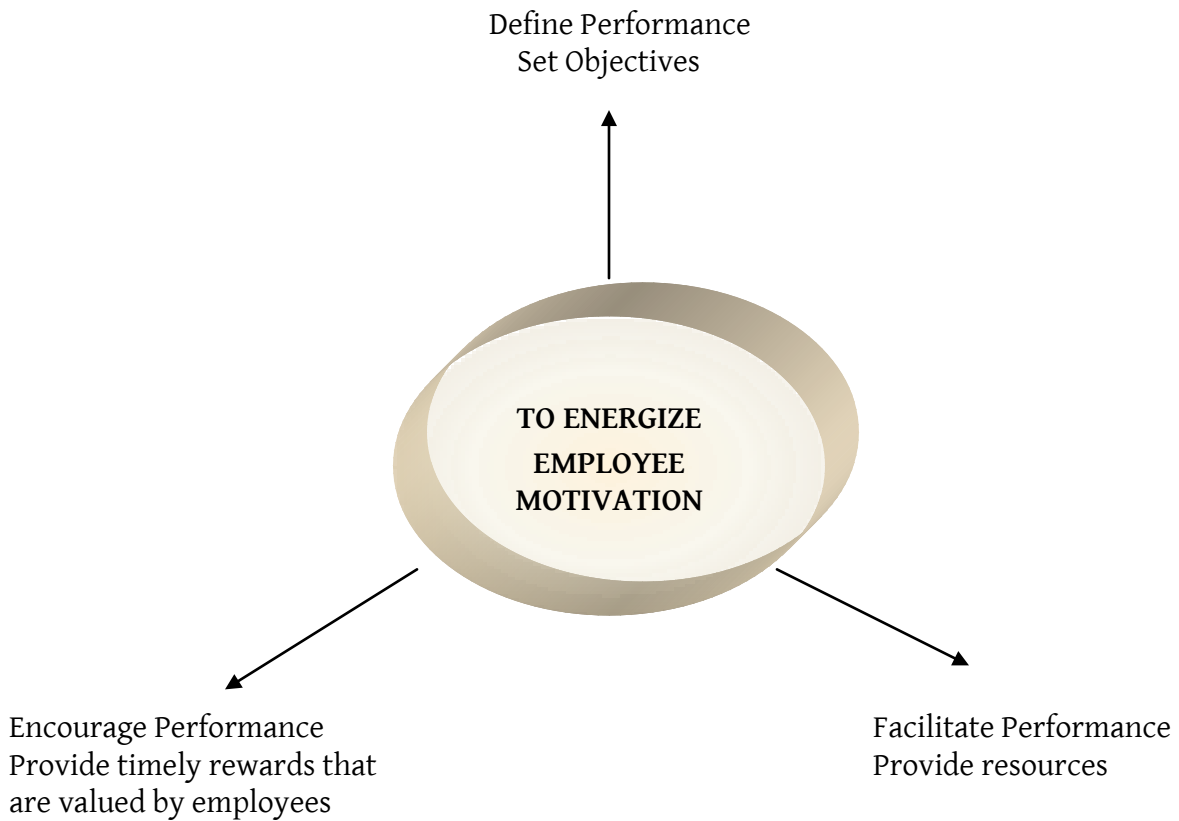
4.5 Managerial applications

The intent is to develop purposeful recommendations and relevancy for managers to follow

in motivating employees, based on the above brief evaluation of the motivation theories. Generally speaking, managers need to concentrate on three key areas of accountability in order to synchronise and integrate motivational facets in their organisations (figure 4.6).

- ◆ Performance definition
- ◆ Performance facilitation
- ◆ Performance encouragement (Cascio, 1995:419).

Figure 4.6 Steps to motivate employees to improve performance



Source: Cascio (1995:419).

4.5.1 Performance definition

Performance is treated as the behaviour of the organisational employees that contribute to the achievement of the organisation's objectives. Performance narrative includes three elements: goals, measures, and assessment (Pierce & Gardner, 2001:260).

Goal setting is the process of recognising specific levels of performance that an employee seeks to accomplish in a certain time frame. It is also an effective performance enhancement strategy. It enhances liability and clarifies the direction of employee efforts. Meaningful goals that employees have helped to set may increase performance more than the goals that are merely assigned by a manager. The logic is that, by participating, an employee becomes more involved and develops a stronger drive to accomplish the goal (Skinner & Ivancevich, 1996:338).

The sheer existence of goals however is not adequate. Management must also be able to operationally and consequently measure the achievements of goals. This is where performance benchmarks play an important role, for they focus what "fully successful" performance means. The third aspect of performance classification is assessment. Continuous assessment of advancement towards a goal encourages the continuing point of reference toward job performance. If there is no assessment of performance on goals, the goals cannot motivate employees to enhance their performance (Cascio, 1995:420).

4.5.2 Performance facilitation

Performance facilitation has three important aspects:

- ◆ Removal of obstacles – management needs to eliminate all obstacles present in the organisation and create a highly supportive task environment.
- ◆ Adequate Resources – managers need to provide adequate financial, material and human resources to ensure that the job gets executed correctly and effectively.
- ◆ Careful selection of employees – it is essential for employees to perform, and emphasis is placed on selecting the correct people to perform the job (Cascio, 1995:420).

4.5.3 Performance encouragement

According to Schultz *et al.*, (2003:79) the concluding area of a manager's responsibility in a co-ordinated approach is to motivate employee performance. Managers need to instruct and train, counsel, and offer resolutions to overcome performance problems such as an employee's performance that is substandard due to personal or interpersonal problems. A good manager should support and encourage his or her employees, as this permits them to become more practical and increase their performance.

4.6 Summary

Issues such as motivation are not difficult, but many organisations and management fall short to execute these issues with the proper strength and focus. Companies need to take a aggressive approach to these practices, making sure applications are driven by bottom line needs. To ensure an effective approach, it is necessary to direct an organisation to motivate its employees through corporate culture, ensure its customers want to return again and again, and place this combined information to resourceful use (Poage, 2004:182).

Today's companies are investing in programmes to motivate employees and build a sense of company culture, depending on the type of culture they possess; organisations need to implement proper strategies that will assist in their survival and profitability.

TABLE OF CONTENTS

CHAPTER 5: ORGANISATIONAL CULTURE

5.1	Introduction	88
5.2	Definitions of organisational culture	90
5.3	Dimensions of organisational culture	93
5.4	Increasing the importance of organisational culture	99
5.5	Important components of organisational culture	103
5.5.1	Internal integration	103
5.5.2	External adaptation	104
5.6	Summary	105

CHAPTER 5 ORGANISATIONAL CULTURE

The theme of this chapter consists of an in depth discussion and analysis of variables that exist in organisations that, although difficult to define or describe precisely, nevertheless exist and that employees generally describe it as organisational culture. This chapter will provide an overview and definition of organisational culture, how it impacts on employees' attitudes, and understanding a culture within an organisation.

5.1 Introduction

To engage the employees' utmost potential, and to endorse their behaviour and attitudes which are considered essential for the competitive advantage managers need to take into contemplation, three aspects of managerial control to change exist: organisational and job design, organisational culture, and personal policies and methods. It is thus further recommended that management can direct and enthuse employees through the management of the more indefinable procedures of relating to the work environment, such as beliefs, norms of behaviour and values. The management theorists refer to this as "corporate culture". This perception affirms the need for managers to recruit, develop, and reward, their employees in ways which create a sustainable obligation to the organisational goals, and maintain high performance levels (Bratton & Gold, 1999:4).

According to Glaser, Zamanou and Hacker, (2005) many organisations invest time and

resources into recruiting and developing their people, knowing that their success relies on their people so they invest in developing their talent and recruiting top caliber people, thus establishing a healthy, committed, and inspired, workforce to achieve a world-class company with staying power.

In SAB and ABI respectively, people development is embedded as an important part of the company's continued success, and emphasis is placed on the development of employees. Not only has SAB been voted the Best Company to work for in South Africa for the past two years by the Corporate Research Foundation and the Finance Week survey, but also in the top three of the Best Companies to work for study undertaken by Deloitte and the Financial Mail for the past three years (Gilmour, 2005).

Amalgamated Beverages Industries (ABI), which is now owned by South African Breweries (SAB), attracts, develops and retains talented, competent people and rewards them accordingly. Worldwide, and increasingly in South Africa, there have been changes in the way employees rank different components of their jobs. What this means is that SAB and ABI need to focus increasingly on what makes employees happy, successful, and motivated, to do better and stay with the company.

The study and conceptualisation of organisational culture is a combination of perceptions and procedures within the organisation. There is no distinct perspective on what culture is, or how it might be defined. In frequent approaches, it is the indirectness of the conception, given

the number of probable traits that it might be said to have, that makes it so complex to identify (Glaser *et al.*, 2005).

The premise of this chapter is that within organisations there is a structured variable present that, although complex to describe or define accurately, nevertheless exists, and that employees generally describe it in common terms. Culture governs how members behave in the organisations, how it effects on the employees' attitudes, behaviour and motivation, as well as where it comes from, and whether it can be administered (Robbins, 2000:234-235).

5.2 Definitions of organisational culture

Culture has been defined as a progression of basic postulations, invented, uncovered, or developed by a given group as it learns to deal with the difficulties of external adaptation and internal integration that has worked well enough to be considered valid and therefore, to be taught to new employees as the accurate way to perceive, reflect, and feel in relation to those problems. The word "culture" may be applied to any size of social unit, from entire civilisations, countries, or ethnic groups down to organisations (Lindsay & Petrick 1997, 26).

The latter definition is important, because according to Mosely, Pietri and Megginson, (1996:95-96), it pinpoints that the culture construct may be equivocally understood to deal with major beliefs and values, or alternatively, as the shared viewpoints, values, beliefs and behaviour patterns that form the organisations central identity. Any organisation with a strong culture

has consensus on the values that steer the organisation. These values are strongly held, widely shared, and highly resistant to change.

Kotter and Heskett (quoted by Van der Post, De Coning & Smit, 1997:148) view organisational culture as having two levels that vary in terms of their perceptibility and their resistance to change. At a more profound level, culture refers to values that are shared by people in a group that are inclined to persist over time. At a more visible level, culture signifies the behaviour patterns or style of an organisation that new employees are automatically encouraged to follow.

Schein (quoted by Lindsay & Petrick 1997:26) agree with the above definitions of culture, but have simplified it according to the three levels addressed below.

- ◆ Artifacts and creations – technology, art, evident and audible behaviour outline of employees.
- ◆ Values – normative claims by employees that may be tested in the physical environment or by social accord and,
- ◆ Assumptions – essential beliefs about the nature of authenticity, human beings, human activity, and human interaction in the environment.

According to Robbins (2000:235) there are seven primary characteristics which capture the essence of an organisation's culture which measure, and are linked to, the seven components used in the questionnaire (see Annexure C):

- ◆ Innovation and risk taking – The extent to which employees are inspired to be pioneering and risk takers (Managerial Leadership)
- ◆ Attention to detail – The point, to which employees are anticipated to present precision, investigation, and attend to detail (Quality Component)
- ◆ Outcome Orientation – The quantity to which management converges on results or outcomes rather than on the techniques and processes used to attain those outcomes (Performance Component)
- ◆ People Orientation – The measure to which management decisions take into consideration the effect of outcomes on employees within the organisations (People Component)
- ◆ Team Orientation – The degree to which work activities are organised around teams rather than individuals (Participation)
- ◆ Aggressiveness – The degree to which people are aggressive and competitive rather than easygoing (Innovative)
- ◆ Stability – The degree to which organisations activities emphasise maintaining the status quo in contrast to growth (Adaptability Component)

Each of the above characteristics exists on a range from lowest to highest. Reviewing the organisation on these characteristics gives an inclusive analysis of its culture. It corresponds and measures the same elements used in the questionnaire, which consists of, and measures, eight characteristics of the organisation's culture that supports high performance. This investigation becomes the basis for feelings of shared understanding that employees have

about the organisation, how things are conducted in it, and the way employees are expected to behave (Robbins, 2000:235).

5.3 Dimensions of organisational culture

It is evident that culture entails the continuation of specific dimensions or characteristics that are adjacently connected. Harrison (quoted by Van der Post *et al.*, 1997:149) created a cultural framework which bestows four different points of cultural reference, and provides a collaborated and purposeful method that is coherent with Schein's theory of organisational culture (discussed in chapter 6). This framework consigs to whether an organisation has a prevalent internal or external focus point and whether it allows for flexibility and distinctiveness or stability and influence.

Berrio (2003) adds to the above that the framework is also based on the organisation's cultural dimensions, and that there are four dominant culture types namely:

- Clan – an organisation that converges on internal circumstances with flexibility, concern for employees and receptive to customers.
- Hierarchy – an organisation that focuses on internal preservation with the desire for stability and control.
- Adhocracy – an organisation that concentrates on external positioning with a high degree of accommodation and individuality.
- Market – an organisation that focuses on external maintenance with a need for stability.

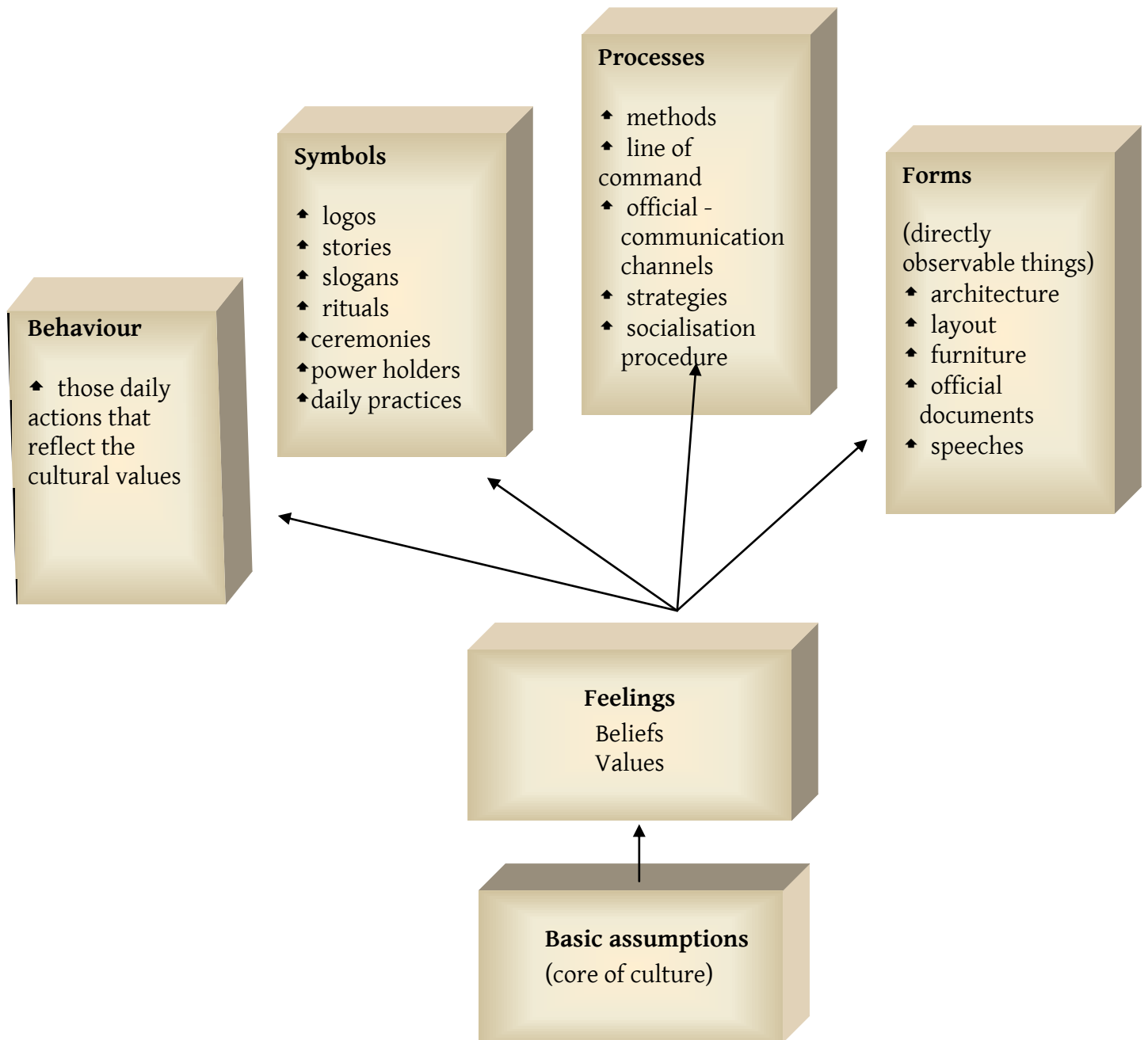
The central issue associated with organisational culture is its linkage with organisational performance, which is the one of the central themes of this study. Various dimensions of organisational culture have been developed over the years. Most of these views maintain that organisational culture refers to a system of shared assumptions, held by employees, which makes an organisation distinctive from one another.

Figure 5.1 shows how culture is perceived as a three-layered entity consisting of the following elements:

- ◆ basic assumptions that employees in an organisation hold,
- ◆ these give rise to shared feelings, beliefs, values and
- ◆ this is discernible in symbols, processes, forms and some aspect of group behaviour

(Weisher & Millet, 2001:123).

Figure 5.1 The three layered view of organisational culture



Source: Schultz *et al.*, (2003:23).

According to Cascio (1995: 195) organisational culture is deeply rooted and transmitted through means such as:

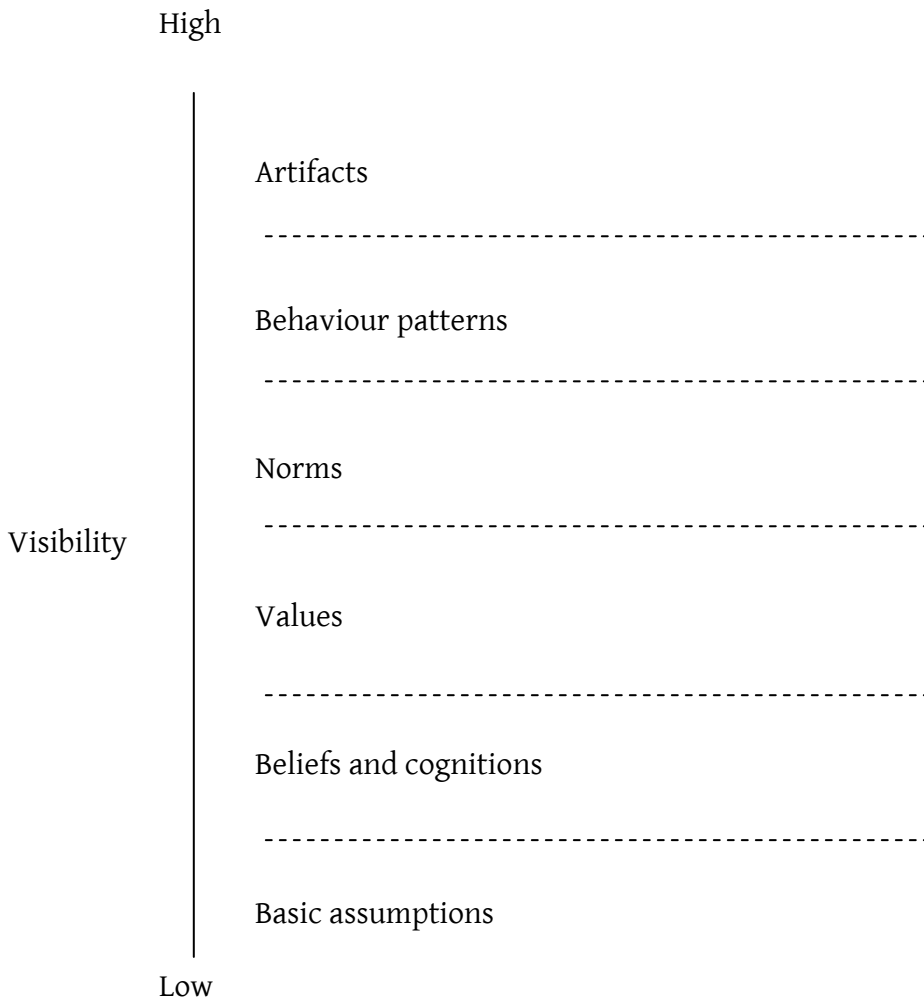
- Formal declaration of the organisation's way of life, and materials used for recruitment, selection, and socialisation, of new employees.
- Promotion standards
- Stories, legends and myths about crucial people and certain occurrences.
- What managers regard as important, pay attention to, measure and control.
- Embedded and possibly oblivious criteria that managers use to determine who fits prime positions in the organisation.

Examining an organisation's culture is complex and thus subconsciously influence the employee's behaviour in the working environment. This problem is further exemplified by the distinction between espoused and enacted values. Espoused values are those values unambiguously stated by the organisation as favoured values and which are reproduced in the organisation's reports and web sites. Values that are reflected in day to day behaviour of employees and managers are known as enacted values (living the brand behaviour). There is no congruency between the two (Schultz *et al.*, 2003:23).

The more deeply entrenched the organisation's culture becomes; the more difficult it is to modify it. Strong cultures are also referred to as deeply entrenched cultures, which will be discussed later in this chapter. In such cultures greater assurance to core values, norms, and

higher organisational dedication is found (Schultz *et al.*, 2003:23). Harrison and Shirom (1998: 259-260) demonstrate their outlook on the three layer view of organisational culture stating that the upper layers of the organisational culture are the most perceptible, both to observers, employees and management of the focal organisation as shown in the presentation of their model (figure 5.2.)

Figure 5.2 Layers of organisational culture



Source: Harrison and Shirom (1998:260)

Visible, cultural artifacts within an organisation comprises of dress patterns, physical composition, and organisational symbols. Behaviour archetypes of employees or management include terminologies, pattern of speech, stories, work schedules, and organisational sacraments and ceremonies. The implication that constitutes part of an organisational culture is the two upper layers of culture especially when they articulate the fundamental norms, values, convictions, perceptions or suppositions of an organisation (Harrison & Shirlom, 1998:260).

However, visible expressions of culture often associate distantly to the less visible element of culture, which becomes apparent in the lower layers demonstrated in figure 5.2. For example, an annual company dinner in honor of retiring employees. This ceremony might represent that members of the company highly value the inputs of all employees and admire them as individuals. From a dissimilar perspective, the retirement dinner could be an empty service that most employees feel is a big waste of time and that is out of phase with their underlying values and everyday systems (Harrison & Shirlom, 1998:260).

The analysis of an organisation's culture, utilises familiar conceptions such as norms, values, and beliefs, and the application of such concepts are frequently liberal and convenient.

However, managers need to take precaution in conserving the authentic intricacy inferred by these concepts, rather than converting it into replication or non figurative types that are very distant from the organisation's concrete web of cultural orientations. A company's formal mission statements (values and vision) for example are appealing and potentially important cultural artifacts. But these brief manuscripts cannot possibly attain the broad field of beliefs

and values within the whole organisation. Nor is it likely that one or two conceptual depictions may sufficiently characterise the cultural climate of an entire organisation. The two lowest layers in figure 5.2 aim to cognitive rudiments within organisational culture. Because mutual cognitions may unswervingly cast the organisational approach formation and other imperative issues of organisational behaviour, they warrant close thought in diagnosis (Harrison & Shirlom, 1998:261).

