MOTIVATION AND SALES PERFORMANCE OF EMPLOYEES:
CASE STUDY: NIKO INSURANCE

BY
NSIMIRE PATRICIA
05/U/9437/EXT

A RESEARCH PROPOSAL SUBMITTED TO THE DEPARTMENT OF
DISTANCE EDUCATION IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF BACHELORS DEGREE OF
COMMERCE OF MAKERERE UNIVERSITY

JULY, 2011
DECLARATION

I, Nsimire Patricia declare that this research is my own piece of work and it is original and has not been submitted in any institution for award of any degree, Except for the award of Bachelors of commerce degree to the undersigned.

Signed...........................................

Nsimire Patricia

Date..............................................
APPROVAL

This is to certify that this research report of Nsimire Patricia on Motivation and sales performance in Niko insurance limited has been under my supervision and is now ready for submission.

Signature……………………………………………………………

MS. MAYANJA JAMIAH
(SUPERVISOR)

Date……………………………………………………………………
DEDICATION

I dedicate this work to my parents Mr. and Mrs. Benon Taremwa for their financial and moral support towards my studies.
ACKNOWLEDGEMENT

My first sincere thanks go to supervisor MS Mayanja Jamiah who spared her valuable time to guide me through the process of writing this report. Again thanks goes to the management of Niko insurance company who allowed me to use their company for case study as well as providing information required.

I also extend thanks to Professor Katunguka and family, my husband Mugisha Darius, Ethan Mugisha, Pison, Polly, Paul, Pricillah and Precios.

Special thanks go to Iga for his contribution towards the preparation of this report. May the almighty God reward and bless all these people for their contribution.
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ABSTRACT

The study was about “Motivation and sales performance of Niko insurance limited. It was carried out in Niko limited and the study objectives were: to examine motivation tools used by Niko insurance, levels of sales performance, relationship between employee’s motivation and sales performance.

The descriptive research design was used as a tool for data collection. A sample of 45 respondents was taken from the research study population using purposive sampling method to select the sample. Data was collected by use of questionnaires filled by the respondents.

The findings on the study revealed that there were various motivation techniques used by Niko limited which includes giving material rewards, job promotion, salary increments to good performance and integrating employee ideas in the company operations. Findings on sales performance revealed that sales performance is greatly affected by the quality of supervision, employee commitment, level of education and conditions under which they perform their duties. Findings on the relationship between motivation and sales performance revealed that there is a significant positive relations $r = 0.45$ between motivation and sales performance.

The recommendations on motivation were that management should improve on the motivation techniques it employees by giving employees more incentives in form of allowances like breakfast and lunch, involving them in various decisions made by seeking their opinion before implementation.
CHAPTER ONE

1.1 Background of the study.

Motivation is referred to as a driving force that determines how much effort an individual puts into his learning’s, his work to perform effectively. (Farrant, 1994). Niko insurance use motivational tools like, commissions, recognition, promotions and bonuses for its employees. HOY (2000) indicates that unless the worker is motivated performance won’t be efficient. Performance is the relationship between the output of goods and services and the input of all resources used in the production process therefore it is a comparison of input and output (John Kendrick, 1984).

Niko insurance (Uganda) limited is part of the NICO group a leading insurance, financial and IT Group in SADC and COMESA region headquarter in Malawi with offices in Uganda, Zambia, Zimbabwe and Tanzania. With over 30 years of insurance and risk management, experience in the region, NICO holdings limited brings a wealth of expertise, professionalism and financial base into the Uganda insurance market (Company brochure, 2009). Some of the services that NICO offers include school fees insurance, travel comprehensive in insurance on vehicles Health insurance’ travel insurance, fire and special perils (Company brochures, 2009).

Niko insurance uses motivation tools like promotion, recognition, commissions however still has a challenge in situations where the company does not effectively motivate it's employees such as delayed payments, failure to participate in formulating polices, low payments, absence of job security and others. (Human Resource Report 2009). This has affected the sales excepted by the Company as indicated in the table below.
Table 1: Sale performance of Niko insurance Ltd

<table>
<thead>
<tr>
<th>Year</th>
<th>Size of clients</th>
<th>Expected new clients</th>
<th>Clients obtained</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Large size</td>
<td>700</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>Small size</td>
<td>1500</td>
<td>1200</td>
</tr>
<tr>
<td>2008</td>
<td>Large size</td>
<td>1050</td>
<td>1050</td>
</tr>
<tr>
<td></td>
<td>Small size</td>
<td>2230</td>
<td>1890</td>
</tr>
<tr>
<td>2009</td>
<td>Large size</td>
<td>2000</td>
<td>1750</td>
</tr>
<tr>
<td></td>
<td>Small size</td>
<td>3000</td>
<td>2200</td>
</tr>
</tbody>
</table>

Source: Niko insurance sales records.
Small clients are the ones whose premium is below 20 millions and large clients are the ones whose premium is above 20 millions.
In reference to the table above, Niko insurance failed to hit its expected sales by 43% and 20% in large and small sized clients respectively in 2007, 33% and 12% in large and small sized clients respectively in 2008. In 2009 it fallen below by 12% and 27% in both large and small sized clients respectively (Niko insurance sales records 2009).

1.2 Statement of the problem.
Motivation of employees in any organization is crucial in that it improves the performance of workers however Niko insurance Limited has failed to motivate its employees in that they receive low payments, delay payments, denied allowances, not recognized for their performance, receive little benefits and above all have no job security.
These have therefore affected the sales performance of Niko insurance.

1.3. Purpose of the study.

The purpose of the study was to establish the relationship between employee’s motivation and sales performance.

1.4 Objectives of the study

i. To identify the motivational tools used by the Niko insurance.
ii. To establish the level of sales performance.
iii. To establish the relationship between employees motivation and sales performance?

1.5 Research questions

i. What are the motivational tools used by Niko insurance?
ii. What is the level of sales performance?
iii. What is the relationship between employees motivation and sales performance?

1.6 Scope of the study

1.6.1 Subject scope

This considered motivation as an independent variable and sales performance as a dependent variable.

1.6.2 Geographical scope

The study was carried out at Niko insurance located 3rd floor Green land Towers Kampala Road. This as because the agency is with easy reach and furnished me with current information pertaining