5.4 Increasing the importance of organisational culture

Schein (quoted by Baker 2002:6) views the importance for organisational culture is becoming significantly important especially with increased competition, globalisation, mergers, acquisitions, and various workforce developments, which have generated an immense need for the following factors:

- Co-ordination and incorporation across organisational entities in order to enhance effectiveness, quality and pace of designing, manufacturing, and distributing products, services and strategies.
- Product advancement.
- Capacity to successfully initiate new technologies.
- Successful management of disseminated work units and increasing workforce diversity.
- Facilitation and support of teamwork.
- Creation of a integrated culture, from what was a distinct organisation prior to an acquisition or merger.

Bratton and Gold (1999:305) agree with the above that organisational culture is vitally important especially during times of change, as when an organisation attempts to implement business processes, re-engineering and still preserving an authorised working structure (the current situation with the integration of SAB and ABI discussed in chapter 7 of this study). Management communication outlines and ascertains the communicational familiarity employee's experience, which plays an imperative function in structuring the endorsed organisation's culture.

According to Airoldi and Rauch (2005:7) effective communication is essential to help disseminate fear and insecurity during a merger. Companies and managers are now aware of the impact corporate cultures may have on the success of a merger. Managers need to become aware of what the new culture status in the organisation will be; then implement programmes to support a quick integration.

Baker (2002:7) agrees that there is a need to adapt to external and internal changes for a number of organisations' intellectual, as opposed to material, assets, which now comprise of the major foundation of value. Optimising the value of employees as intellectual resources, involves a culture that endorses their intellectual contribution and smoothes the progress of both individual and organisational learning, new knowledge conception, and applications of processes. Culture must play a vital role in knowledge management, creativity, participative management and leadership.

Kirby (2004:4) states that possibly the toughest part about incorporating two organisations is how employees respond. Corporate cultures are given short deals during merging, but lose the culture and sales will plunder. Open and continuous communication is the key to maintaining employees satisfied.

Managers and leaders need to understand how the organisational culture influences and motivates their employees' behaviour and performance levels, and whether it increases or confines their overall organisational superiority. Based on this theory managers need to communicate to all employees whether culture should be transformed or modified, or whether it should be emphasised within their organisation (Schultz *et al.*, 2003:24).

English (2005:30) agrees with the above, concluding that it becomes critical in understanding an employee's motivation during times of change. When employees are motivated they are prepared to go the extra mile and add value to the organisation and provide effort beyond what is firmly necessary of them in their role. However, for this behaviour to be sustained, employees must feel that they are gaining something back from the organisation. What an employee finds significant about the organisation provides an important foundation of sustainability to him/her especially during times of change. As a result, an employee's commitment to the organisation will become influenced. It therefore becomes important for managers not only to get an idea of which areas would have the most impact and how they could confidently persuade them, but also to fully understand the intricate functions of organisational culture.

According to Schultz *et al.*, (2003:24) the functions of organisational culture can be summarised as follows:

- ◆ It generates a corporate uniqueness that verifies one organisation from the other.
- ◆ As a consequence, it grants employees identity within the organisation.
- ◆ Identifying with the organisation produces greater dedication to attain the organisation's goals and objectives.
- ◆ Organisational culture directs employees in terms of suitable behaviour and approaches, especially when they have to make decisions and decipher crises.
- ◆ It creates social system steadiness with allied emotional assurance.
- ◆ It serves as a standard for appraising and rectifying unexpected behaviour and for recompensing desired behaviours.

Bragg (1999:4) agrees that the above functions are important during a merger, because organisations continue to make the mistake of not having a clear indication of the organisation's cultural status, goals, and plans, which provide a sense of direction and keep employees focused. During a merger, perplexity intensifies, as employees shift their attention to self-preservation; they become less productive and shift focus of the organisations goals.

The magnitude of these functions is regularly apparent when two companies with important cultural differences merge.

With a merger a new corporate identity is instituted, which may be more meditative of one of the original companies. This causes uncertainty for some employees in terms of their new

positions and identities and consequently influences their job fulfilment and obligation. Managers within merging and merged companies should vigilantly contemplate the current cultures, the type of culture they want to establish, resistance to change, and how they will establish and strengthen the desired culture (Schultz *et al.*, 2003:24).

5.5 Important components of organisational culture

Employees of an organisation solve two important survival issues through their collective experiences during times of change. Firstly is the question of internal integration: how do employees decide on the daily problems associated with working together. Secondly is external adaptation, what needs to be attained, and how it can be conducted? (Schermerhorn *et al.*, (2000:265).

5.5.1 Internal integration

Prior to a merger or integration each organisation's management team usually accomplish some degree of equilibrium in understanding its external and internal environment. Ashkansky, Wilderom and Peterson, (2000:312) states that internal integration is concerned with the formulation of a co-operative exceptionality and with discovering alternatives of corresponding ways of operating and living together. The development of internal integration commences with the expansion of a restricted individuality that is, each collection of employees and each subculture within the organisation develops some kind of distinctive explanation of itself. Through the process of prescribed debate, shared discussion, employees

begin to acquaint with their environment. They may observe it as straight-forward or fixed, overflowing with rewards or fearfulness. Genuine progress toward novelty may commence when employees collectively believe that they can change important aspects of the environment adjoining them, and that which appears to be a threat turns out to be an opportunity for change (Schermerhorn *et al.*, 2000:266).

5.5.2 External adaptation

External adaptation involves attaining and achieving goals, and trading with outsiders. The elements affected are tasks to be accomplished, techniques exercised to achieve the goals, and methods of handling with success and failure. Employees may possibly exploit similar statements that assist them to carry out their daily activities. Organisational associates are required to be informed concerning the real mission of their organisation (Schermerhorn *et al.*, 2000:265).

Employees will ultimately acquaint themselves with a profound understanding of their contribution to the mission via interfacing. Intimately related to the organisation's aspirations and values of its contribution are the aspects of goals, accountability and methods. Employees recognise these responsibilities replicated in achieving their goals of developing new and improved products and processes (Schermerhorn *et al.*, 2000:265).

Ashkansky *et al.*, (2000:295) is of the opinion that it is possible to create a culture that is strong, yet flexible. The most vital element in institutionalising a new culture is to implant only those

convictions, standards and practices that support the organisational adjustment. Elements should be built into the organisation in order to guarantee its ability to distinguish changes in the environment. To support a culture that enthusiastically and incessantly approaches reality, in which the organisation needs to participate thorough, ongoing evaluation and assessment of personnel, practices, policies, products and change programmes. The above mentioned issues prevent organisations to be innovative. Managers need to develop the kind of culture in which everything is dynamically analysed for its values add and commitments.

5.6 Summary

The success or failure of a merger largely depends not only on how much synergy is potentially available from the combination, but more importantly, on whether the synergy may actually be realised through effective integration. Realising synergies in mergers and acquisitions may be an arduous and difficult task, and its success depends to a large extent on the commitment and co-operation of the acquired management teams (Ashkansky *et al.*, 2000:313-314).

Organisational culture has contributed toward the tradition of treating organisational change as comprehensive transformation. When trying to change something within an established organisation, managers begin by trying to find a way of influencing the organisations, and find that even that organisation is what it is because of larger social institutions. The literature reminds managers that attempting to initiate organisational change are challenges with a daunting task and provides insights to managers about what to consider when facing it.

Organisations are viewed as scattered fields of symbolic artifacts that members in the organisation use to create and communicate meaning. Culture never stops changing, rather is it seen as a consistent, dynamic influx (Ashkansky *et al.*, 2000:259).

TABLE OF CONTENTS

CHAPTER 6: THEORIES OF ORGANISATIONAL CULTURE

6.1	Introduction	108
6.2	Types of culture	109
6.2.1	Culture versus climate	110
6.2.2	Dominant and sub-cultures	111
6.2.3	Strong cultures versus weak cultures	113
6.3	Schein's theory of organisational culture	115
6.4	Schein's three levels of culture	116
6.4.1	Artifacts and creations	117
6.4.2	Espoused values	117
6.4.3	Basic underlying assumptions	118
6.5	Bennis's four competencies of organisational culture	119
6.5.1	Management of attention	119
6.5.2	Management of meaning	120
6.5.3	Management of trust	121
6.5.4	Management of self	121
6.6	Managerial applications	122
6.7	Summary	123

CHAPTER 6

THEORIES OF ORGANISATIONAL CULTURE

This chapter deals with the different types of cultures and sub-cultures that exist within an organisation during a merger. This process is complicated because the manager needs to understand the new organisation's processes, people, and culture, and weld them together into a smoothly functioning entity. When two companies merge, it is the role of management as a change agent to connect and to convey the organisation's culture.

For purpose of this study both Schein and Bennis's theories were used in this chapter because the combination of these two theoretical models illustrates how managers are able to create a style of influence that will assist them to be able to attract and energise employees to not only accept but also to participate in the new organisation's vision for the future. Schein and Bennis theories (quoted by Lucia, 2004:395) proposes that Schein has eight essential steps that the manager must accomplish if cultural change is to occur, and Bennis has four competencies of leadership which builds the framework to categorise and record actions that create the values and basic assumptions for the organisational employees.

6.1 Introduction

This chapter deals with a discussion of the different types of cultures that are present in organisations, the construct of the theories of organisational culture, and the role of

management in the success of merged organisations. For purpose of this study, South African Breweries (SAB) and Amalgamated Beverage Industries (ABI) were investigated with special regards to the transmission and integration of organisational cultures in the merged acquisition. The aim of this chapter is to link together the bodies of literature of organisational culture and organisational merger and the role and implications for management during the integration process.

Schein (1996:9) contends that, “Our failure to take culture seriously enough stems from our methods of inquiry, which put a greater premium on obstructions that can be measured than on careful ethnographic or clinical observation of organisational phenomena”

Culture matters particularly when two companies merge. Judgment made without alternatives of the cultural forces may have unforeseen and detrimental consequences. Cultural change and margining is a prevalent challenge that organisations and management will intercede. Other concerns according to Chuck (2002:34) includes cultural elements such as how to share and convey knowledge practices and collecting and instituting a mutual best practice.

6.2 Types of cultures

This section deals with the different types of culture, and a distinction is made between overriding sub-cultures and between strong and weak cultures (McKenna, 2000:471).

6.2.1 Culture versus climate

As mentioned in chapter 5 culture refers to the profound basis of organisations which is entrenched in the values, beliefs and assumptions that are held by organisational members. The worth of the above elements is acknowledged through socialisation of a selection of groups that come together in the workplace. Interaction replicates a figurative world that gives culture both its dependable and fragile nature embedded in the system of the individual's cognitions, and actions. Denison (1996:619) continues to comment that climate in contrast, represents organisational environment as being entrenched in the organisation's value system, but tends to present these social environments in comparatively stagnant terms, describing them in terms of a fixed set of dimensions. Thus, climate is often measured as relatively provisional, subject to direct control, and to a large degree restricted to those aspects of the social environment that are knowingly perceived by organisational members (Denison, 1996:619).

A climate survey conducted by Watkin (2001:52) included ten bottling plants belonging to one of the world's largest soft drinks companies. The results showed that the plants with the most favourable working environment were also the most profitable. This substantiated what the majority of research had already concluded about organisational climate, which is defined as how employees feel to work in a particular environment and the atmosphere of a workplace which makes a difference to the organisation's performance.

Shadur, Kienzle and Rodwell (1999:479) further mention that although climate and culture are similar constructs, culture differs in that it refers to the unconsciously held assumption that help and guide organisational members, and that climate can be best considered as an expression of culture. Culture on the other hand is a shared occurrence within a group or community.

Ashkanasy *et al.*, (2000: xviii) disagrees with the above, suggesting that organisational culture dismisses organisational climate as a changing tone or disposition of a situation and ignores any connection between the two. They carry on to say that there is a slight acceptance about the definition of organisational climate weighed against the agreement there is about organisational culture.

Martin (1992:4) concluded that “organisational culture researchers disagree about many issues, including the role of culture in an organisation, the sharedness of cultural experiences in the organisation, the boundaries around cultures in organisations, and issues involved in organisational change”. He further discards climate as exclusively having to do with the importance of the constructed concrete environment of the organisation for employees, he compares climate with what he calls “artifacts”.

6.2.2 Dominant and sub-cultures

Organisational members share a common view that symbolises an organisation’s culture.

This was made apparent when culture was considered as a structure of shared meaning. As a result culture may be depicted in a similar tendency by different employees at different levels in the organisation. Recognising that organisational culture has general properties does not specify that there cannot be subcultures within any given culture. Most of the large organisations have a prevailing culture and many series of sub-cultures (Robbins, 2001:511-512).

McKenna (2000:471) agrees with the above opinion that within many large organisations which have a strong culture there exist abundant sub-cultures, which are connected to different responsibilities, tasks, and ranks. As a result, the acknowledgement of the numerous sub-cultures within the organisation concludes in fewer beliefs, attitudes, or standards that are united by all members in the organisation. In general a culture that overrides organisations reveals core values that are shared by all organisational members. In effect this is the particular attributes of the organisation.

A sub-culture may possibly be composed of core values of the primary culture, as well as the values which are exclusive to the department or area to which it reports. Differences and conflict between one sub-culture and another, and between sub-cultures and the dominant culture, could arise. For example, the sub-culture in the human resource department in the bottling industry could be different from the sub-culture in the department concerned with customers and sales (McKenna, 2000:472).

Furnham and Gunter (quoted by McKenna, 2000:472) conclude that the following important aspects exist in correlation with sub-cultures:

Sub-cultures may be favourable and presume altering quantities of importance within the organisation, if the conditions of a mutual sense of rational are attained, but problems develop where they have different programmes and schedules. Then sub-cultures may collide with each other or with the corporate culture as a whole, intimidating the organisation's operations and employees' performance.

Schultz *et al.*, (2003:24) agrees with the above statement that a sub-culture develops from the overriding culture (a dominant culture reflects the core values of an organisation that are shared among most members) and reflects common dilemmas, encounters and circumstances employees are engaged in. Geographical division or departmental location is likely to be the definition of sub-culture. If an organisation is short of a unified leading culture and consists of sub-cultures that are extraordinary different from each other, perplexity will arise, and employees will resist concluding which behaviour is pertinent and adequate.

6.2.3 Strong cultures versus weak cultures

There is often a difference between a strong and weak culture. This dispute is that solid cultures have a superior impression on the behaviour of employees, and that there is probably greater unified loyalty and organisational commitment qualities that are expected to support employees to remain with the organisation. In an organisation that has a dominant

culture the core values which are profoundly devoted are extensively shared and adopted by numerous employees, who are significantly committed to them. As anticipated, a strong culture will have an important influence on the behaviour of employees, predominantly because of the strength with which people are appended to and share the core values of the organisation. This result is because of the arrangement among members about what the organisation represents. In conclusion the development and design of an internal environment of high behavioural control bring about behavioural stability; logicity and regulation is formalisation (i.e. rules and regulations) (McKenna, 2000:472-473).

Baker (2002:4) is of the impression that indeed a strong organisational culture has generally been viewed as a conventional force. Just because a strong organisational culture is moderately unwavering does not mean that the organisation will be opposed to change. It is possible that the content of a strong culture to be transformed orientated, even if strong organisational cultures in the past typically were not. He suggests that the culture of modern organisations should be sturdy but restricted, distinguishing primary assumptions that are crucial to organisational survival and success. Organisations characterised by promptly changing environments and internal workforce diversity, need a strong organisational culture.

Although IBM had problems and attempted to alter its culture, having a strong culture does not mean the organisation is unbeaten. Strong cultures are somewhat complicated to change. Company founder Thomas J. Watson worked to develop IBM's exclusive culture long before it turned out to be well known. IBM policy declares that all employees should be valued and treated with nobility, the company should strive to attain every task in an improved manner,

and the customer should be given the best service possible. Unlike IBM, which emphasis brilliance, Coca-Cola's organisational culture stresses competition in every aspect of an employee's work life. Coca-Cola's executives are equally indomitable to exceed adversary Pepsi, while surpassing rival executives at Coca-Cola. Managers are continually compelled to raise the market share (Lussier, 1998:398).

6.3 Schein's theory of organisational culture

The study of Schein's theory on organisational culture is specifically relevant to the merging between ABI and SAB, because of the significant contribution of his theory to organisational change and culture.

Schein (1991:9) defines culture as the basic supposition, invented, discovered, or developed by a particular group of individuals; culture unravels and addresses problems of external alterations and internal integration. Once this is confirmed valid it can be taught to employees entering an organisation as the acceptable way to perceive, think, and feel.

Schein (quoted by Kaarst-Brown, Nicholson, Von Dran & Stanton, 2004:34) concludes that culture originates as a result where there is a group of individuals with a history; despite the structural levels in the organisation, previous experiences form an organisation's culture and new employees become accustomed and socialise, either directly through an assortment of artifacts such as the processes, rituals and structures of the organisation, or indirectly through espoused values and beliefs, language and myths about past victories and failures.

In addition to a larger extent of becoming accustomed to these external and internal changes, organisational culture has become an important element for an increasing amount of organisations; intellectual as divergent to material assets now contribute as the major aspect of value. Increasing the value of employees as intellectual resources requires a culture that endorses their intellectual involvement and facilitation both individual and organisational learning, new knowledge design and the willingness to share knowledge with others (Baker, 2002:7).

6.4 Schein's three levels of culture

Cultural understanding is essential for managers and leaders if they are to manage and lead people. The three levels of culture is an important contribution to defining what organisational culture actually is. According to Nahm, Vonderembse and Koufteros (2004:582) the conceptualisation of culture are as follows:

6.4.1 Artifacts and creations

Kaarst-Brown *et al.*, (2004:35) contend that these are the visible facets of culture within an organisation which consists of the prime visible behaviours, such as organisational practices, process and structures, technology, rituals and language. This incorporates all aspects that an individual experiences, perceives, hears, feels when coming across with a new group with a different culture. In order to cultivate an understanding at this level of culture, individuals can make an effort to assess the core values that compose of the daily fundamental elements by which members of the culture direct behaviour.

6.4.2 Espoused values

At a more concealed level beneath artifacts and conceptions are espoused values, which are essentially the beliefs that members in an organisation assume. In comparison to artifacts, espoused values are not evident, but these perceptions are also not accidental. They evolve from the important assumption donated by the organisation and its employees. Espoused values are displayed as approaches, goals and philosophies and their espoused rationalisations (Nahm *et al.*, 2004:584).

Kaarst-Brown *et al.*, (2004:35) contends that although this cultural level may provide knowledge into what insiders view as the 'acceptable' within the organisation it can however produce divergence when interpreting the organisation's actual values.

Schein (quoted by Kaaarst-Brown *et al.*, (2004:35) contributes that if management communicates their values to employees and these values lead to achievements, then a process of cognitive conversion takes place. This process results in beliefs, and then assumptions, that are unconscious and habitual.

6.4.3 Basic underlying assumptions

Even at a more latent level underneath espoused values is the basic underlying assumptions which are the taken for granted, unconscious beliefs, perceptions, thoughts, and feelings. Basic underlying assumptions form the core of values and actions. Underlying basic assumptions need to be unraveled before the implications of artifacts and espoused values may be established in the organisation (Nahm *et al.*, 2004:582).

According to Schein (2000:8) organisations are immensely diverse and there is no specific cultural custom. As time passes organisations progress and change, and Schein declares that the only approach for a management programme to succeed is for it to be steadily related to the organisations' intentions, as well as the organisations culture. Schein's theory is used effectively with that of Bennis's four competency theory of leadership, which may be used as a framework of change especially during times of transformation, and it creates a sense of clear cut goals, values, and the basic assumptions, for the organisation's employees.

6.5 Bennis's four competencies of organisational culture

Bennis and Schein (quoted by Lucia, 2004:395) agree and affirm that an image of enticement needs to be created, and this vision needs to be expressed by management and conveyed to all organisational members. Bennis's four competencies of culture is an essential tool for management in the creation and preservation of organisational culture, which are namely:

6.5.1 Management of attention

Managers need to produce and develop a vision that appeals to employees' attention; this vision needs to line up with the employees' aspirations and anticipations. It becomes important that strong organisational values and a vision for the future is created (the management of attention), and aligning employees with the organisation's mission by making it tangible and real to employees through communication links that would give employees the capability to attain reachable goals, outcomes, and direction, to this vision (Lucia, 2004:395).

According to Bragg (1999:4) goals offer a meaning of direction and keep employees focused at work. The absence of short-term goals causes employees to lose focus of what they are supposed to be doing. During a merger situation managers need to create goals associated with the integration plans for achieving the goals that are set.

Achieving goals creates opportunities for the merged organisation, and gives employees a reason to rejoice.

6.5.2 Management of meaning

The succeeding proficiency is based on management's aptitude to communicate its vision to the organisation and its members. Managers need to repeatedly reveal the organisation's vision through their actions and behaviours. The real core of management by meaning is to invigorate employees to absorb and participate in new organisational endeavours and work, which in turn makes employees feel significant. Managers need to ensure that information is communicated continuously. Launching SAB Ltd's vision, mission, and values, at the Global Leadership Conference in Shanghai in September 2005, Graham Mackay sets out the implementation framework: "It is my personal commitment to lead the organisation accordingly and I urge you as leaders to adopt and anchor our vision, mission, and values, within your organisation, and to lead your people with the same purpose and commitment. I am sure you share my conviction that a common understanding of our vision, mission, and values, serves as a critical foundation of both local and global leadership in the beer and soft drinks industry of tomorrow" (Integrated management process workshop, 2006:14).

6.5.3 Management of trust

The root of this competency lies in the manner of managers' consistency or dependability. Managers who demonstrate the utmost amount of belief are characterised as keeping their work and always informing employees of where they stand in the organisation (Lucia, 2004:397).

6.5.4 Management of self

The fourth competency is knowing one's skills and developing them effectively. It focuses on managers' responsibility to apply their strong areas to compensate for inconsistencies and weaknesses that exist in the company, and self-assurance in the ability to make local functional choices across the organisation (Lucia, 2004:399).

The above findings are summarized in table 6.1, which highlights the barriers to the effective transmission and integration of the organisation's culture for management application.

Table 6.1 Integrated framework for the transmission and integration of an organisational culture

Bennis's Competencies	Schein's Steps
<p>1. <i>Management of Attention</i> Create a compelling vision that moves the employees beyond their present vision to a new vision training</p>	<p>1. Create a compelling positive vision 2. Coach and provide feedback 3. Be a positive role model 4. Provide opportunities for formal</p>
<p>2. <i>Management of Meaning</i> Communicate the meaning of the vision to the employees</p>	<p>5. Create in employees a sense that the organisation's leaders will allow them to manage and be in control of their own personal learning process.</p>
<p>3. <i>Management of Trust</i> The ability of managers to demonstrate reliability or constancy, keep their word, and always let the staff know where they stand.</p>	<p>6. Create interdepartmental groups and cross departmental liaisons</p>
<p>4. <i>Management of Self</i> The ability of managers to make not just decisions but also collective decisions</p>	<p>7. Provide support groups. 8. Align the organisation's reward and discipline systems with the new way of thinking and working</p>

Source: Lucia (2004:396).

6.6 Managerial applications

The role of managers during a merger is to develop and translate the organisation's vision and ideas into action and change. This change process helps employees comprehend how

their energy will contribute to, and improve, the future for the organisation, its customers, and employees. According to Lucia (2004:403), managers should initiate the following efforts when dealing with culture issues for merged entities:

- Recognise any differences between the CEO and manager's basic underlying assumptions.
- Design encouragement groups, compiled of members from other departments, to talk about irritations and difficulties ascribed with the merger process.
- Investigate the inference of applying business tools to assess the ability to achieve the desired results.
- Managers' work needs to be recognised and they should be implicated in the planning and execution of the organisational changes.
- Commence early and focus interests that identify the merging organisation's basic underlying cultural assumptions.
- Be cautious of the changes with concerns associated with mergers, and seek alternatives of increasing the employees' psychological safety.

6.7 Summary

The joining of the theoretical framework of Bennis's four competencies of management with Schein's eight process steps (table 6.1) for the successful integration and transmission of an organisation's culture, creates a deeper and more holistic picture of the perceived

barriers that managers are faced with as they attempt to transmit to, and integrate with, the frontline employees the organisation's culture. Managers need to become familiar enough with the old basic underlying assumption to understand what needs to be changed and what kind of resistance may be encountered.

In summary, understanding how the culture of an organisation has an impact on bottom line and profitability may be disclosed. According to Bliss (1999:9) profitability may be assessed by measuring whether employee behaviour and actions are supportive of the culture, and conducting thorough assessment of candidates for employment to ensure they will support the culture of their new employer completely.

Managers need to understand that in a merger context, the effective transmission and integration of an organisation's culture begins with the unlearning of old ways of conducting business. According to Schein (2000:9) mergers are usually acquisitions in hiding, one culture usually supersedes the other and it becomes an intricate complex when two established cultures merge as one. He continues that it is not essentially the predominate financial partner that accomplishes the cultural battle, it is the organisation with the overriding culture that is victorious.

TABLE OF CONTENTS

CHAPTER 7: RESEARCH METHODOLOGY

7.1	Introduction	126
7.2	Profile of Amalgamated Beverage Industries (ABI)	127
7.3	Integration process between SAB and ABI	131
7.4	What is research?	132
7.5	Research question	133
7.6	Research strategy	134
7.7	The sampled population	134
7.8	Data collection method	136
7.9	Method of investigation	137
7.10	Reliability and Validity	137
7.11	The pilot study	137
7.12	Summary	142

CHAPTER 7 RESEARCH METHODOLOGY

This chapter provides insight into the operations of Amalgamated Beverage Industries (ABI), the soft drink division of South African Breweries Ltd (SAB), as a company. The statement of the problem and the field of study are highlighted once more, as is the research methodology that was applied.

7.1 Introduction

The preceding chapters form the basis of the empirical study and inevitably determined the research process, procedures, and the target population. This chapter will provide an operational profile of Amalgamated Beverages Industries' (ABI) company structure, the geographical area of interest, and how the research problem was investigated. In this regard the company's vision, mission, values, and organisational structure, will be addressed and it will thus provide insight into the integration process within ABI. This will be aligned to the problem statement and research methodology utilised.

In accordance with the literature review which was undertaken, empirical analyses were conducted to assess the research problem generated for the purpose of the study. The procedure for conducting the preceding pilot study will also be explained. The objective is to

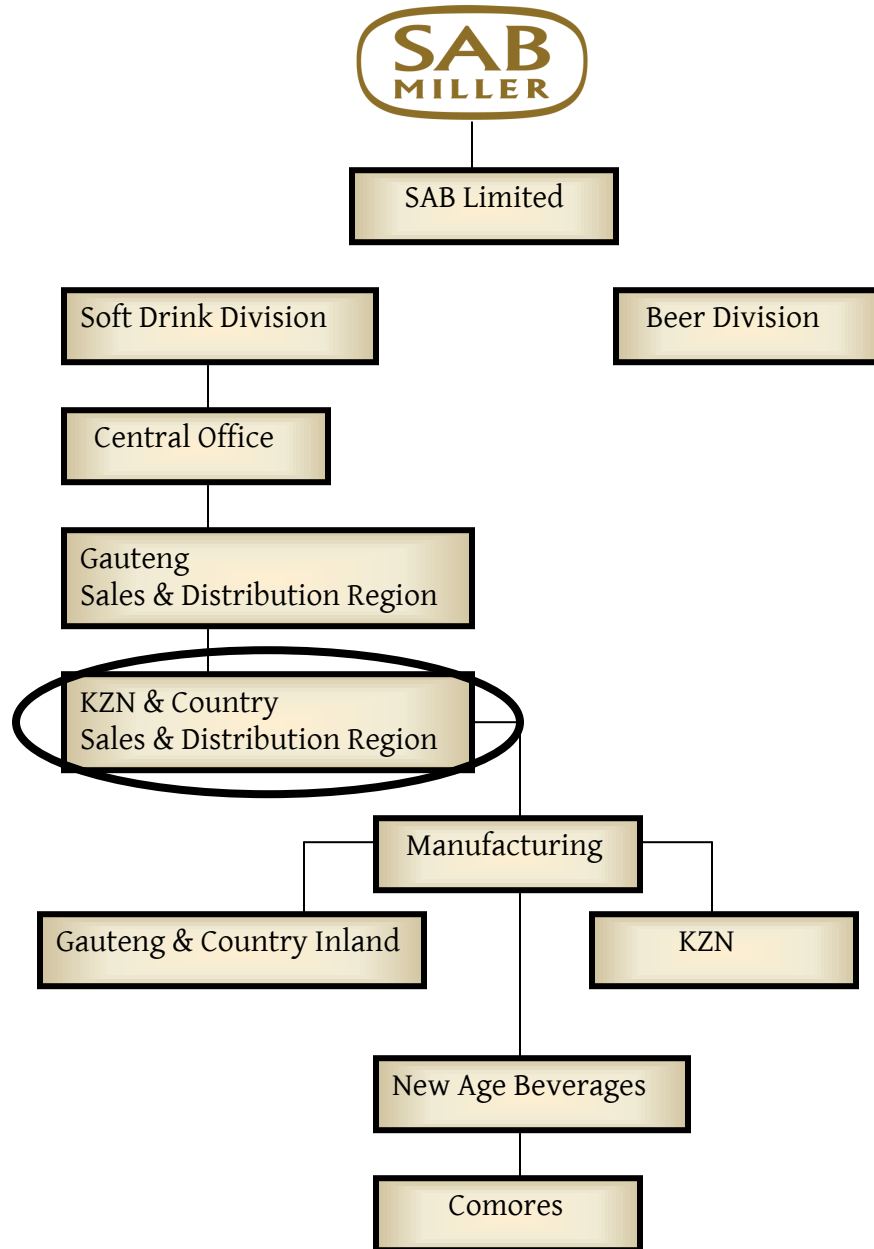
categorise the collected data in a meaningful and useful way, enabling the researcher to analyse and to interpret the submitted data accordingly.

7.2 Profile of Amalgamated Beverages Industries (ABI)

Amalgamated Beverages Industries, the soft drink division of The South African Breweries Limited (ABI), is the leading soft drink business in the international SABMiller Group of Companies and remains one of the largest producers and distributors of The Coca Cola Company brands in the Southern hemisphere. ABI seeks opportunities to redefine the way it does business by continually searching for new avenues of growth. It is committed to becoming an integrated non-alcoholic beverage company and to build even better relationships with customers, consumers, and the wider community (Company Profile, 2005). Figure 7.1 is an overview of the soft drink division of South African Breweries' company structure, and Country Region, is highlighted as the area of investigation.

ABI consistently focuses on improving product quality and environmental management, and providing the best occupational health and safety standards for its employees. It also consistently strives to be a company that not only attracts, but retains, the very best people. The company structure has been adapted by enhancing and simplifying lines of communication throughout the different regions.

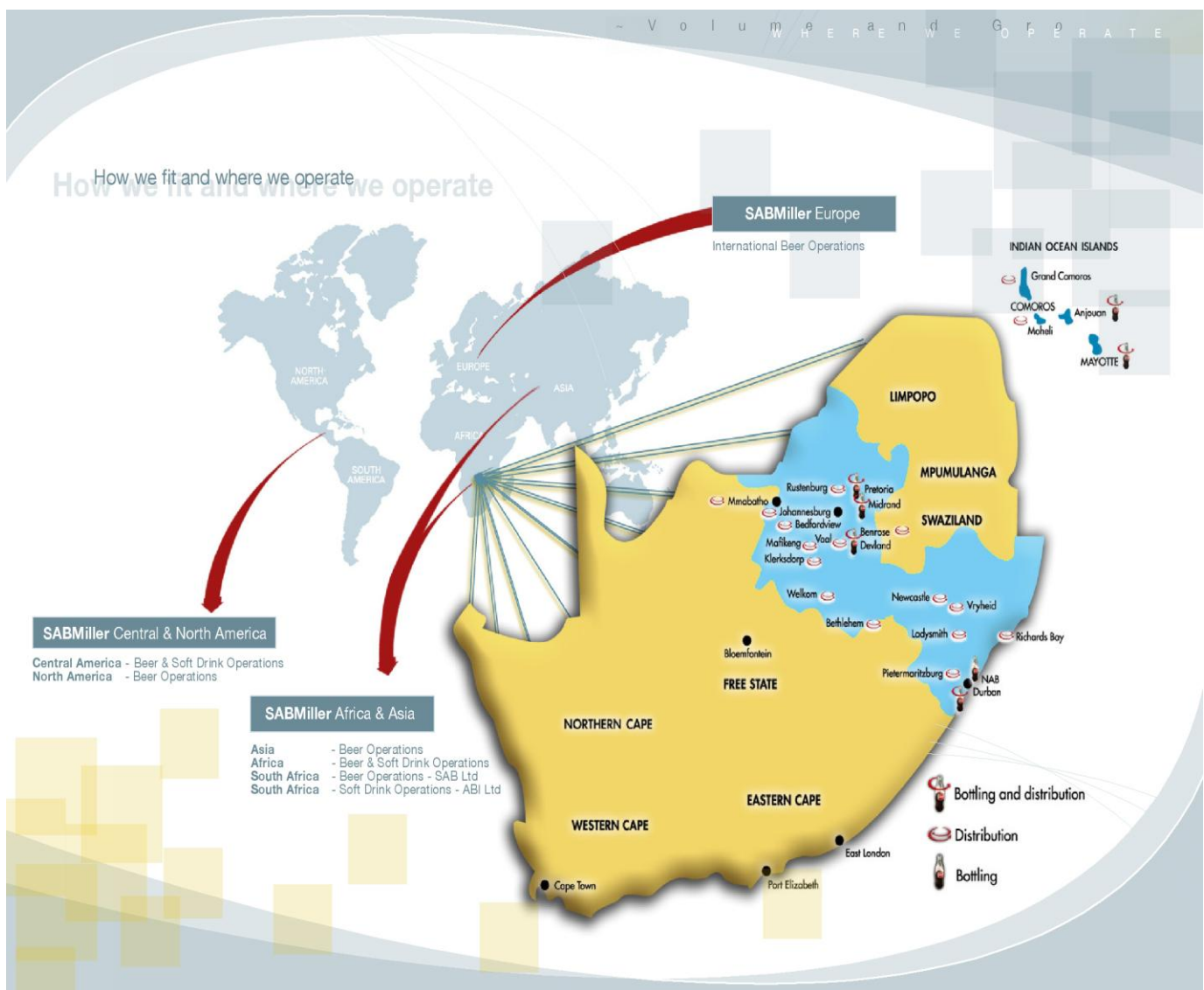
Figure 7.1 Company structure



Source: ABI Intranet (2005).

ABI operates primarily across the upper central region of South Africa from the Kwazulu-Natal east coast through Gauteng and west of Rustenburg in the North-West. Its brands are distributed primarily in South Africa and the Indian Ocean islands of the Comores and Mayotte. (refer to figure 7.2 for a breakdown of the operating regions).

Figure 7.2 The operating regions



Source: ABI Annual Report (2004)

SAB's vision, mission and values may be classified under the "Business Planning" leg of the Integrated Management Processes (IMP), which SABMiller globally has requested all operations around the world to begin roll out of this global set of values. IMP was launched because being part of a highly competitive global organisation. Graham Mackay, Managing Director of SABMiller, has stated very clearly that he believes IMP to be one of the organisation's strongest competitive advantages so that there is one consistent language and set of processes that the organisation uses to manage their people in the business (ABI intranet, 2006).

The purpose of the new vision, mission and values is to ensure that the entire businesses, all around the world, contribute to a shared vision and mission and live up to the same values, so that employees, become our best ambassadors for building our brand and reputation, and that the business may have a culture, all around the world, that is 'ready' for taking on the challenges of the new business agendas (ABI intranet, 2006).

SABMiller's vision is "To be the most admired company in South Africa":

- ◆ Partner of choice
- ◆ Investment of choice
- ◆ Employer of choice (Integrated management process workshop, 2006:15)

The values are:

- ◆ "Our people are our enduring advantage"
- ◆ "Accountability is clear and personal"

- ◆ “We work and win in teams”
- ◆ “We understand and respect our customers and consumers”
- ◆ “Our reputation is indivisible”

The mission is “To own and nurture local and international brands which are the first choice to our consumers” (Integrated Management Processes Workshop, 2006:15)

For the purpose of this study, Country Region was investigated, which consists of the following sites: Klerksdorp, Mafikeng, Welkom, Bethlehem, Kroonstad, Vaal and Regional Office, with a total population of 281 employees.

7.3 Integration process between SAB and ABI

SAB and ABI operated as completely separate entities, until the integration process which occurred in January 2005. A great deal of hard work resulted in the Finance, Human Resource and Business Information Systems departments being integrated with minimal disruption to the rest of the business, creating a platform from which to grow and develop as a unified team. The integration offered several exciting opportunities for employees, including the ability to learn new skills and take advantage of better career prospects provided by the bigger, consolidated organisation. According to the SAB Ltd Managing Director, Tony van Kralingen, there will be further changes in the future across

SAB and ABI which will only be made where they make commercial and logical sense (ABI intranet, 2005).

7.4 What is research?

Research according to Winberg (1997:4) is concerned with investigating and understanding the intricate nature of knowledge. Research may be seen as a system of creating an understanding of an individual's lack of knowledge. He continues to say that research is bestowing an answer to unanswered questions, or creating that which does not currently exist. The discovery and the creation of knowledge form the framework of research or a systematic expedition for undiscovered knowledge. Good research is systematic, organised, and has a specific goal. (Melville & Goddard, 1996: xiv)

The merging between SAB and ABI prompted an area of investigation as the merger caused some uncertainty among employees, it was viable to investigate the employees' perceptions and attitudes of the merger with SAB Ltd as part and parcel of this research study. The change in ownership inevitably created some uncertainty, but confidence instills that the process of aligning more closely to SAB will be positive and will create greater opportunities for ABI employees (ABI intranet, 2005).

Research is a systematic investigation to find solutions to problems formulated.

Orna and Stevens (1997:18) define research as, "A process where we are asking ourselves questions and using the answers to define what we are looking for; we are gathering

information in the outside world that will enable us to discover what we seek; we are managing the information we gather so that it yields us the maximum help; we are transforming information into knowledge, and knowledge back into information for others; we are drawing on both active/conscious and reflective/intuitive modes of thought; we are participating in a great network of human communication”.

7.5 Research question

The problem facing ABI Country Region is clearly stated in paragraph 1.2 on page 6. The integration process with SAB Ltd and ABI remains a great challenge on work motivation levels and the integration of two cultures.

Did the merger with the South African Breweries Ltd (SAB) have some bearing on Amalgamated Beverage Industries’ organisational culture and work motivation levels of employees in Country Region?

As set out in paragraph 1.3 on page 7, the aim of this research is to determine the current status of the organisational culture within ABI Country Region employees as a result of the merger, and to further analyse how the change in organisational culture affected work motivational levels of ABI Country Region employees. An organisation is unlikely to attain optimum operational performance unless the culture evokes a spirit of co-operation throughout the organisation and is conducive to motivating employees to work, willingly and effectively (Bliss, 1999:9).

7.6 Research strategy

A research strategy is essentially a plan or strategy aimed at gathering answers as stated in the research questions. The study was divided into a literature and empirical section. The literature review constitutes the first section and explains the relevant theoretical concepts and issues. The second section of the study represents the empirical section, which involves the gathering of data, from the respondents who participated in this study.

This was done by means of questionnaires which were administered to employees at ABI Country Region. The research findings are documented in terms of the overall area responses of the different sites (Klerksdorp, Mafikeng, Welkom, Bethlehem, Kroonstad, Vaal and Regional Office).

7.7 The sampled population

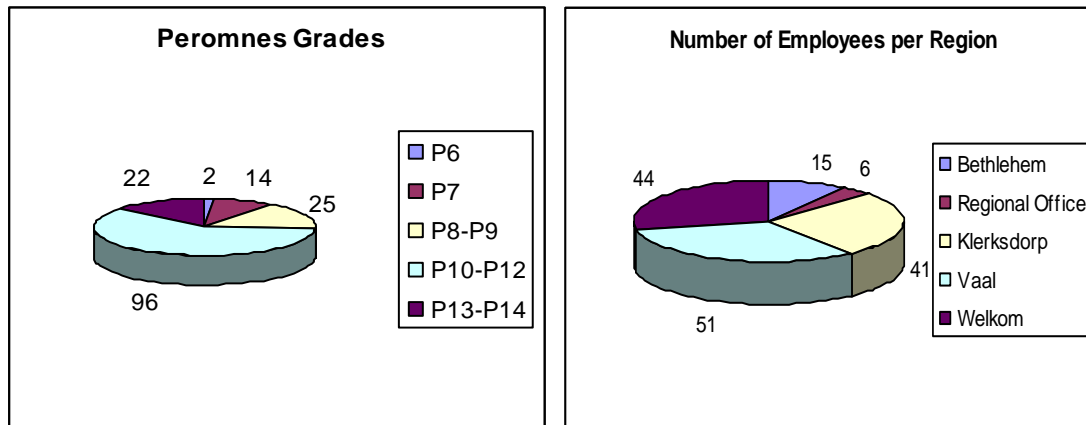
Gravetter and Wallnay (1999:4) define population as “the set of all individuals of interest in a particular study”. The phrase population is used to indicate the average from which the sample is chosen. The population to be sampled (the sample population) should correspond with the population about which information is needed (the target population), which were employees of ABI in Country Region.

The population for the study comprises of five levels and or subgroups within ABI (refer to

chart 7.1), namely the executive level (Peromnes P5-6), (Peromnes P6), management level (Peromnes 7), junior management level (Peromnes 8-9), supervisory level (Peromnes 10-12) and salaried staff (Peromnes 13-14) at selected departments in Country Region (refer to chart 7.1). From this population of 281 a sample of 189 employees were obtained in all above-mentioned levels which constitute 67% of the total population of Country Region. The remaining 92 employees do not fall into these categories and they were therefore excluded from this study, as literacy and low education levels were a concern to the researcher.

Because it is rarely possible to study all employees of a defined population, generalisation is a necessary scientific procedure. In general the larger the sample the more advantages it will be because a large sample will tend to have less errors (Burns, 2000:82).

Chart 7.1 Breakdown of grades and employees per site in Country Region.



For the purpose of this research 189 questionnaires were administered, with 169

questionnaires being returned, which resulted in 89% response rate. The outstanding 11% was due to unforeseen circumstances such as employees being on leave and attending training.

7.8 Data collection method

To facilitate the monitoring of changes or improvements in the employees' attitudes and perceptions use was made of questionnaires, as discussed in paragraph 1.5.3 page 10 and attached as annexure C. The structured nature of the questionnaire enabled the capturing of the same information from all the respondents. In the development of the questionnaire, pilot-testing was essential, as it promoted the overall structure of the questionnaires.

The final questionnaire from the Human Resources Management Group in California, United States (refer to annexure A) was adapted and customised to suit ABI's unique situation and needs (refer to annexure C) It consists of two parts; firstly the Social Motivation Questionnaire which measures three specific motives that have been identified by behavioural researchers as a powerful tool for understanding and predicting the performance of individuals in a specific work situation, and consists of three indicators which correlates with McClelland's Achievement Motivation Theory (chapter 3 paragraph 3.6 page 44). The second part of the final questionnaire is the Organisational Culture Questionnaire which measures eight characteristics of an organisation's culture that support and sustain high performance. This correlates with Schein's theory of organisational culture discussed in (chapter 6 paragraph 6.3 page 115).

The data gathering instruments included a biographical section (section A), which incorporated the following information of the employee: gender, ethnical grouping, department, grade, site, date of engagement, and educational level.

7.9 Method of investigation

It was decided to use structured questionnaires that were completed in the presence of the department manager and researcher. The researcher explained the information to all respondents. The researcher made use of structured questionnaires to ensure total consistency in the completion of the questionnaires. The questionnaires administration process commenced on the 1st August 2006, and were completed on the same day that the different sites had been visited.

7.10 Reliability and Validity

The two main criteria for testing the goodness of measures are reliability and validity. Sekaran (1992:171) defines reliability and validity as follows:

“Reliability tests how consistently a measuring instrument measures whatever concept it is measuring, and validity tests how well an instrument that is developed, measures the particular concept it is supposed to measure”.

The reliability of the questionnaires could have been threatened by response errors; these were minimised by excluding parts of the population that had prevalent degrees of low literacy and educational levels. The reliability of the questionnaire was further boosted by the manner in which they were administered. The questionnaires were administered to the respondents by the researcher and the various questions were explained in more detail, so as not to create misunderstanding of questions and to generate an atmosphere of uninhibited responses.

The face to face administration of the questionnaires allowed for the explanation of the questions to the respondents, which prevented the unnecessary omission of response to certain questions. The questionnaires were administered in such a way that respondents were not rushed into answering the questions but rather given ample time to think and respond at their own pace. A further enhancement was the revision and analysis of the questionnaire conducted by the various subject matter experts such as Kay Van Der Merwe, Senior Director: Institutional Research Institute with the Central University of Technology, Free State and Lad Burgin Ph.D the president and CEO of the Human Resource Management Group, California.

The validity of the instrument was first tested for content validity to determine if it still measures what it was intended to test. To carry out this procedure it was initially reviewed by other personal practitioners and experts in various fields. Their judgments and suggestions were used to revise and rewrite the questionnaire to comment on the validity of each item and until the questionnaire displayed a high degree of content validity.

7.11 The pilot study

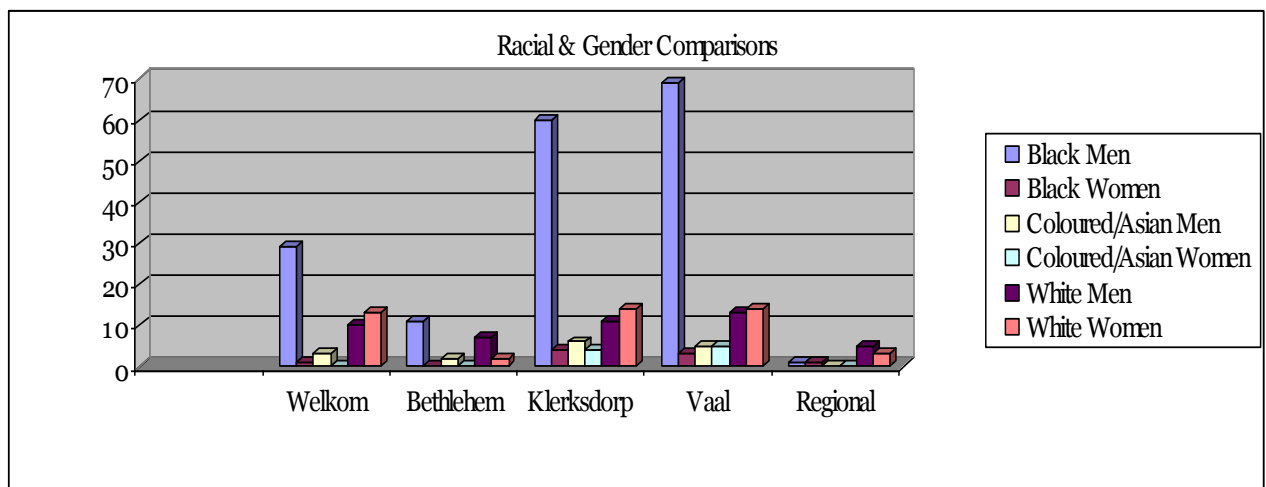
Huysamen (1998:28) describes a pilot study as a preliminary survey conducted on a small scale to make sure that the design and methodology of the survey is likely to produce the information required. According to Teijlingen and Hundley (2001) the term 'pilot studies' refers to mini versions of a full-scale study, as well as the specific pre-testing of a particular research instrument such as a questionnaire.

The reason for conducting the pilot study was to develop and test the adequacy of the research instrument (questionnaire), and also to assess the feasibility of a (full-scale) study. It was also beneficial to assess whether the research protocol was realistic and workable and assess the proposed data obtained from the questionnaires. The first part of the pilot study was analysing the order of the questions and/or range of answers that was piloted; the subjects were asked for feedback to identify ambiguities and explanations as to why certain questions were not answered. The researcher was then able to conclude the testing of the research process and the distribution and collection of the questionnaires.

A further concern was that participants, who participated in the pilot study, were asked to complete another questionnaire and the data was then also included in the main results of this study. One advantage of this process was that participants had been exposed to the intervention before, and therefore, might respond differently from those who had not previously experienced it. The pilot was a worthwhile exercise for restructuring the questionnaires and the obtained information was valuable.

Holloway (1997:121) states that contamination is less of a concern in qualitative research, where researchers often use some, or all, of their pilot data as part of the main study. Qualitative data collection and analysis is often progressive, in that a second or a succeeding questionnaire in a series should be more improved than the previous one. Table 7.1 reflects the racial and gender composition of the total population upon commencement of the study.

Graph 7.1 Racial and gender composition of the total population for Country Region



As black men formed the majority group in the research population, four individuals were chosen for the pilot study. Of the other racial and gender groups one or two individuals were sufficient. Of the 281 members of the sample population, ten individuals were chosen for the pilot study. (Refer to table 7.1).

Table 7.1 Racial and gender representation in the pilot study

Black Men	4
Black women	2
White Men	1
White Women	1
Coloured Men	1
Coloured Women	1
TOTAL	10

A letter of confidentiality accompanied the questionnaire, emphasising that the results would be used for research purposes only. (Refer to Annexure B). The pilot study proved to be crucial, as it showed whether employees understood the questionnaire.

7.12 Summary

This chapter dealt with the various empirical methods utilised in this study, in order to obtain relevant data for this study. Furthermore, the chapter briefly touched on various points of consideration which were essential in order for the study to have scientific credibility. The purpose of the research is to explore the phenomenon of interest from the researcher's perspective, and it is essential to place the findings in the context in which the study took place.

According to Ellis (1990:24) the results of the research depends as much on the social circumstance in which it is being conducted as it does on the methodology which is employed and the theoretical framework within which it was developed. The problem statement and a methodological overview put the data collection methods into perspective. The results of the questionnaire will subsequently be analysed and results gleaned from empirical research will be dealt with in the next chapter.

TABLE OF CONTENTS

CHAPTER 8: ANALYSIS OF QUESTIONNAIRES

8.1	Introduction	145
8.2	The work motivation and organisational culture questionnaire	146
8.3	Design of the questionnaire	146
8.4	Total number of questionnaires received versus total number issued	149
8.5	Feedback per question	150
8.5.1	Biographical information – section A	151
8.6	Feedback per question – work motivation section B	156
8.6.1	Question 8	156
8.6.2	Question 9	158
8.6.3	Question 10	159
8.6.4	Question 11	161
8.6.5	Question 12	162
8.6.6	Question 13	163
8.6.7	Question 14	164
8.6.8	Question 15	165
8.6.9	Question 16	166
8.6.10	Question 17	167
8.6.11	Question 18	169
8.6.12	Question 19	170

8.6.13	Question 20	171
8.6.14	Question 21	172
8.6.15	Question 22	173
8.7	Feedback per question – organisational culture section C	174
8.7.1	Question 23	174
8.7.2	Question 24	175
8.7.3	Question 25	177
8.7.4	Question 26	178
8.7.5	Question 27	179
8.7.6	Question 28	180
8.7.7	Question 29	182
8.7.8	Question 30	183
8.7.9	Question 31	184
8.7.10	Question 32	185
8.7.11	Question 33	187
8.7.12	Question 34	188
8.7.13	Question 35	189
8.7.14	Question 36	191
8.7.15	Question 37	192
8.7.16	Question 38	193
8.8	Summary	194

CHAPTER 8

ANALYSIS OF QUESTIONNAIRES

The research findings of the study are stipulated in this chapter.

8.1 Introduction

A merger requires organisational conversion, as it acquires an essential change in organisational logic caused by a fundamental shift in behaviour. It is often escorted by radical changes in organisational culture in terms of structure, processes, attitudes, beliefs, and behaviour. Organisational culture is a vital component for successful business transformation, and research provides sustainability of the importance of enablers such as leadership, learning organisations, and core competencies (Phillip & McKeown 2004).

As explained in the previous chapter, the data collection methods included questionnaires which were handed out to ABI Country Region employees. The focus of the questionnaires composed of levels and or subgroups within ABI, namely: executive level (Peromnes 5-6), management level (Peromnes 7), junior management (Peromnes 8-9), supervisory level (Peromnes 10-12) and salaried staff (Peromnes 13-14) in Country Region. Subsequent results were documented with regards to the two sections covered in the questionnaire, which is work motivation and organisational culture. The current investigation is a descriptive study, seeking to determine a pattern regarding the perceptions and attitudes of different employees with regards to work motivation and

organisational culture in ABI after the merge with SAB Ltd. Considering the fact that it was physically impossible to involve the total work force of the company (comprising of a headcount of 281), it was decided to base the study on all levels and or subgroups mentioned in paragraph 8.1 above.

8.2 The work motivation and organisational culture questionnaire

The work motivation and organisational culture questionnaire was completed by all ABI employees at executive level, management level, junior management level, supervisory level, and salaried staff levels. It was distributed and collected by the researcher, who explained the questions and the method of completion to the respective employees. The questionnaire was subsequently analysed in the next section (Refer to Annexure C).

8.3 Design of the questionnaire

The questionnaire was designed to study the aspects of the current status of organisational culture as a result of the merger with SAB Ltd, and analyse how the change in organisational culture affected the work motivation levels of employees. This chapter analyses the responses to the questionnaires.

The questionnaire was divided into 3 (three) categories to determine the work motivation levels and organisational culture of ABI employees in Country Region. The first

part consists of biographical details (Section A) to compare and analyse different levels and or grades perception and views of the questionnaire. Secondly the Social Motivation (Section B), measures three specific motives that have been identified as powerful behavioural tools for understanding and predicting the performance of individuals in a specific work situation, and consists of three indicators which correlate with McClelland's Achievement Motivation Theory, namely:

- Power – The need to influence or control other people and situations. This indicator was presented in questions 8, 9, 16, 18 and 21. Employees with a high need for power according to Pierce and Gardner (2001:225) may be beneficial to any organisation.
- Achievement – The need to attain personal excellence and continuously improve personal performance which was indicated in questions 10, 11, 14, 17 and 22. The need for achievement in the organisation is concerned with issues of excellence, competition, challenging goals, persistence, and overcoming difficulties.
- Affiliation – The need to establish and maintain friendships and close interpersonal relationships. Questions measuring affiliation were set out in questions 12, 13, 15, 19 and 20. Individuals with a high need for affiliation are motivated to express their emotions and feelings towards others while expecting other people to do the same in return.

Lastly the Organisational Culture (Section C), which measures eight characteristics of an organisation's culture that support and sustain high performance, namely:

- Performance – The extent to which people are encouraged to perform their best and continually improve their performance, which was measured by questions 23 and 28.
- Quality – The extent to which producing superior quality of work is emphasised and recognised was measured by questions 24 and 38.
- Participation – The extent to which people are involved in solving work related problems and making decisions that affect them. This was measured by questions 25 and 31.
- Managerial Leadership – The extent to which managers are encouraged and rewarded for taking risks and being proactive in managing their areas of responsibility was measured by questions 26 and 35.
- Adaptability – The extent to which a need for change is recognised quickly, necessary changes are made smoothly and efficiently, and people's needs for support are met. This was measured in questions 27 and 32.
- People – The extent to which people are respected as individuals and treated fairly was measured in questions 29 and 34.

- Communication – The extent to which communication flows easily in all directions and people have the information required to do their jobs, was measured by questions 30 and 37.

- Innovation – The extent to which people are encouraged to take risks and venture in new ways of doing things to improve work processes and/or products and services was measured in questions 33 and 36.

8.4 Total number of questionnaires received versus total number issued

The total number of questionnaires issued versus the total number of questionnaires received per site was as follows:

Table 8.1 Total number of questionnaires issued versus total number of questionnaires received per site

SITE	TOTAL ISSUED	TOTAL RECEIVED
Vaal	66	53
Klerksdorp	46	43
Mafikeng	11	11
Welkom	32	31
Kroonstad	9	8
Bethlehem	16	14
Regional Office	9	9
TOTAL	189	169

Of the 189 questionnaires distributed in Country Region, 169 were retrieved (N= 169). This represents a response rate of 89.4%. A biographical composition of Country Region employees results will follow.

8.5 Feedback per question

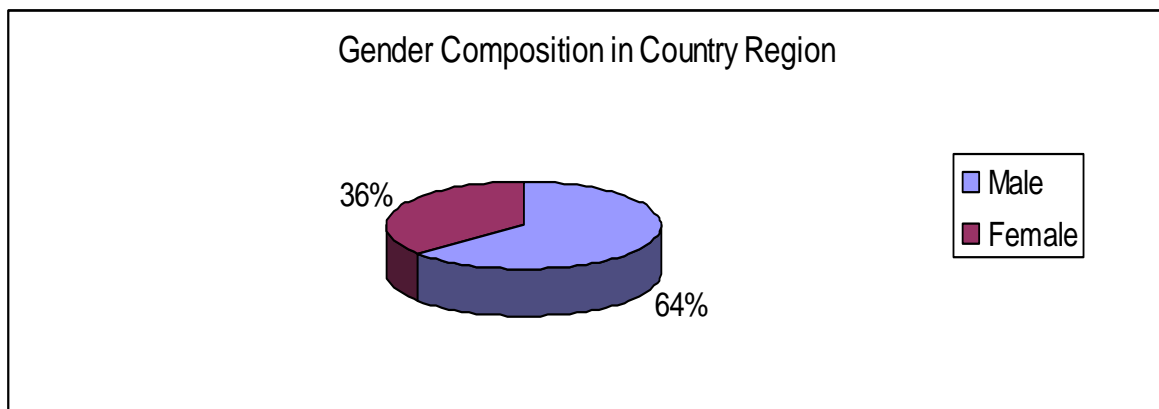
A total of 7 questions in section A were put forward to the employees, namely:

8.5.1 Biographical information – section A

In Section A, question 1 (annexure C) respondents had to indicate their gender group.

This question aimed to determine the gender composition of the respondents, that consisted of 108 men and 61 women that participated in the study, representing a gender ratio of 64% men and 36% woman respectively.

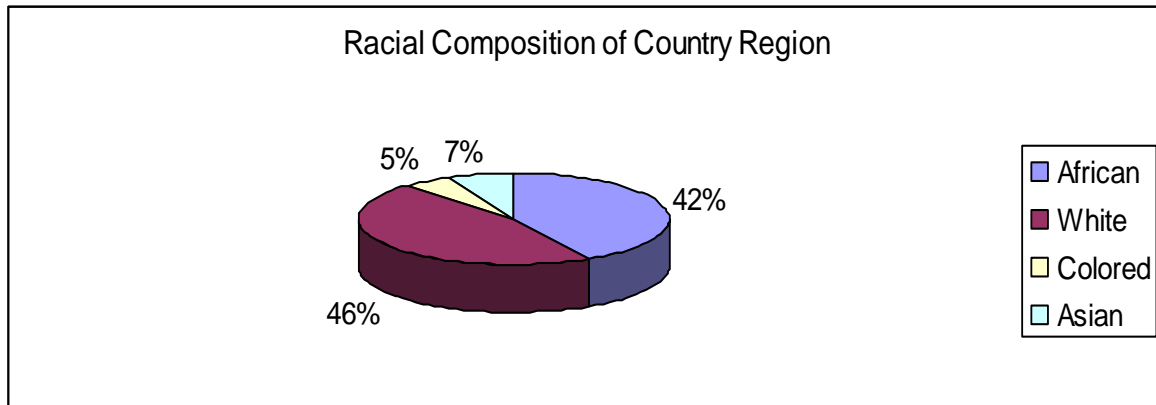
Chart 8.1 Gender compositions of ABI Country Region employees



In section A, question 2 (annexure C) respondents had to indicate their ethnical group

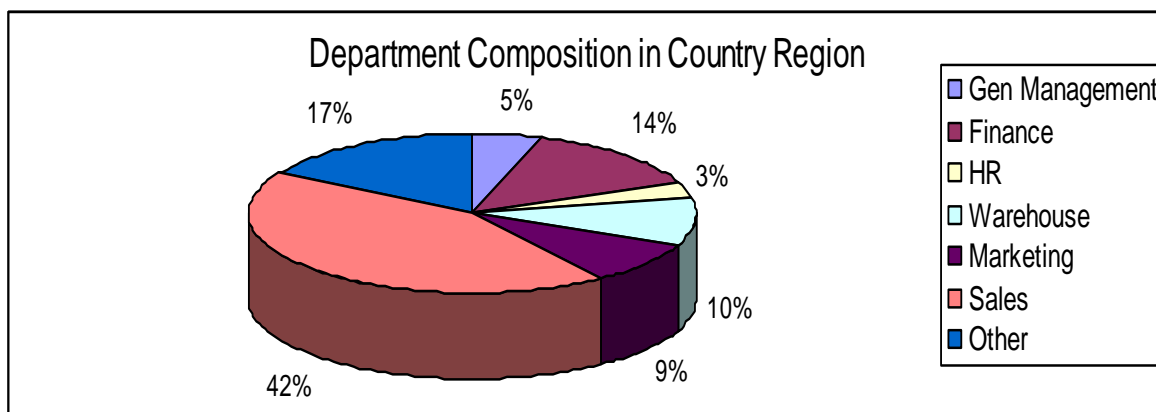
This question aimed to establish the racial composition of the population. Black people represented 42%, White people 46%, Coloured people 5% and Asian people 7%.

Chart 8.2 The racial composition of ABI Country Region employees



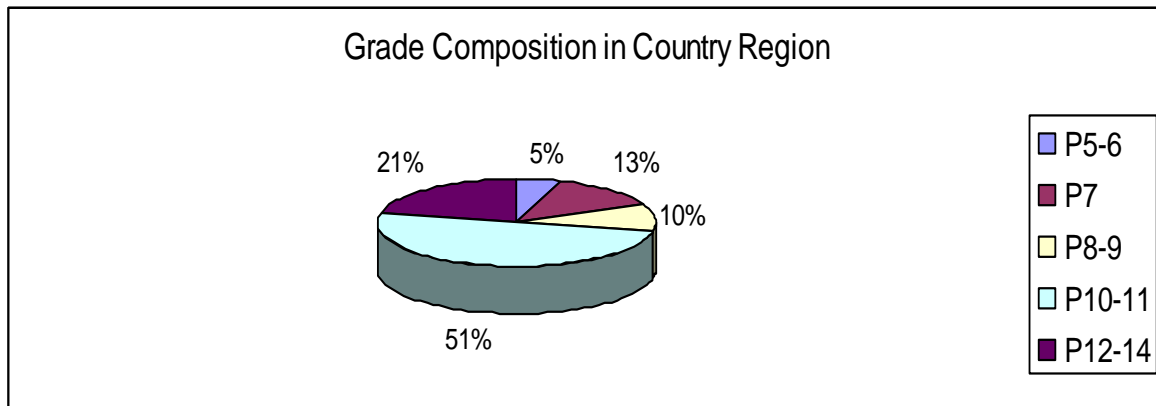
In section A, question 3 (annexure C) respondents had to indicate the departments at which they work. The question aimed to determine the departments at which members operate. General Management comprised of 10%, Finance 14%, HR 3%, Warehouse 10%, Marketing 10%, Sales 42%, and 17% comprised of other departments (i.e. distribution)

Chart 8.3 Percentage of employees in different departments



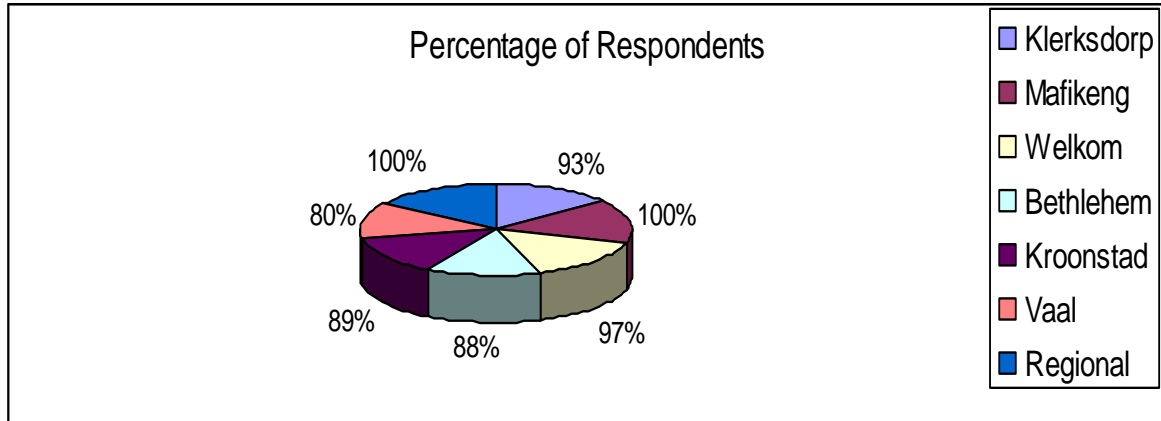
In section A, question 4 (annexure C), respondents had to indicate their grade. This question aimed to determine the different grades of all employees. P5-6 comprised of 5%, P7 13%, P8-9 10%, P10-11 51 % and P12-14 21%.

Chart 8.4 Percentage of peromenes grades in ABI Country Region



In section A, question 5 (annexure C,) respondents had to indicate the respective site in which they operate. This question aimed to determine the percentage of employees at each site in Country Region who participated in the study. 93% Of respondents were from Klerksdorp, 100% from Mafikeng, 97% from Welkom, 88% from Bethlehem, 89% from Kroonstad, 80% from Vaal, and 100% respondents from Regional Office.

Chart 8.5 Percentage of respondents in the Country Region sites



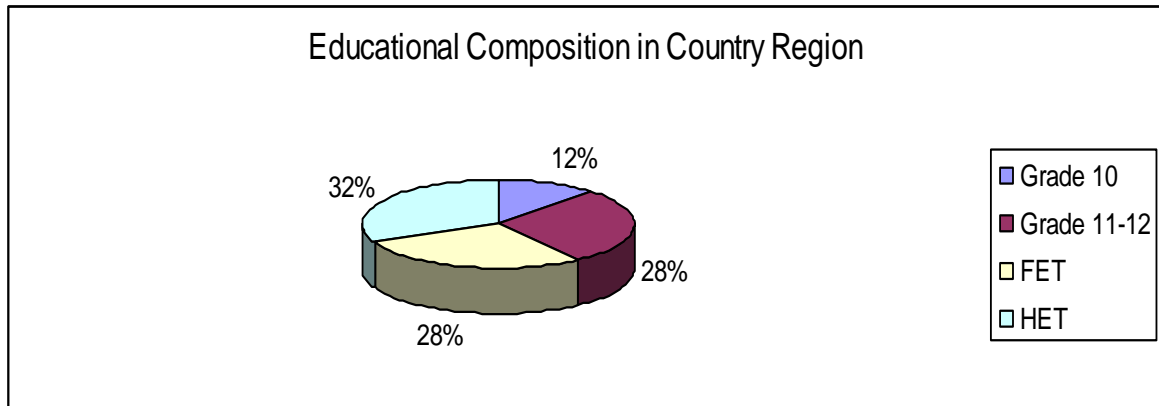
In section A, question 6 (annexure C), respondents had to indicate their date of engagement with ABI and whether or not it was pre or post merger entry. The date of engagement composition of the respondents was reflected by this question. Table 8.2 reflects the date of engagement composition of the ABI Country Region employees

Table 8.2 Date of engagement pre and post merger composition of ABI Country Region employees

SITES	PRE MERGER	POST MERGER
Klerksdorp	85%	15%
Mafikeng	64%	36%
Welkom	91%	9%
Bethlehem	94%	6%
Kroonstad	89%	11%
Vaal	75%	25%
Regional	56%	44%
TOTAL	79%	21%

In section A, question 7 (annexure C) respondents had to indicate their educational level in one of the four categories, namely grade 10 or 11, grade 12, FET and HET. This question aimed to reflect the educational level of respondents. ABI’s recruitment policy stipulates a minimum qualification of grade 12 and or above. In this regard 12% of the respondents have a grade 10, a further 28% of respondents have between grade 11 and 12, 28% a FET, and 32% HET.

Chart 8.6 Education levels of ABI Country Region employees



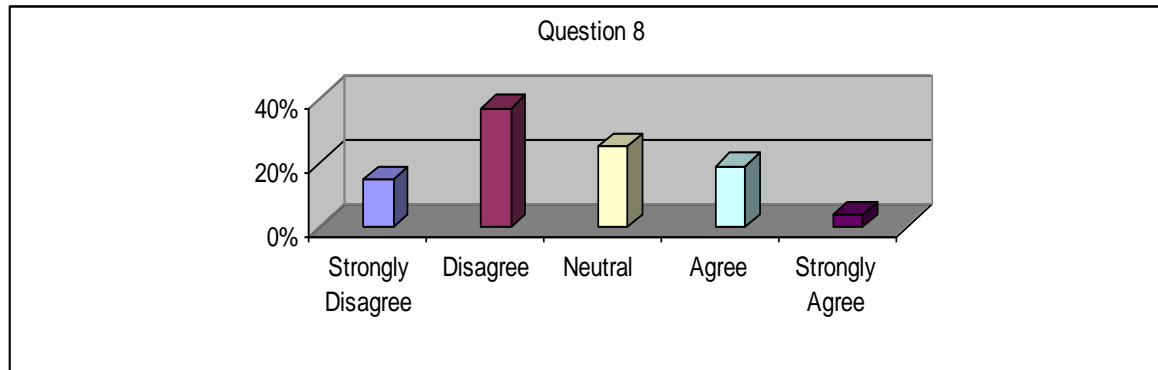
8.6 Feedback per question - work motivation section B

A total of 15 questions in section B were put forward to the employees, and a further analysis and comparison was made with regards to a breakdown of respondents' perceptions at higher levels versus the views from respondents in the lower levels in ABI. An investigation was also carried out with regards to the opinions from respondents who joined ABI before and after the merge with SAB Ltd. The outcome per question is as follows.

8.6.1 Question 8

"I find it difficult to control and influence situations at work, especially after the merger with SAB Ltd."

Graph 8.1: Question 8



The question was aimed at determining whether or not ABI employees found it difficult to manipulate and induce certain situations at work, especially after the merge with SAB Ltd. The majority of the respondents, namely 52%, strongly disagreed and or disagree that it is difficult to control and influence situations at work. People with a high need for power disagree with this question, as these individuals wish to make an impression or influence and control others in the work place. However 23% of respondents agreed that it is in fact challenging to have power over situations in the workplace, especially after the merger with SAB Ltd. The remaining 25 % of respondents had a neutral response.

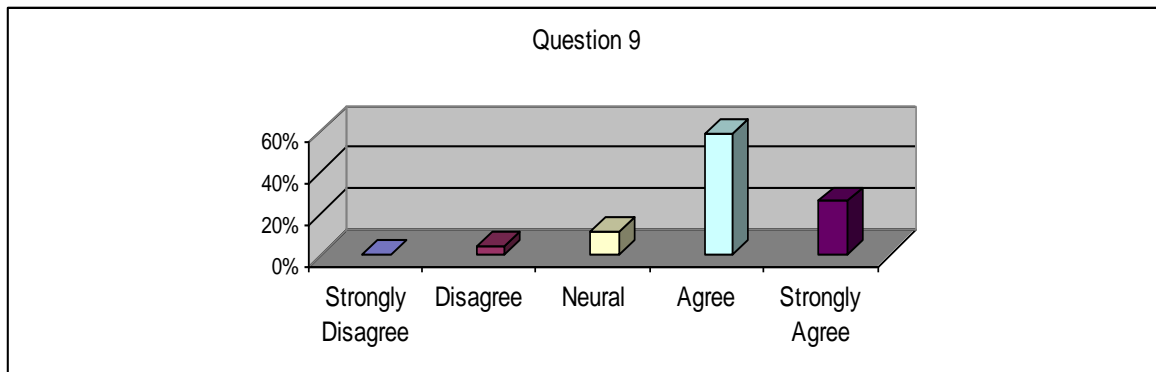
It was evident that the lower level employees' (P8-14) response to this question was in agreement with the results from the population that participated in the study. The higher level employees (P4-7) however experienced the same tallies except, that a lower score of 15% agreed that it is in fact intricate to influence situations at work, as opposed to the general consensus of 23%. A further analysis was made with regards to employees joining ABI after the

merger and employees who were in the employment of ABI before the merger. The new employees strongly agreed and/or agree by 11% while the older employees agreed by 24%. The only discrepancy is that new employees disagreed by 46% that it is not difficult to control situations at work, as opposed to the older employees who achieved a 54% score on the above question.

8.6.2 Question 9

“I now pay close attention to how things affect my reputation and position.”

Graph 8.2: Question 9



This question is aimed to determine whether employees are interested and pay attention to how things influence their reputation and position in the company, especially after the merger with SAB. A total of 85% respondents strongly agreed and/or agree that it is vital to yield interest with regards to their reputation and position, as this is a major concern for individuals

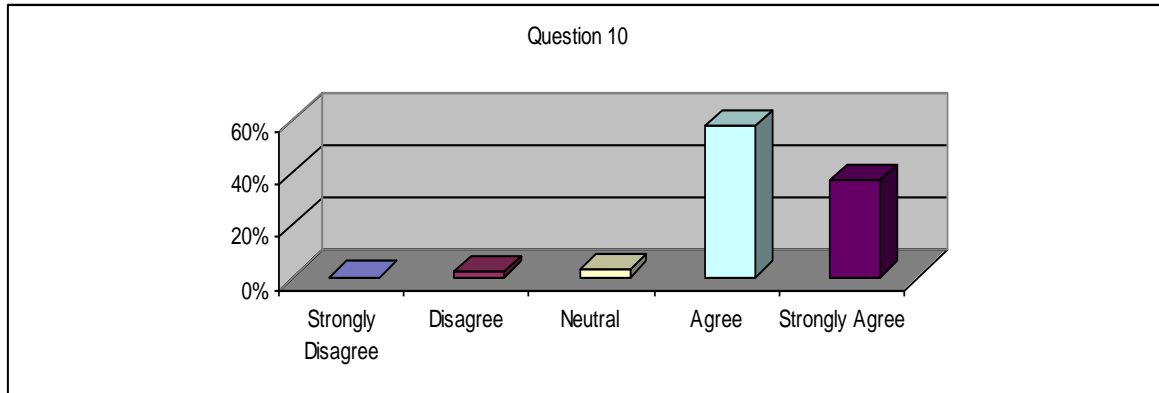
with a power orientation dominating them, while the remaining 4% strongly disagreed that it is of no importance to be interested in issues that could possibly influence employees' reputation and position at work. The remaining 11% of respondents had a neutral perspective to this question.

The perceptions and views of lower and higher level employees were that they did however disagree more slightly than accorded with the general population, with a tally of 6%, as opposed to 4%. Both pre-merger employees in the company and post-merger employees, who joined ABI after the merge with SAB Ltd, were in consensus with an average of 84% in agreement with the above question. The only significant difference was that the newer employees achieved a 3% score and felt that it is of no interest to pay attention to their reputation and position in the company.

8.6.3 Question 10

“I prefer to work in situations where the performance standards are very challenging.”

Graph 8.3: Question 10



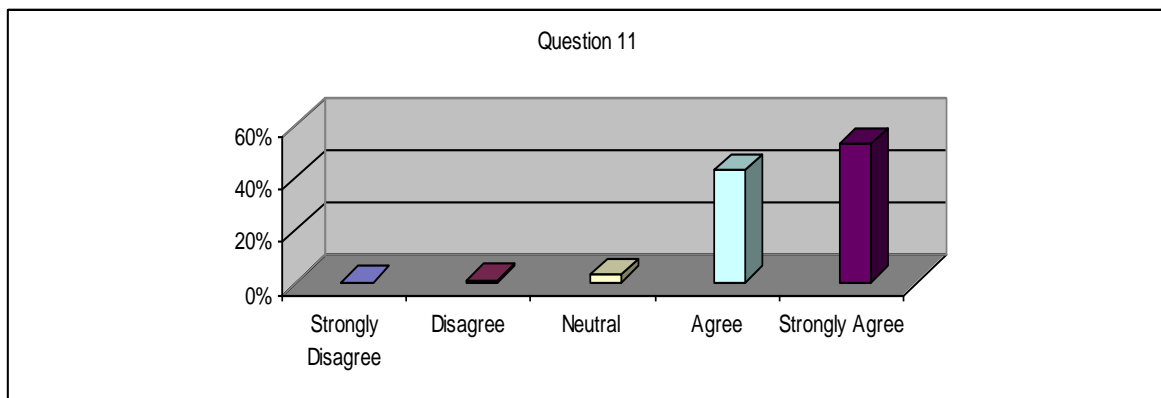
This question aims to determine whether employees favour to work in situations where performance standards are thought-provoking. Individuals who have a high need for achievement tend to be mostly concerned with performing better than others. A total of 95% of the respondents strongly agreed and/or agree that challenging performance standards are preferential in the working environment. On the other hand a total of 2% of the respondents indicated that it was not important to them to be involved in or exposed to, demanding situations at work. The remaining 3% reserve a neutral response.

Both lower and higher level employees in the company, as well as pre and post merger employees, were in agreement with the general response from the population with regards to question 10.

8.6.4 Question 11

“I constantly think about ways to improve my performance.”

Graph 8.4: Question 11



This question is aimed to determine whether employees are continuously assessing new ways to improve performance. A total of 96% respondents felt that it is important to contemplate innovative ways to increase and improve their performance, and to be specific about areas of recognition and improvement. Individuals with a high need for achievement will agree with the question mentioned above as they are usually more innovative and prefer long-term goal involvement. A total of 1% of the respondents indicated that such methods of increasing performance are not necessary, and the remaining 3% retained an unbiased attitude.

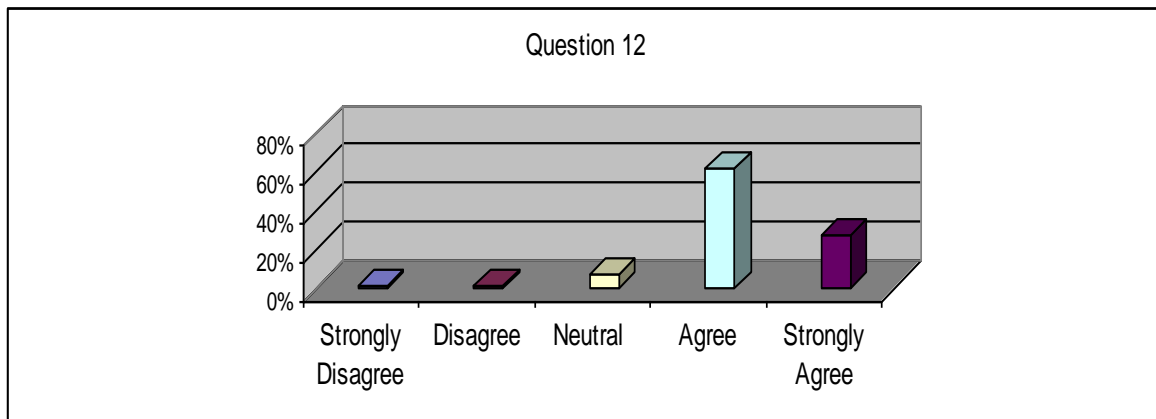
Both new and old employees in the company, as well as lower and higher level employees,

consented with the percentages achieved by the general population on the above-mentioned question.

8.6.5 Question 12

“I frequently think about the happiness and well-being of my co-workers.”

Graph 8.5: Question 12



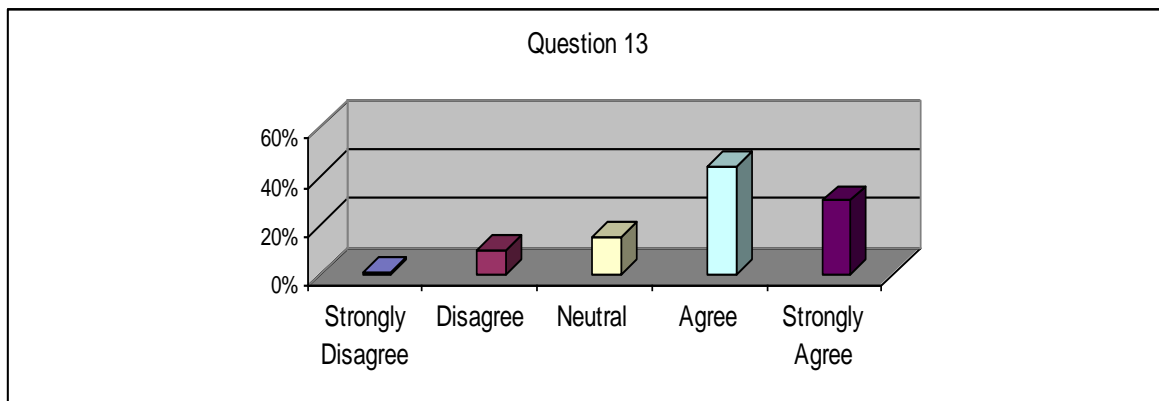
The aim of this question is to establish whether employees think and reflect upon the welfare of co-workers. A total of 90% strongly agreed and/or agree that it is vital to be concerned about the interests of co-workers. Employees with a high need for affiliation are more concerned with establishing interpersonal relationships with other people. A further 2% of the respondents indicated that such concerns are not important. On the other hand the remaining 8% of respondents had a neutral approach to this question.

All employees in the higher levels (P4-6) agreed with the above question, and that being in positions of influence is crucial to be connected with co-employees in the working environment. The results of employees joining ABI after the merger and existing employees, were in consensus with the general population who participated in this study.

8.6.6 Question 13

“I try to avoid situations where conflicts with co-employees might occur.”

Graph 8.6: Question 13



This question endeavoured to ascertain whether employees try to avoid circumstances of divergence with co-workers. A total of 74% respondents strongly agreed and/or agree that it is imperative to steer clear of disagreements with co-workers, but rather it is necessary to discuss the “how and means” of the situation, which leads to a synergy of joint relationships. A total of 11% strongly disagreed and/or disagree, and thereby indicated that such situations

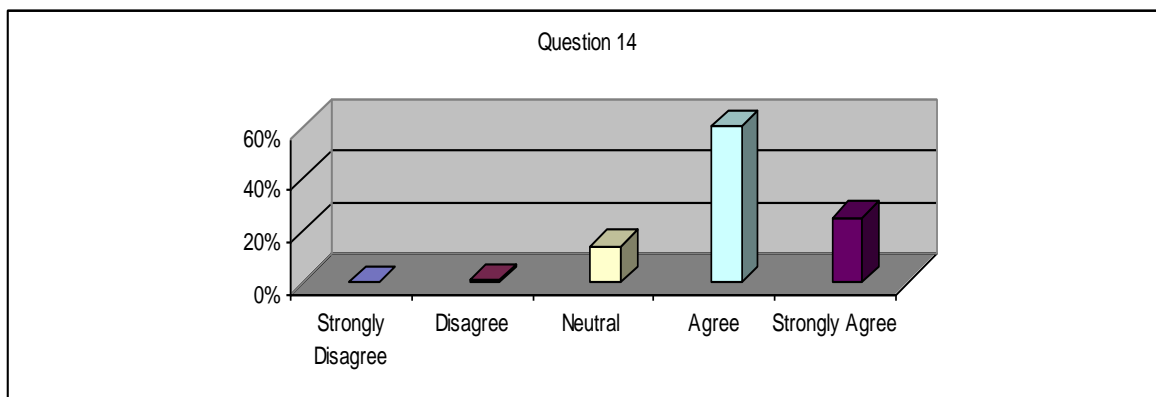
are acceptable. Employees who strongly agreed and/or agree tend to communicate more frequently with other co-workers, as building relationships are important to them. The remaining 15% of respondents retained a neutral point of view.

A total of 50% was achieved by the higher level employees, as opposed to the general consensus of 74 %. A reason for a lower score may be interpreted as conflict being a beneficial way to sort out any discrepancies that might occur in the workplace. The only distinction between the new employees and the older employees in the company was that the post-merger employees agreed by 82% that they prefer to steer clear of disagreements with co-employees, as opposed to the older employees who achieve a score of 74%.

8.6.7 Question 14

“In ABI I often think of ways to accomplish something innovative”

Graph 8.7: Question 14



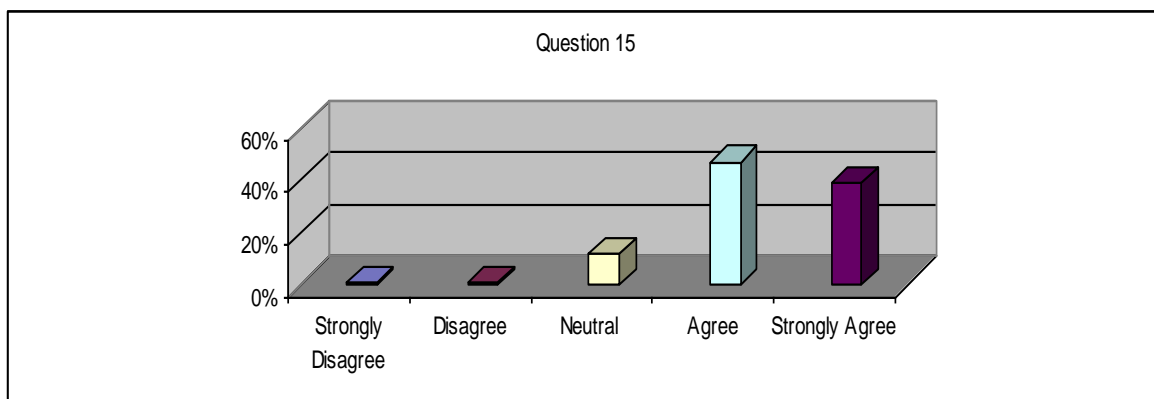
The question is aimed to establish whether or not employees think of ways to achieve something new and inventive in the workplace. A total of 85% of respondents indicated that they often think of ways to undertake new pioneering methods to work related issues. Only 1% indicated that they do not participate in achieving new original methods at work, while the remaining 14% designated a neutral approach to this question.

Both higher and lower level employees were in agreement with the results from the general population. Pre-merger employees agreed by 81%; however 18% of employees who were in the employment of ABI during the merger had a neutral response to the above question.

8.6.8 Question 15

“I enjoy establishing close and friendly relationships with people around me at work”

Graph 8.8: Question 15



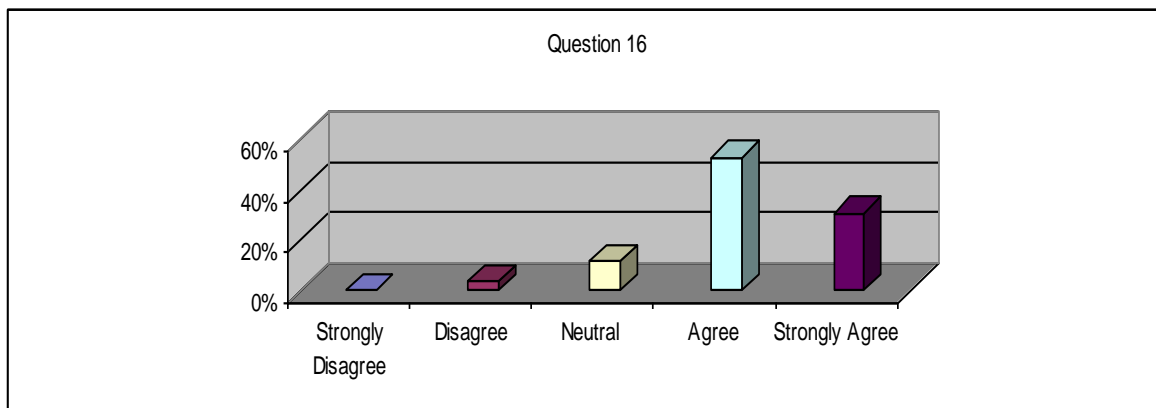
Respondents had to indicate whether or not they enjoyed established intimate and sociable relationships with individuals at work. An aggregate of 86% of respondents strongly agreed and/or agree that they do enjoy creating devoted associations with people, while 2% of respondents felt that it was of no consequence. A further 12% of respondents experienced an unbiased perception to this question.

The only discrepancy with the above question was that the neutral response from the higher level employees achieved was 22%, as opposed to 12% response score from the general population. Both the pristine and older employees were in consensus with the general population who participated in this study, with an average of 87% in agreement with the above question.

8.6.9 Question 16

“I pay close attention to the impression that I make on people in my team”

Graph 8.9: Question 16



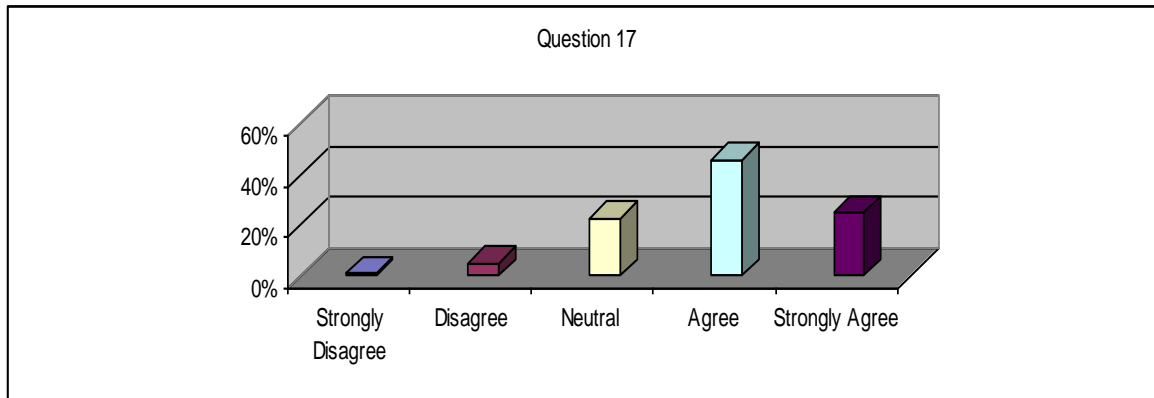
This question measured a perception, by requesting employees to indicate whether they are interested in the imprint that they make on people. A total of 84% of respondents strongly agreed and/or agree that it is significant for them to generate a favourable impression among people. A further 4% of respondents showed no interest in creating complimentary impressions with individuals. The remaining 12% responded impartially to this question.

Analysis of the higher and lower level employees were on par to the above interpretations of the results. The only dissimilarity between the pre and post merger employees in ABI was that all new employees who joined the company after the merger agreed that they focus on the imprint that they make on other people.

8.6.10 Question 17

“After the merger with SAB Ltd, I constantly think about ways to do things better than in the past.”

Graph 8.10: Question 17



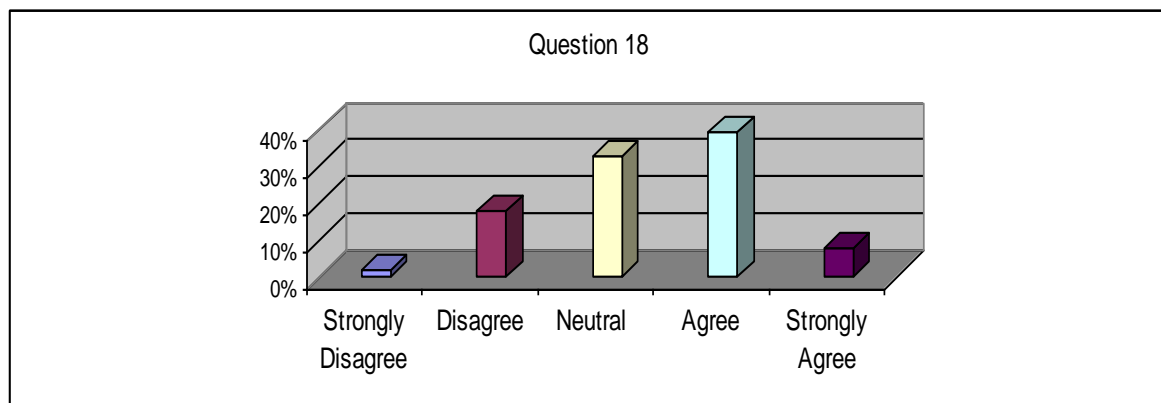
This question aimed to ascertain whether ABI employees think about constructive ways to conduct tasks differently, especially after the merger with SAB Ltd. A total of 71% of respondents indicated strongly agreed and/or agree, that the merger only created room for improvement, while 6% disagreed with the above question, stating that it may not be necessary to improve performance standards and/or methods. A further 23% of respondents had a neutral response to this question.

Higher level employees achieved a lower tally in agreement than that of the lower level employees in ABI, with a 56% agreement rate that work related issues and quality standards are not necessarily indispensable, especially after the merger with SAB. Both new and existing employees in ABI achieved the same scores, in which an average of 72% agreed, 5% disagreed to the above question, and the remaining 23% of the respondents experienced an unbiased response.

8.6.11 Question 18

“I frequently use informal relationships to get things done at work.”

Graph 8.11: Question 18



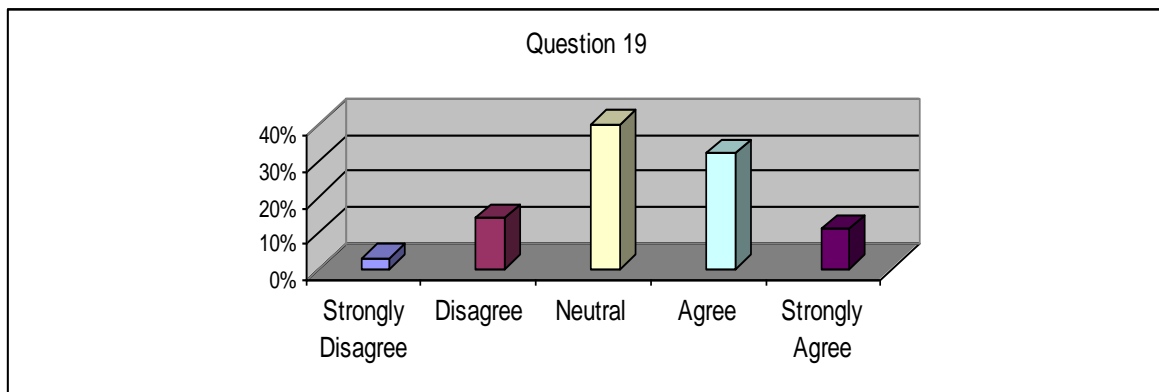
This question endeavoured to determine whether employees use casual relationships to get things done at work. A total of 20% disagreed that they do not engage in informal relationships to get things done, while another 47% of the respondents felt that it was critical to ascertain unceremonious relationships at work. Only 33% felt a neutral response to this question.

Both higher and lower level employees were in consensus with the above question. Both new and older employees in the business are in accord with the general population of respondents who participated in this study.

8.6.12 Question 19

“I frequently think about making friends with co-workers at SAB Ltd.”

Graph 8.12: Question 19



This question aimed to establish whether ABI employees think about creating friendships with co-workers at SAB. A total of 17% of respondents strongly disagreed and/or disagree, that it is not priority to engage in friendship with co-workers at SAB. A total of 43% of respondents agreed that it is a vital aspect in order to build lasting and beneficial friendships especially from a work perspective, while a surprising 40% of respondents retained a neutral response to this question.

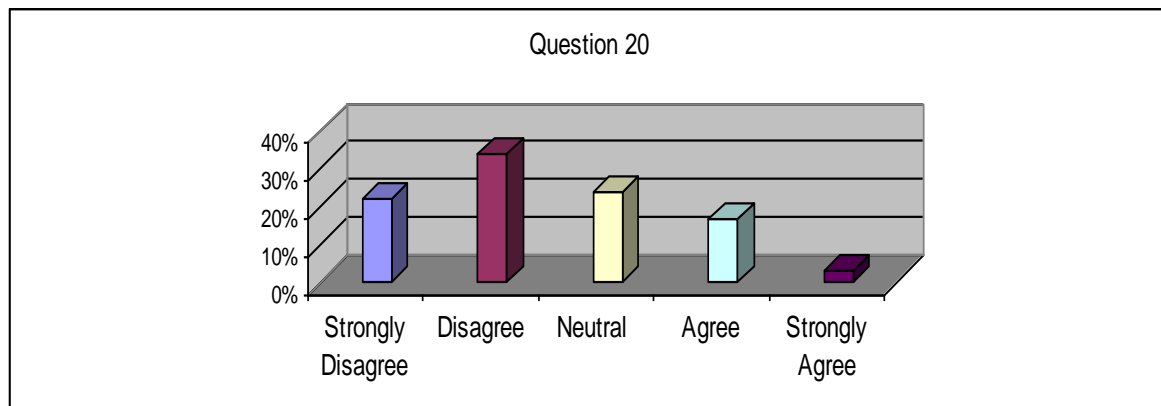
Higher level employees achieved a lower tally in disagreement with the above question, with only 9% response to that of the lower levels.

The only disparity between the pre and post merger employees in ABI was that 16% of the existing employees who experienced the merger disagreed, as apposed to the new employees who joined ABI after the merger who also disagreed, but only by 20% ,that they do not reflect by making friends with co-workers at SAB Ltd.

8.6.13 Question 20

“I try not to get involved with the people around me at work”

Graph 8.13: Question 20



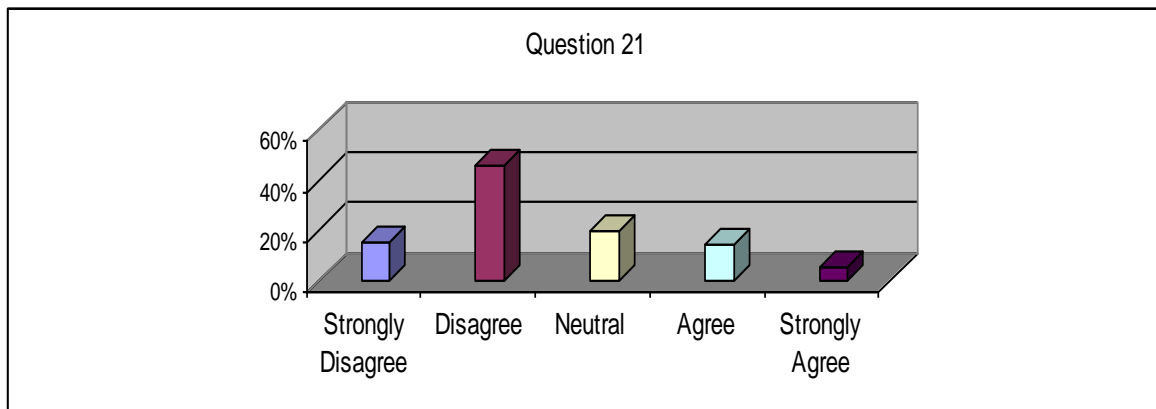
This question attempted to capture the existence of involvement with other individuals and/or employees. A total of 56% of respondents strongly disagreed and/or disagree and prefer participating daily with people. On the other hand 20% of respondents strongly agreed and/or agree with not associating with people around them, while the remaining 24% of respondents denoted a neutral approach.

The only discrepancy from higher management was that 41% was conveyed to question 20 as a neutral response, while the older and new employees denoted an average of 28% in agreement to the above question.

8.6.14 Question 21

“I prefer to be in a position that does not involve influencing people.”

Graph 8.14: Question 21



This question attempted to establish whether or not employees prefer to be in a position of authority. A total of 61% of respondents strongly disagreed and/or disagree that it is important to be in an authoritative position, while 19% of respondents felt that it is not of much importance to them. The residual 20% of the respondents remained non-aligned to this question.

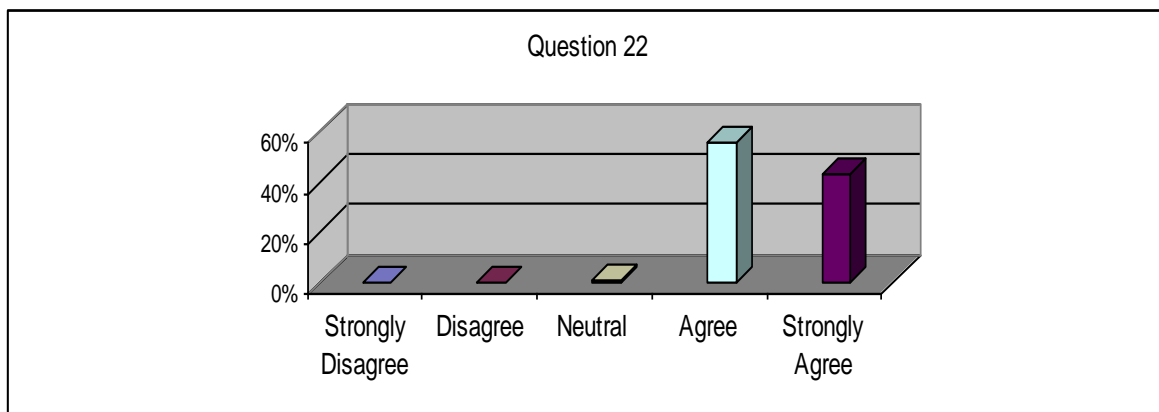
A score of 84% from higher level employees disagreed to the above question, stating that

in ranks of authority it is imperative to be in a position where as a manager you are required to influence people in a working environment. Surprisingly, new employees entering the company, prefer to be in positions of influencing people by 60% response rate.

8.6.15 Question 22

“I set very high performance standards for myself.”

Graph 8.15: Question 22



This question aimed to disclose whether or not employees set soaring performance standards for themselves at work. A total of 99% respondents strongly agreed and/or agree that they do in fact set high performance standards for themselves in the working environment, while only 1% indicated that it is not essential to set high performance benchmarks.

All employees in all levels that participated in this study are in consensus that it is a focal

point in the business to set high performance standards for themselves. Both new employees who joined ABI after the merger, as well as the older employees who underwent the merger, strongly agreed and/or agree by an average of 96%, which is interesting considering all new appointments made ensure that all new employees selected exert high performance standards.

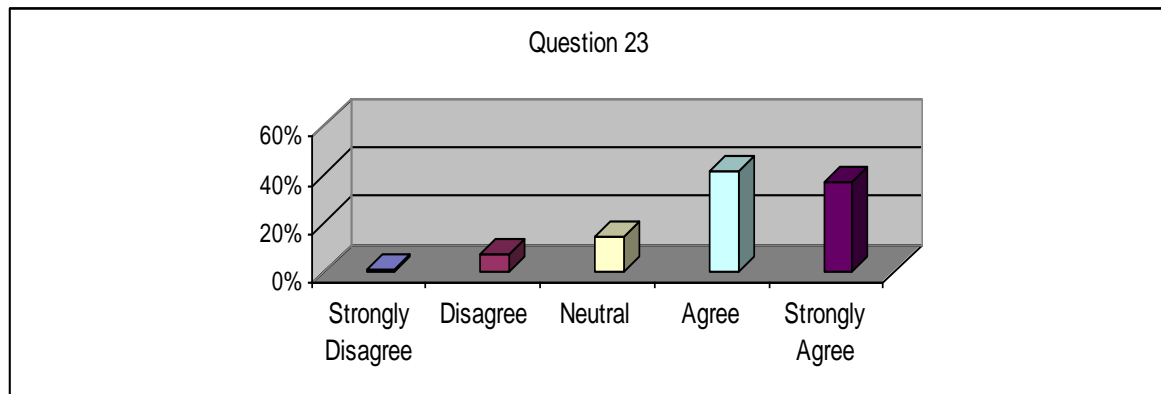
8.7 Feedback per questions – organisational culture section C

A total of 16 questions in section C were put forward to the employees and the outcome per question is as follows.

8.7.1 Question 23

“Employees in the soft drink division have to perform well to keep their jobs”

Graph 8.16: Question 23



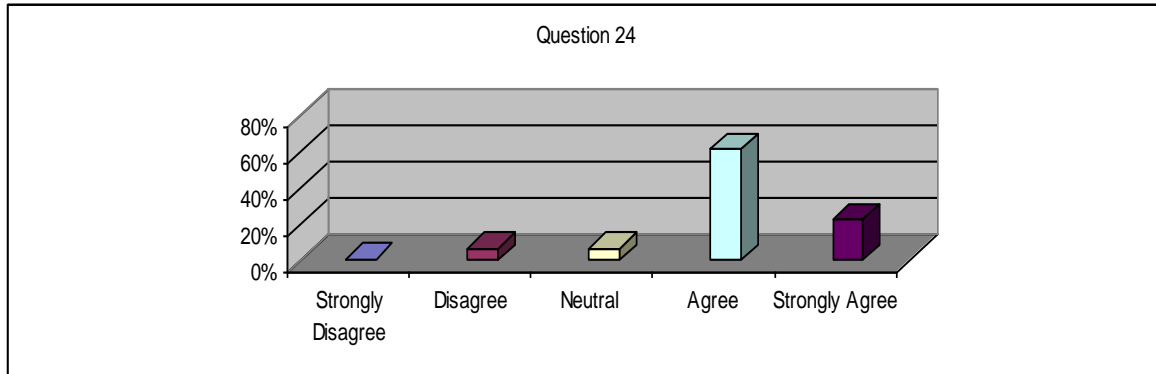
This question is aimed to determine whether employees in ABI need to perform well to maintain their jobs. A total of 78% of employees strongly agreed and/or agree that it is significant to them to execute their performance at work to uphold their jobs. Only 8% of respondents felt that it is not necessary to perform competently at work, while the remaining 14% felt an unbiased response to this question.

The only inconsistency that occurred with regards to the higher and lower level employees' responses, were that all persons in management positions strongly agreed and/or agree that in order to maintain their jobs employees need to operate competently. 82% Of employees who were subjected to the merger strongly agreed and/or agree that ABI employees need to perform well to maintain their jobs, as opposed to the 74% of employees who joined ABI after the merger.

8.7.2 Question 24

“Information about the quality of work produced is regularly communicated amongst employees and managers”

Graph 8.17: Question 24



This question intends to determine whether information about the superiority of work produced is recurrently conveyed to all employees and managers at ABI. A total of 8% of respondents felt that information disclosed is not communicated among employees and managers regarding the outputs of their work. A further 85% of respondents agree that such information is transmitted to all. Only 7% of respondents had an impartial response to this question.

Higher level employees indicated a tally of 13%, as opposed to the lower level employees, in which they strongly disagreed and/or disagree that communication disclosed in not channeled effectively within the organisation and employees, regarding the production of work generated in the workplace.

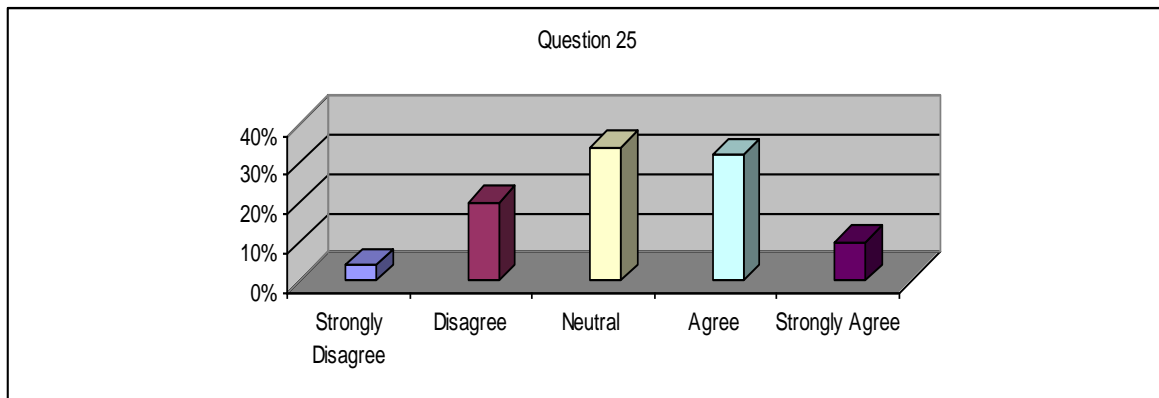
The only significant difference was that new employees strongly disagreed and/or disagree

with a 20% count, while employees who were in the employment of the company before the merger disagreed by only 4%.

8.7.3 Question 25

”Employees affected by important decisions have no influence on what is decided”

Graph 8.18: Question 25



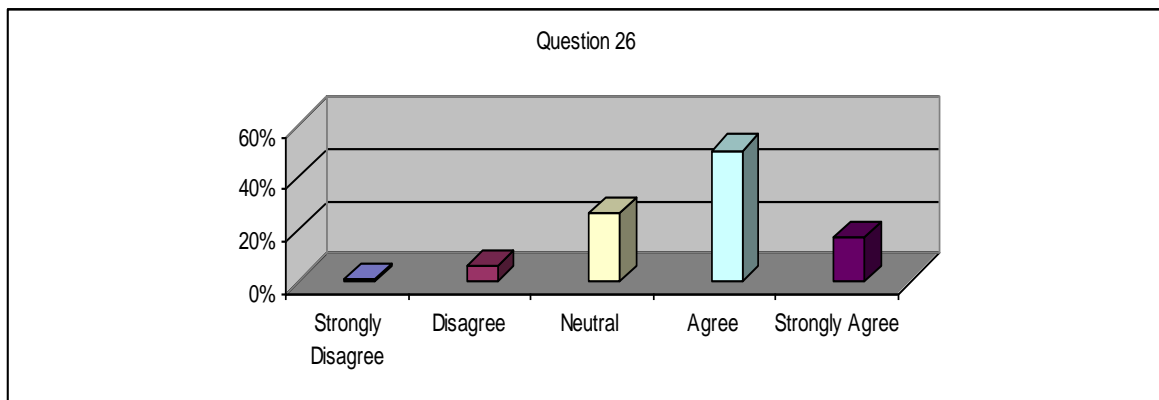
This question serves to ascertain whether employees impinged on by important decisions have no control on what is definite at work. A total of 42% of respondents strongly agreed and/or agree that they have no say in critical decisions that involve them at work. A further 24% of respondents strongly disagreed and/or disagree to the above question. They, in fact, felt that they do participate in important decisions that pertain to them, while the outstanding 34% of the respondents elicited a disinterested response to the above question.

The divergence with regards to higher and lower level employees was that higher level strongly disagreed and/or disagree, with a higher response rate of 38%, as opposed to 24% (gathered from the population) in which they can articulate critical decisions made that influence them at work. A noteworthy point would be that 43% of the older employees felt that employees affected by decisions have no influence on what is decided, as contradicted by the new employees where 23% of the respondents who participated in this study disagreed

8.7.4 Question 26

"Managers who set clear goals for their departments are recognised and rewarded"

Graph 8.19: Question 26



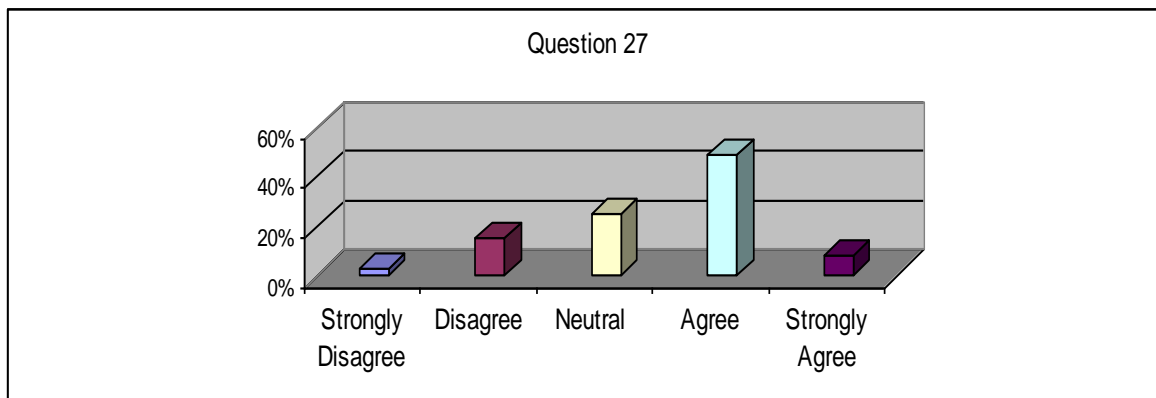
This question establishes whether or not managers who set goals for their respective departments are recognised and compensated. A total of 67% of respondents agreed that managers do in fact get remunerated and acclaimed for setting clear and attainable goals for

their departments, while 7% of respondents felt that managers are not rewarded nor praised for setting goals. The residual 26% of respondents remained unbiased to this question. Employees in higher levels in the organisation strongly agreed and/or agree, with a 78% tally in which they strongly felt that good quality work and clear goals are rewarded and recognised in ABI. A consensus was reached by both new and old employees in ABI (in accordance with the general population, with regards to the question above.

8.7.5 Question 27

“ABI employees adjusted easily to changes which occurred during the merging process with SAB Ltd.”

Graph 8.20: Question 27



This question elicits the response of respondents to comment on whether or not ABI employees adjusted easily to changes imposed upon by the merger with SAB Ltd. A total of

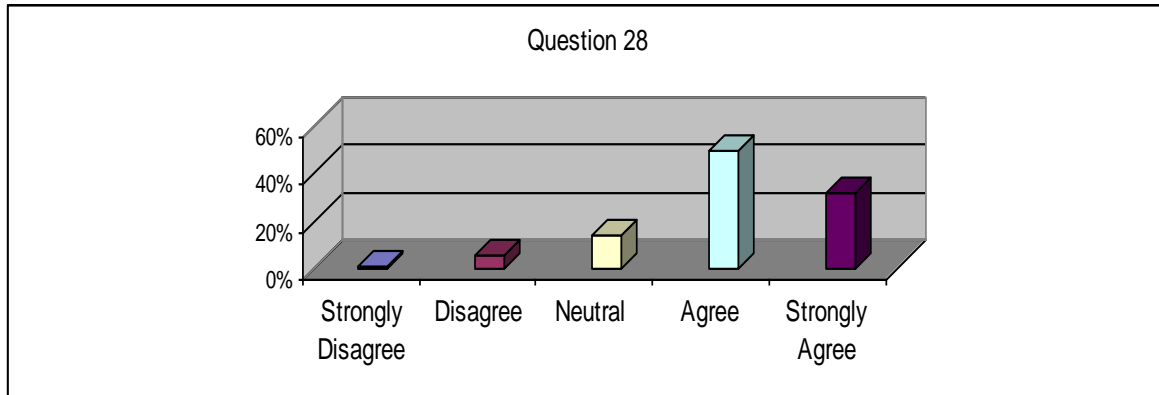
57% of respondents strongly disagreed and/or disagree that in fact employees did not amend easily to the changes brought about by the merger with SAB Ltd, while only 18% of the respondents felt that they did indeed adjust to these transformations. The remaining 25% of respondents felt detached to this question.

Surprisingly all employees in both higher and lower levels were in consensus with the score of the general population of 57% that changes occurred during the merger were in fact arduous, and adjustment was complicated. 65% Of employees who underwent the merger with SAB Ltd disagreed that changes were in fact complicated, while 49% of the new appointments made after the merger disagreed to the above question, which states that they were in fact not exposed to any changes in the company

8.7.6 Question 28

“Employees must have a track record of high performance to be considered for promotion”

Graph 8.21: Question 28



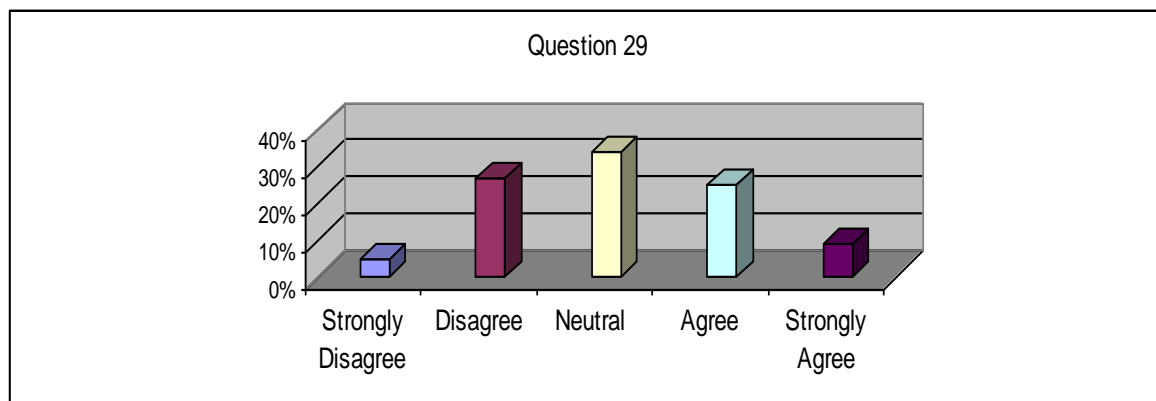
Respondents had to identify whether or not a high track record of good performance considers them for a promotion. A total of 80% of respondents agreed to the above question by stating that employees need a reputation of highly executed outputs. Only 6% of respondents felt that it is not necessary to retain a high performance record for advancement. A further 14% of respondents retained an impartial reply.

All employees who participated in this study are conscious and aware that a high quality and good track record is important, especially with regards to promotion and career advancement. Employees who were subjected to the merger strongly agreed and/or agree by 84%, while only 53% of new employees felt that it was important.

8.7.7 Question 29

“When something is going to affect employees they only find out about it once it has happened.”

Graph 8.22: Question 29



This question serves to conclude that if something is going to affect employees they only find out about it once it has happened. A total of 34% of respondents strongly agreed and/or agree that in fact when something does occur that is going to influence employees, it is only uncovered once it has occurred. However 32% of respondents disagree to the above question, and another 34% of respondents elicit a neutral response to this question.

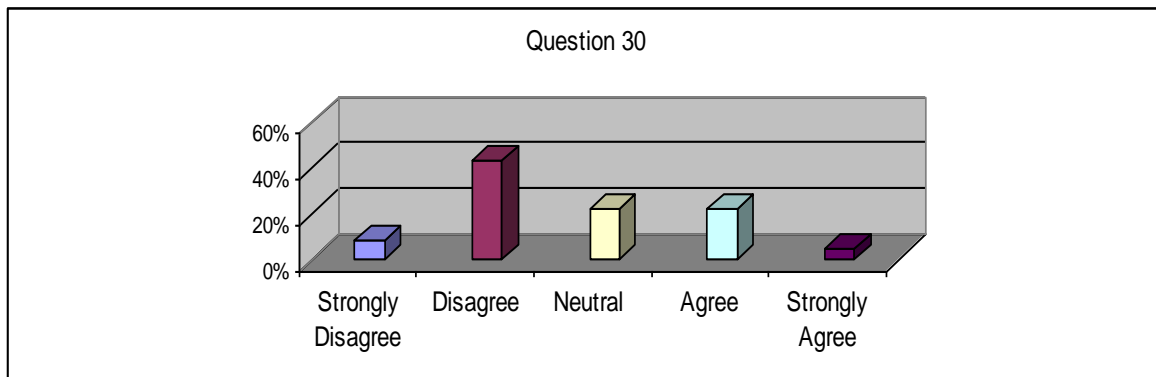
Lower level employees agreed with a tally of 41% that communication is not filtered down to their levels, especially when changes are implemented; they felt that they are only informed about such changes once they have occurred. However higher level employees disagreed, with a tally of 41% stating that all employees are appropriately conversant when

critical changes are executed. In the analysis of the new employees joining ABI after the merger with SAB Ltd, 15% of these employees agreed to the above question, while 35% of the older employees were in agreement to the question stated above.

8.7.8 Question 30

“ABI employees are not fully informed about what is going on within SAB Ltd.”

Graph 8.23: Question 30



This question is designed to clarify whether ABI employees are conversant of what is proceeding within SAB Ltd. A total of 27% of respondents strongly agreed and/or agree that they are not aware of what is proceeding within ABI, while 51% of the respondents felt

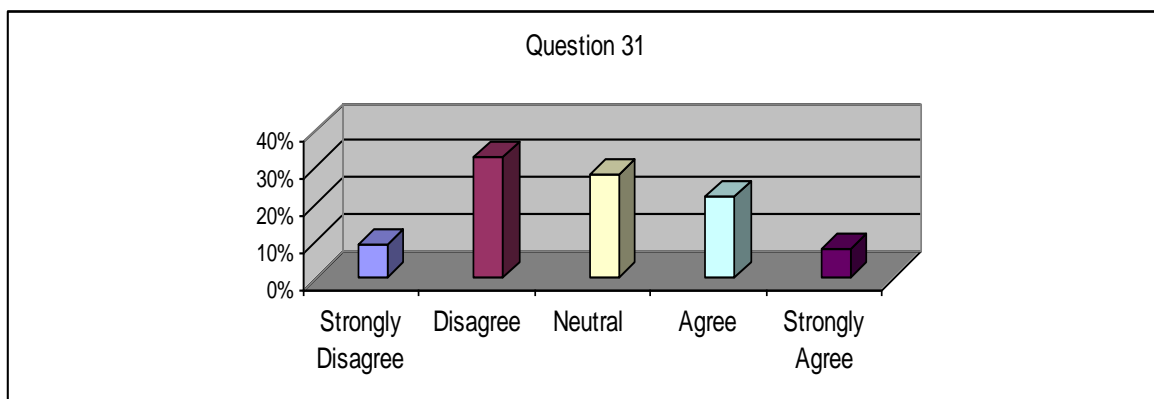
that they are knowledgeable about the operations within SAB Ltd. Only 22% remained objective to this question.

Once again lower level employees strongly agreed with this question that they are not completely informed of what is transpiring within SAB Ltd. Higher level employees on the other hand, with a tally of 56%, strongly disagreed to the above question, stipulating that all employees are knowledgeable about what is going on in SAB Ltd. 52% Of the pre merger employees disagreed, as opposed to the disagreement score of 37% from the post merger employees.

8.7.9 Question 31

“Major decisions are not discussed and/or agreed with employees who have to implement them.”

Graph 8.24: Question 31



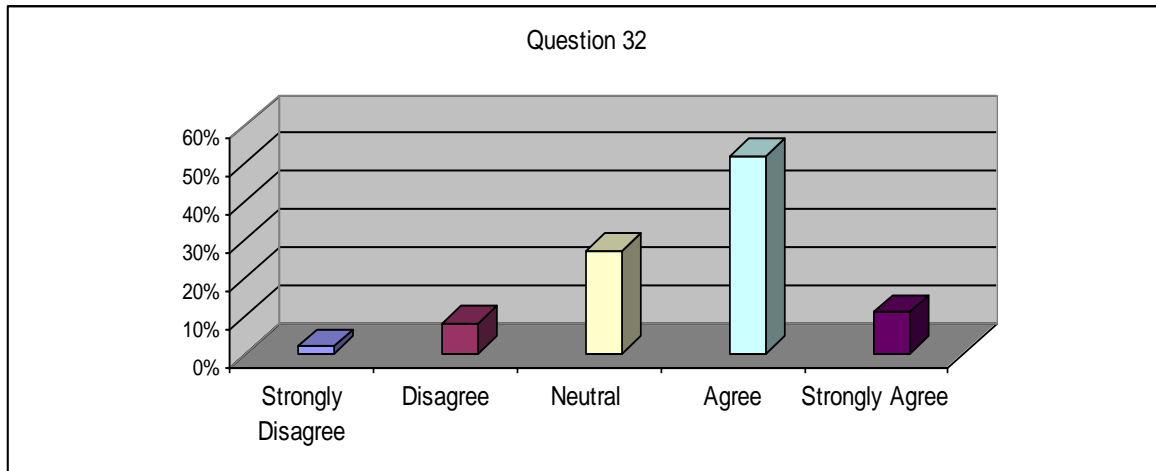
This question seeks to clarify if key decisions are not delegated to the employees who need to execute them. A total of 30% of respondents strongly agreed and/or agree that key decisions are not assigned to the individuals who will have to place decisions into operation. On the other hand 42% of respondents felt that most of the decisions are appropriately handed over to employees for execution. Only 28% of the respondents remained impartial to this question.

Only 6% of higher management agreed to this question that decisions are examined and considered with all employees who have to execute them. 29% Of the old employees in ABI agreed, as opposed to the 35% of new employees' agreement score.

8.7.10 Question 32

“Employees in ABI were confident that their interests would be protected when changes during the merger were made.”

Graph 8.25: Question 32



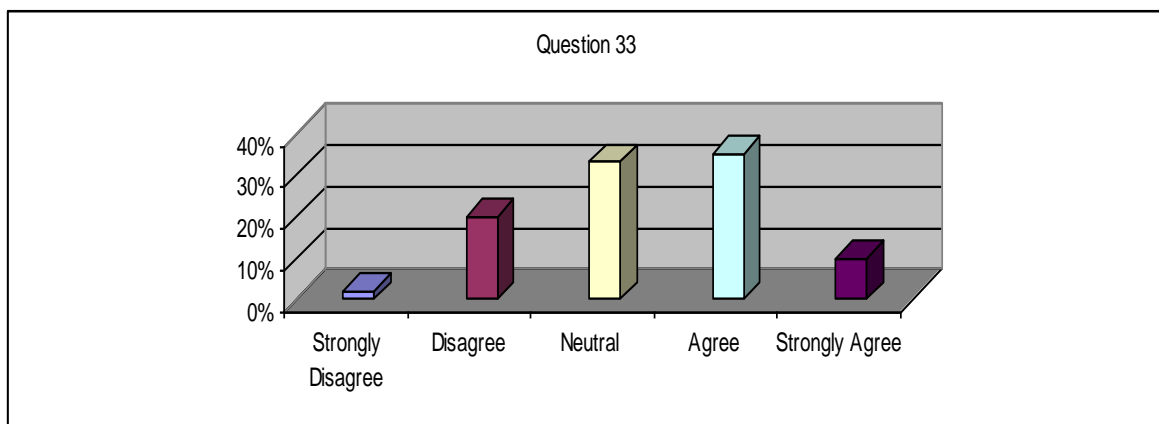
This question aims to establish whether employees in ABI were poised that their interests would be shielded when changes were made with the integration with SAB Ltd. A total of 10% respondents disagreed and were not convinced that their interests would be protected during times of change, while 63% respondents strongly agreed and/or agree with the above question. The remaining 27% remained neutral to this question.

There was a 10% difference in score (in accordance with the general population) in which higher level employees strongly agreed and/or agree, reflecting 53% that they were self-assured that their interests would be confined during and after the merger with SAB Ltd. A 66% agreement tally was achieved from employees who underwent the merger with SAB Ltd.

8.7.11 Question 33

“Employees in ABI were encouraged to find out how employees in SAB Ltd do things.”

Graph 8.26: Question 33



This question points towards determining if ABI employees were optimistic and encouraged inquiring about how employees in SAB Ltd conduct work related issues. A total of 22% of respondents disagreed and/or disagree that ABI employees were not persuaded to observe and discover how SAB employees conduct work. On the other hand 45 % felt that they were in fact supported to learn about how SAB Ltd distributes work related issues. The remaining 33% respondent’s elicited an unbiased approach to this question.

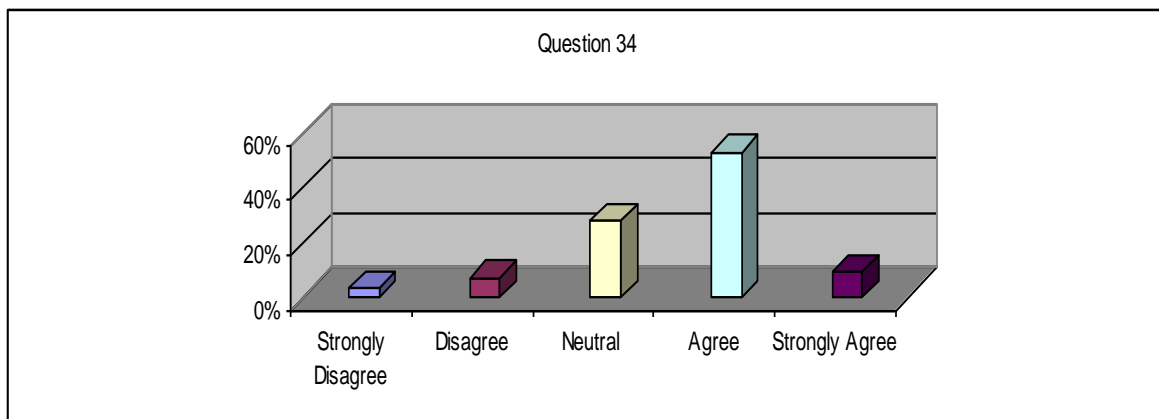
Higher level employees attained a 56% strongly agreed and/or agree that they were in fact encouraged to observe and learn how SAB functions and operates in their working

environment, which was beneficial to ABI so that both companies are able to share best practices from each other and have one set of processes and procedures throughout both companies. Post merger employees disagreed by 11%, as countered by 36% disagreement rate by the older employees, that they were not persuaded to investigate how employees in SAB Ltd do things.

8.7.12 Question 34

“Employees in ABI were treated fairly when actions were taken that affected them during the integration with SAB Ltd.”

Graph 8.27: Question 34



The intention of this question is to determine if ABI employees were treated fairly when actions taken against them affected them during the integration with SAB Ltd.

A total of 10% of the respondents disagreed to this question, while 62% of the respondents felt that they were treated fairly during the merger with SAB Ltd. The remaining 28% of respondents had a neutral approach to this question.

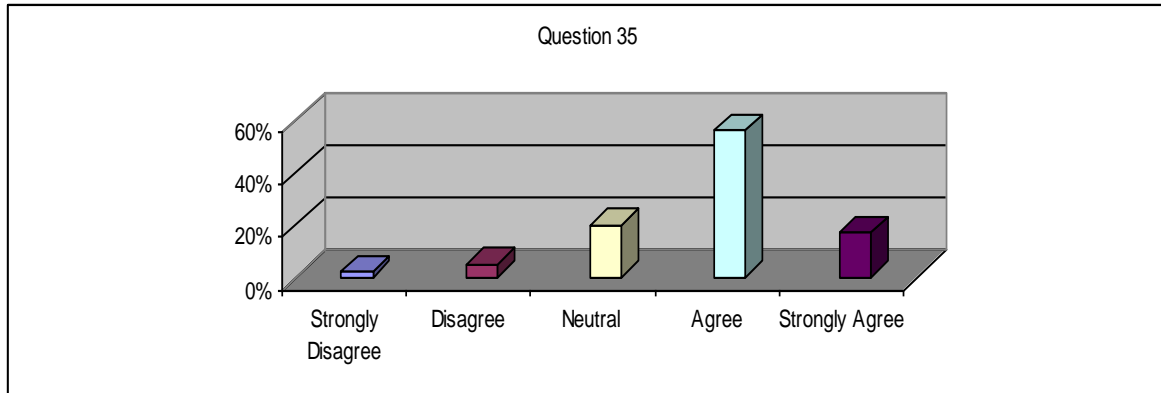
Only 3% of higher level employees disagreed to the above question, stating that they were not treated justly when proceedings that were taken affected them during the integration with SAB Ltd. However the lower level employees, with 11%, also disagreed to the above question. There were considerably lower scores with both higher and lower level employees, with a total of 14% which indicates that most employees were treated equitably pre and post merger.

There was a difference of 17% (in accordance with the general population) between the new and older employees' agreement tally to the above question, where the older employees achieved a higher acceded score than that of the newer employees who joined the company after the merger.

8.7.13 Question 35

“Managers are encouraged to speak out honestly on work related issues and problems.”

Graph 8.28: Question 35



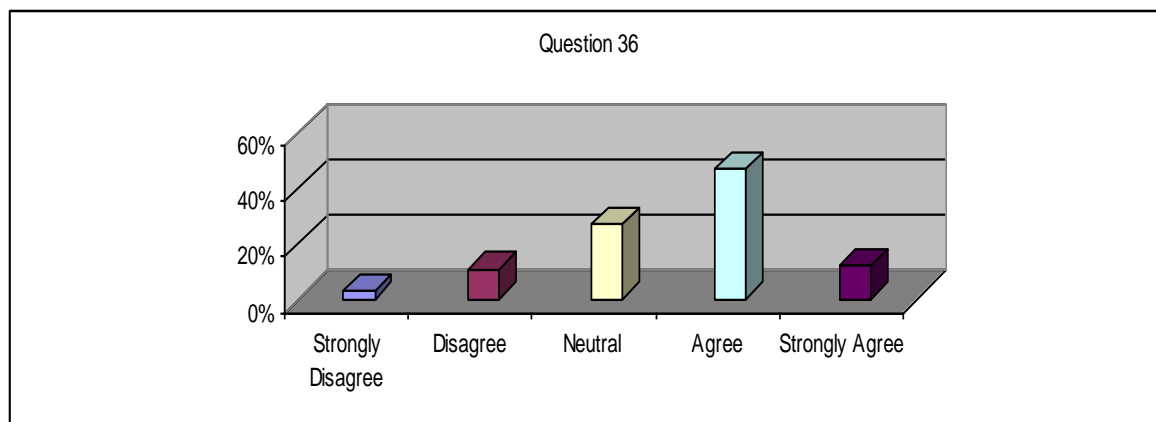
This question seeks to determine if managers are encouraged to speak out earnestly on work related issues and problems. A total of 73% respondents strongly agreed and/or agree that managers are heartened to speak out honestly on work related issues and problems. On the other hand 7% of respondents felt that managers are not encouraged to make their voices heard with regard to work issues, while the remaining 20% remain disinterested in this question.

Both higher and lower level employees strongly agreed and/or agree to the question stated above. Both recently appointed employees and the older employees who underwent the merger reached a compromise as per the general results of the population that participated in the study to the above question.

8.7.14 Question 36

“Employees in ABI are given recognition and credit for bringing in new ideas.”

Graph 8.29: Question 36



This question is to find out if ABI employees are bestowed with appreciation and acknowledgment when bringing in new and original suggestions in the company. A total of 14% of respondents disagreed and/or disagree that employees are not given enough recognition for producing ideas of innovation. While on the other hand, 59% of respondents felt that employees are indeed bequeathed with thanks and respect. Lastly 27% had a neutral response to this question.

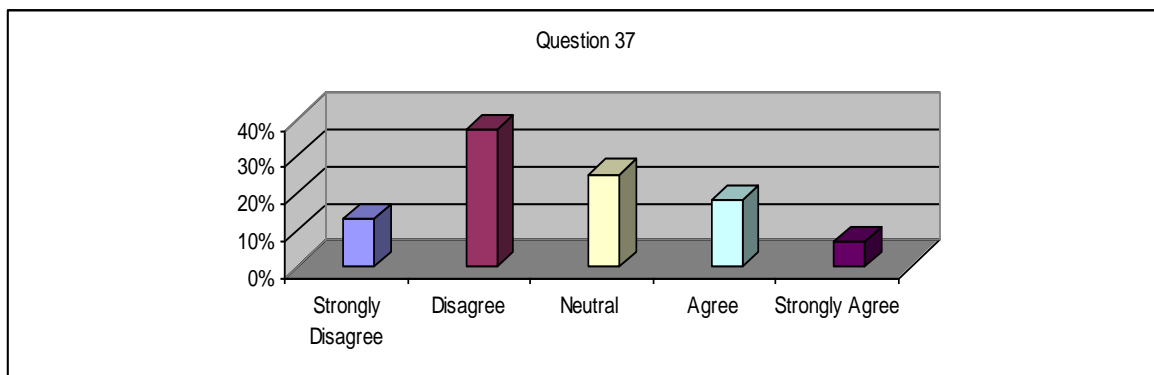
Both higher and lower level employees agreed that managers are expectant to express ideas honestly, especially with work related issues.

Newer employees agree higher to the above question than the employees who were exposed to the merger by 3%.

8.7.15 Question 37

“No one in higher levels of management is interested in listening to what people in lower levels have to say.”

Graph 8.30: Question 37



This question is to establish whether or not employees in higher levels of authority are interested in paying attention to the opinions of employees in lower levels.

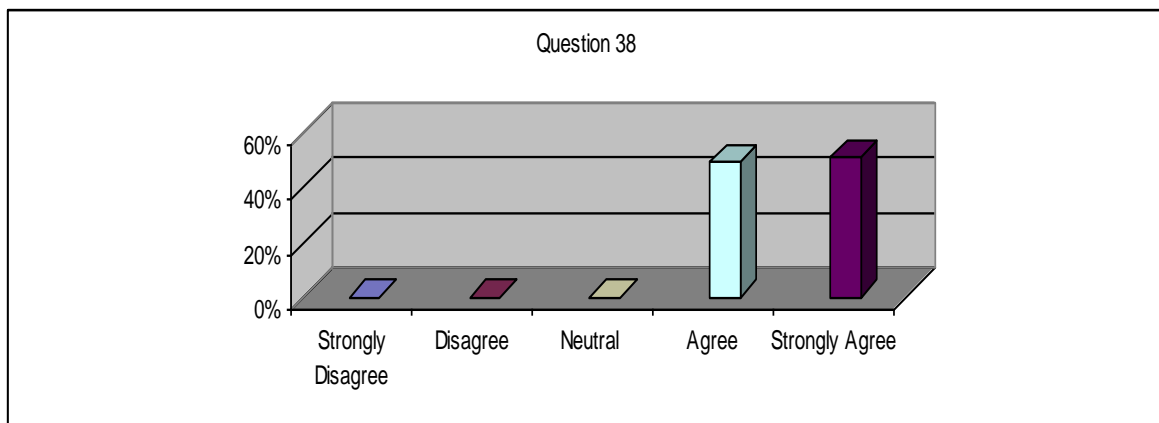
A total of 50% of respondents strongly disagreed and/or disagree that management is in fact interested in what employees at lower levels have to say. While 25% felt that management is not listening to what the employees at lower levels have to say. A further 25% of respondents felt impartial to this question.

Employees in higher levels disagree by 63% ,stating that management is concerned about the views, opinions and perceptions of lower level employees in the business, while 32% of employees in the lower levels affirm that management is in fact not involved in what they have to say. Both new and older employees in the company agree with the general population who participated in this study.

8.7.16 Question 38

“Employees are expected to produce high quality of work.”

Graph 8.31: Question 38



This question is to verify whether or not employees are required to generate high standards of work. 100% Of respondents strongly agreed and/or agree that employees at ABI are presumed to produce high quality work.

Both higher and lower level employees are in agreement to the above question, high quality work is a vital component in ABI. Pre and post merger employees both agree with a 100% response rate to the above question.

8.8 Summary

The ability to be motivated lies with the employee. The manager tries to tap the creative spirit of workers, giving positive reinforcement and providing an environment of collegiality that maximises productivity and job satisfaction. Effective motivation is an integral part of managing anything, yet motivation remains a complex dynamic that is impacted by numerous internal and external variables. Motivators include attitudes, beliefs and value systems of the employee and manager, and the constraints or lack thereof, in the work environment.

Empowering employees to make decisions helps them understand how their actions help attain goals and involves them in a team atmosphere.

Communication and honesty from managers are key factors in employee motivation, and may thus create motivating work environments by getting genuine feedback about whether they possess these skills, and by practising them regularly. Success will depend on teamwork, loyalty, vision and, most importantly communication (William & Lankford, 2003).

TABLE OF CONTENTS

CHAPTER 9: CONCLUSIONS AND RECOMMENDATIONS

9.1	Purpose of this chapter	196
9.2	Introduction	196
9.3	Conclusions	196
9.3.1	Biographical characteristics of the research group	197
9.3.2	Power factor (Questions 8, 9, 16, 18, and 21)	198
9.3.3	Achievement factor (Questions 10, 11, 14, 17, and 22)	199
9.3.4	Affiliation factor (Questions 12, 13, 15, 19, and 20)	199
9.3.5	Performance (Questions 23 and 28)	200
9.3.6	Quality (Questions 24 and 38)	201
9.3.7	Participation (Questions 25 and 31)	201
9.3.8	Managerial Leadership (Questions 26 and 35)	202
9.3.9	Adaptability (Questions 27 and 32)	203
9.3.10	People (Questions 29 and 34)	204
9.3.11	Communication (Questions 30 and 37)	205
9.3.12	Innovation (Questions 33 and 36)	206
9.4	Recommendations	206
9.5	Summary	209

CHAPTER 9

CONCLUSIONS & RECOMMENDATIONS

9.1 Purpose of this chapter

The purpose of this chapter is to indicate the information that was obtained through the empirical research as contained in Chapter 8, summarise the most important conclusions, recommendations, and indicate possible research fields in this context.

9.2 Introduction

The results, as set out in Chapter 8, enabled the researcher to make certain conclusions and recommendations. In the first section of this chapter, conclusions regarding the study will be drawn. The second section of this chapter will contain a number of recommendations regarding organisational culture and work motivational levels of employees in Country Region.

9.3 Conclusions

Gathering personal information enabled the researcher to develop an overall profile of the respondents under investigation, and reflects the following broad tendencies.

9.3.1 Biographical characteristics of the research group

During the research process a distinction was made between the different levels of employees employed in Country Region, namely: executive level (P5-6), management level (P7), junior management level (P8-9), supervisory level (P10-12) and salaried staff level (P13-14). A split was made between higher level employees grouped between P5-7 and lower level employees (P8-14).

All questionnaires were distributed to the different sites based on all 189 employees mentioned in the levels above, with a response rate of 89.4%. Surprisingly is the fact that Vaal, which has the highest headcount of 66 employees within the levels selected above, only returned 80% of their questionnaires. The lack of these questionnaires proves that a controlled environment needs to be created when a questionnaire is circulated, especially in the larger operating sites. A controlled environment requires that the distribution and retrieval of questionnaires are monitored. Klerksdorp with a headcount of 46 employees returned 93%, Mafikeng with a headcount of 11 employees achieved a 100% response rate, Welkom comprising of a headcount of 32 returned 97% of the questionnaires distributed, Bethlehem consisting of 16 employees achieved 88%, Kroonstad with a headcount of 9 completed 89%, and Regional office with a headcount of 9 individuals achieved a response rate of 100%. It is clearly evident that a higher response rate is achieved amongst the smaller sites, because the environment is controlled more effectively.

9.3.2 Power factor (Question 8, 9, 16, 18 and 21)

Respondents with a high need for power are 'authority motivated'. This determination generates a need to be dominant, efficient, and to make an impression. There is a strong need for guidance and for these employees's it is important that their ideas are achieved. There is a large focus on motivation and the need for improved personal status and prestige (Hogenraad, 2003). It was concluded from the questionnaires that 66% of the respondents that participated in the study have a high need for power, as these employees tend to favour the style of delegating and this becomes an important attribute because these employees are often associated with effective leadership. These leaders direct their power in socially positive ways that benefit others and ABI, rather than only being a contribution to the leader's status and gain. They seek power because it is through power that tasks are accomplished, and they realise that power must be distributed and shared, and that everyone must have a sense of influence over his/her own job.

It was evident from the questionnaires that the influence of the merger on the work motivational levels and employee performance within Country Region employees concludes that the establishment and existence of an environment conducive to high performance is present, and employees favour to work in situations where performance standards are challenging and high motivational levels are exercised.

9.3.3 Achievement factor (Question 10, 11, 14, 17 and 22)

Employees with a high need for achievement seek accomplishments of practical but challenging goals, and progression in their jobs. There is also a strong need for feedback and a sense of accomplishment is required (Chapman, 2006). A total of 71% respondents who participated in the study have a high need for achievement, which determines results-driven approaches which are invariably present in the character make-up of all successful businesses. In this study achievement is dominant, and managers may try to achieve objectives alone rather than through team development.

It was concluded from the results that both managers and lower level employee's opinions on the increased work motivational levels after the merger with SAB were positively in agreement to the extent in which the lower level employees were encouraged to perform at their best and continuously optimistic to improve their performance.

9.3.4 Affiliation factor (Question 12, 13, 15, 19, and 20)

A total of 70% respondents who participated in this study achieved a high need for affiliation. These employees have the need for responsive relationships and are stimulated by interaction with other people. The affiliation driver produces motivation and need to be liked and held in a acceptable manner (Chapman, 2006).

These employees undermine a manager's objectivity, because of their need to be liked, and this affects a manager's decision-making capability. They also make good business leaders and their management style may suffer because they expect everyone to be motivated in the same way as they are.

The results concluded that the analysis of management perceptions on the increased work motivational levels of the lower levels employees were on par with that of the general population. These results further construe that the examination of the lower level employees perception regarding work motivational levels are positive, and that there exists a sharp focus on the human side of motivational elements which were present from the merger with SAB Ltd.

9.3.5 Performance (Question 23 and 28)

Research conducted by Naidoo (2005:11) contends that during a merger employees are often preoccupied and sidetracked and therefore a leader needs to be extra attentive about the quality of work produced. 79% Of respondents who participated in the study were encouraged to perform at their best and continually improve their performance.

The study concludes that Country Regional employees work motivational levels have not declined and the organisational culture status maintained, due to the fact that there exists effective leaders who share a common vision, mission and set of values of a highly motivated workforce. This conclusion therefore opposes the primary aim of this study.

9.3.6 Quality (Question 24 and 38)

Time, resources, and tools, are vital components for a quality front-end investigation during a merger, but are also important in creating the perception in the new entity. Sufficient time needs to be reserved from daily routine tasks to deal exclusively with the merger issues (Hyde & Paterson, 2002:146). Putting in place a collection of strategies and plans to change the culture and take the company further, which include the enhancement of managerial skills, quality of the information systems, and total quality management (Philip & McKeown, 2004). A total of 93% respondents produce superior quality of work which is emphasised and measured in Country Region.

9.3.7 Participation (Question 25 and 31)

The obvious reactions to change during a merger are issues such as uncertainty and anxiety which result in lower levels of job performance, higher employee turnover, and increased absenteeism. Submissive resistance is a dangerous form of resistance to change and transpires when employees refuse to take part in the formulation of change proposals, leading to a lack of understanding and dedication to the proposals, thus impeding the development of implementation (Arnolds & Boshoff, 2004:2). Only 33% of respondents feel that they are involved in solving work related problems and decisions making processes that affected them during the merger.

It was deduced from the findings that lower level employee' views on organisational culture was perceived and experienced as negative as opposed to their managers' outlook.

One of the biggest concerns was the fact that very little and/or vague information sharing and joint role in decision making of the merger was not communicated effectively to the lower level employees as they perceived and interpreted information regarding the merger in their own unique way.

9.3.8 Managerial Leadership (Question 26 and 35)

The culture of any organisation is formulated and impacted by leaders. The transformation of an organisation is often seen as a leader's responsibility to address but the subordinate's task to receive and implement. Successful leaders first impose change on themselves and then cultivate it in others. 60% Of respondents in Country Region are encouraged and rewarded for being proactive in managing their own areas of responsibility.

The results presume that managers' perceptions on organisational culture was in fact more positive than their subordinates within Country Region. A reason for this outcome would be that the merger with SAB Ltd caused management to focus on specific problems and opportunities that the merger provided for within their areas of responsibility and this was pursued by the managers during the post merger period.

Carr, Elton and Vestring (2004:165-166) conducted a study consisting of 250 in-depth interviews to investigate whether there was a correlation between the approaches to cultural

integration and the success of the acquisitions. They found that there was higher success in those organisations in which management proactively addressed cultural integration issues, regardless of the complexity issues.

9.3.9 Adaptability (Question 27 and 32)

People issues, the beliefs, assumptions, and subsequent behaviour of the constituents of a group especially during a merger, are used for survival and adaptation. Ferguson (2001) states in his study that Dr. Daniel Dension of the University of Michigan studied the cultures of high and low performing organisations for nearly twenty years. He found that the following four cultural traits have a significant impact on an organisations performance and the way that employees adapt within a newly adapted culture namely:

- Involvement – Building human capability, ownership and responsibility.
- Consistency – Defining the values and the organisation’s systems that are the basis of a strong culture.
- Mission – Defining a meaningful long-term direction for the organisation.
- Adaptability – Translating the demand of the business environment into action.

A low score on adaptability trait by itself indicates possible difficulty with responding to changes in goals, management styles and the sense of pace of new owners, and therefore, could retard expected growth as well as return on investment. A total of 60% Country Region

employees were able to adapt easily to the changes incurred by the merger with SAB Ltd and further recognise this change within the organisation.

It was evident from the findings that employees within Cournty Region experienced the impact of the culture change during the merger with SAB Ltd with minimal effects.

9.3.10 People (Question 29 and 34)

According to Helmer (2002:216) employees need to be handled with dignity and respect, and supported during the merger, regardless of whether they are staying or leaving the organisation. Conferring with employees is important to help them manage the merger-related stress by moving forward on both the emotional and intellectual parallel towards commitment to an industrious combination.

Managers need to recognise and comprehend the effects of mergers on employees who feel vulnerable, lost of self-esteem and a lowered self-image. Eventually psychological contracts increase between the employees and the organisation in terms of expectations of each other and employees only become conscious of their subsistence once they are broken.

Psychological contracts are an influential element of behaviour and breach of a contract is experienced as a betrayal (Makin, Cooper & Cox, 1997:13).

Only 48% of Country Region employees felt that they were respected as individuals and treated fairly during the merger with SAB Ltd. One important aspect would be to preserve ABI's

culture approach in retaining the best employees, processes and practices, from both companies, and preserve one corporate culture.

9.3.11 Communication (Question 30 and 37)

According to Kirby (2004:7) communication is a vital component in keeping everyone satisfied in the workplace. Companies may save themselves time and money if they conduct a “cultural diligence” before merging. Communication should be harnessed not only to get a message across, but also to ensure understanding of the situation and get feedback from employees on which to base decisions which need to be made in order to pursue the organisational goals.

Communication occurs on two levels in the organisation. Interpersonal communication between superiors and subordinates and Intraorganisational communication between groups, units, and departments. In a merging situation, no matter which level one is communicating on or which medium one utilizes, it is important not just to get the message out. The analysis from the questionnaires indicated that 51% of respondents felt that employees on all levels in the business receive sufficient information required to do their jobs.

9.3.12 Innovation (Questions 33 and 36)

Prahalad and Oosterveld (quoted and researched by Naidoo, 2005:6) transformation must encompass an inclusive rethink of an organisations strategies and processes supported by innovation and a new concept of opportunity. Leadership should present an innovative vision for the organisation to contend in a completely new way based on the classification of new pastures and challenges.

Burns and Rosen (1997:224) content that changing the business and developing a vision and ground-breaking ideas for the future must be participative. It must engage all employees at all levels and in all areas to gain commitment and buy in to the new vision and implement innovative strategic direction for the merged organisation. A total 52% Country Region employees agreed that employees were encouraged to take risks and venture in new ways of doing things to improve the work process, products, and service, and were also supported to learn about SAB's operating environment.

9.4 Recommendations

- Feedback and communication is imperative because it invites experimentation in teaching employees how to perform better, and the faster employees attain feedback the sooner ABI can advance toward company goals and objectives as a new entity.

- Internal communication needs to be developed, and executing a comprehensive communication strategy needs to be implemented that allows a gradual cascade effect, making the task of reaching all employees more manageable and more effective. Planning of such a communication strategy will be vital to ABI. The need for security and belonging may be addressed by sharing positive results quickly, demonstrating the effectiveness of ABI's new entity. Joint results are vital to foster motivation, build up the credibility of the new entity and promote ABI the soft drink division of SAB Ltd's new image. Communication needs to be thought out, focused and frequented. The new entity needs to reinforce the new image as being the Soft Drink Division of SAB Ltd.
- The focus on adaptability would be to enable higher level management to engage with their staff's emotions and feelings of belonging, their sense of competence and self-respect; and the staff will sense an affirmation of their value in the new working environment. Employees will then focus on adapting to their new world effectively. They begin to see the bigger picture and focus on the overall goals of the new entity and how they may begin to make them happen. Employees are at their best when they have a common goal and compelling objectives, that can only be reached by co-operation.
- Skilled, strong and sensitive leadership is required. Attention of leaders should shift from the routine of daily duties to focus sharply on the post merger effects. Helmer, (2002:215) discusses the importance of training and developing leaders to manage

- mergers. Often leaders, in an effort to focus on managing their organisation through change, ignore their own personal reactions to the merger.
- True transformation begins within the heart and mind of the leader, and through personal development the leader becomes a true learner. The process that actually implements change often moves from the leader to small groups and then to the rest of the organisation. However transformation can only come into reality once the leader of the organisation is liberated in his or her own learning and self-development. The leader becomes a learning leader and then the learning leader cultivates a learning organisation
 - The need for power seems destructive to have, especially for managers who do not possess a strong need to achieve as well. A further field of study could be to further investigate whether managers in ABI possess a personalised power or a socialised power, and to make a distinction between the two types of power and what impacts it could have on the business. A recommendation would be for management to provide power seekers the opportunity to manage others so that they are able to use this opportunity to make changes and a difference.
 - Managers need to ensure that to maintain employees' motivation with a high affiliation need, they need to create an environment that allows co-operation and teamwork. Managers need to be aware of individuals with a low affiliation, as they tend to be introverts and may lack motivation or energy to maintain high social contacts in

networking and building close personal relationships with peers and subordinates, which becomes a necessary component of management.

9.5 Summary

The primary function of any merger is to ensure that the merging companies get the best out of the people who work for them. Investing time and effort in planning and executing a proper strategy for managing the impact of a merger on ABI, will dramatically reduce the duration and effect of Post-Merger Drift, thus making a disproportionately large contribution to the bottom line.

Employees need to be retrained and managed with new skills and competencies.

Transformation should be rolled out with certain incentives. There is a need for strong leadership that manages not only the process but the emotions of the people in the organisation. The importance of maintaining employee morale and retaining key employees is stressed. South African research confirms the findings of international studies of the primary importance of cultural and human resource capabilities for a smoother transition phase and more effective integration (Kode, Ford & Sutherland, 2003:29).

According to Hyde and Peterson (2002:146) continuous change strengthens a merger, and therefore there should be a high level of organisational learning, by the introduction of new skills, knowledge and attitudes should mark an assortment of continuous training programmes for employees at all levels. This should incorporate the new understandings and learning's

that are emerging in the merged entity and should be evidently encouraged by executive management. The importance of this deserted area both in practice and in literature is vast, especially if the goal is to produce a learning organisation. Growth and development opportunities assist communication, building of trust, shared vision and unity, while providing for more opportunities for more objective and significant reflection on past and present experiences. This needs to be verified as a fundamental element of any merger management process.

It is the people within ABI who must implement the consolidation, merge the cultures, and achieve the intended goals. People will either sabotage the success of the new organisation or they will unite and focus their attention, expertise, and effort, on the achievement of the goals of the new entity.

In conclusion, creating a new organisational structure is one of the toughest and most politically explosive challenges that an executive faces. Literature suggests that “people management” is a critical fundamental component of any merger at any level. This necessitates the systematic building of a positive institutional climate and a strong institutional culture.

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ANNEXURE A: COPYRIGHT RELEASE OF QUESTIONNAIRES

From: Lad Burgin [mailto:ladb@hrmginc.com]
Sent: 17 August 2006 02:35 AM
To: Vanessa De Sousa - VAL
Subject: Copyright Release

Hi Vanessa: good to hear from you. Glad to hear that our questionnaires were helpful to your research. I provided you with a limited copyright release in my email dated 10/05/2005. The release is reprinted here:

"I am happy to give you a copyright release, limited to your thesis research, to construct your own instrument from our item pool. You may also "localize" the item language to the people you are surveying. I would ask that you give HRMG, Inc. a citation in your research but please do not put our company name on the questionnaires you construct. I would also ask that you send me a copy of your thesis once it is completed."

Best wishes Lad Burgin

A. Lad Burgin, Ph.D.

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ANNEXURE B: LETTER OF CONFIDENTIALITY



WORK MOTIVATION AND ORGANISATIONAL CULTURE

A research project by the Central University of Technology Free State

Date: 01/08/2006

Dear Respondent

Have you ever wondered what causes people to be satisfied with the work they do? Is it materialistic factors such as receiving a good salary or certain factors pertaining to the company's organisational culture? Do people truly understand the process of change and how changes in a business are implemented?

You are a member of a carefully chosen sample to participate in this research project. Please be so kind as to participate in this important research project by completing the attached questionnaire. Be assured that any information provided in this questionnaire will be treated in strict confidence and will be used for research purposes only. You will also complete the questionnaire anonymously and you have the right to withdraw from participation in the study. Please answer all the questions in an honest manner. There are no right or wrong answers to any of the questions. The researcher is only interested in your personal view.

Should you be interested in receiving feedback regarding the findings of this study, please inform the researcher via e-mail at vanessads@abi.co.za. The results of the study will then be sent to you.

Your time and input is valued and appreciated.

RESEARCHER

Vanessa De Sousa

Faculty of Management Sciences

Central University of Technology Free State

Contact no: 083 796 0012

ANNEXURE C: QUESTIONNAIRE: BIOGRAPHICAL DETAILS

Section A: Please use a cross to indicate your particulars

1. Gender

Male	
Female	

2. Ethnical grouping

Black/African	
White	
Coloured	
Indian/Asian	

3. Indicate your department

General Management	
Finance	
Human Resources	
Warehouse	
Marketing	
Sales	
Other	

4. Indicate your grade

P5 – P6	
P7	
P8 – P9	
P10 – P11	
P12 – P14	

5. Indicate your site

Welkom	
Vaal	
Klerksdorp	
Mafikeng	
Kroonstad	
Bethlehem	
Regional Office	

6. Please indicate if you joined ABI between 01 September 2005 and 31 July 2006.

Yes	No

7. Educational level

Grade 10-11/Standard 8-9	
Grade 12/Matric	
Further Educational Training/Technical Colleges (Grad)	
Higher Educational Training/University (Post- Grad)	

QUESTIONNAIRE: WORK MOTIVATIONMark by **CIRCLING** the appropriate number (only one answer per row)**Section B***Ask yourself, how satisfied am I with these aspects of my job?*

5. **Strongly Agree** means I strongly agree with this aspect of my job
 4. **Agree** means I agree with this aspect of my job
 3. **Neutral** means I can't decide whether I agree or disagree with this aspect of my job
 2. **Disagree** means I disagree with this aspect of my job
 1. **Strongly Disagree** means I strongly disagree with this aspect of my job.

In my present job, this is how I feel:	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
8. I find it difficult to control & influence situations at work especially after the merger with SAB Ltd	1	2	3	4	5
9. I now pay close attention to how things affect my reputation and position	1	2	3	4	5
10. I prefer to work in situations where the performance Standards are very challenging	1	2	3	4	5
11. I constantly think about ways to improve my performance	1	2	3	4	5
12. I frequently think about the happiness and well-being of my co-workers	1	2	3	4	5
13. I try to avoid situations where conflict with co-employees might occur	1	2	3	4	5
14. In ABI I often think of ways to accomplish something Innovative	1	2	3	4	5
15. I enjoy establishing close and friendly relationships with people around me at work	1	2	3	4	5
16. I pay close attention to the impression that I make on people in my team	1	2	3	4	5
17. After the merger with SAB Ltd, I constantly think about ways to do things better than in the past	1	2	3	4	5
18. I frequently use informal relationships to get things done at work	1	2	3	4	5
19. I frequently think about making friends with co-workers at SAB Ltd	1	2	3	4	5
20. I try not to get involved with the people around me at work	1	2	3	4	5
21. I prefer to be in a position that does not involve influencing people	1	2	3	4	5
22. I set very high performance standards for myself	1	2	3	4	5

QUESTIONNAIRE: ORGANISATIONAL CULTUREMark by **CIRCLING** the appropriate number (only one answer per row)**Section C***Ask yourself, how satisfied am I with these aspects of my job?*

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
23. Employees in the soft drink division have to perform well to keep their jobs	1	2	3	4	5
24. Information about the quality of work produced is regularly communicated amongst employees and managers	1	2	3	4	5
25. Employees affected by important decisions have no influence on what is decided	1	2	3	4	5
26. Managers who set clear goals for their departments are recognised and rewarded	1	2	3	4	5
27. ABI employees adjusted easily to changes which occurred during the merging process with SAB Ltd	1	2	3	4	5
28. Employees must have a track record of high performance to be considered for promotion	1	2	3	4	5
29. When something is going to affect employees they only find out about it once it has happened	1	2	3	4	5
30. ABI employees are not fully informed about what is going on within SAB Ltd	1	2	3	4	5
31. Major decisions are not discussed and / or agreed with employees who have to implement them	1	2	3	4	5
32. Employees in ABI were confident that their interests would be protected when changes during the merger were made	1	2	3	4	5
33. Employees in ABI were encouraged to find out how employees in SAB Ltd do things	1	2	3	4	5
34. Employees in ABI were treated fairly when actions were taken that affected them during the integration with SAB Ltd	1	2	3	4	5
35. Managers are encouraged to speak out honestly on work related issues and problems	1	2	3	4	5
36. Employees in ABI are given recognition and credit for bringing in new ideas	1	2	3	4	5
37. No one in higher levels of management is interested in listening to what people in lower levels have to say	1	2	3	4	5
38. Employees are expected to produce high quality of work	1	2	3	4	5

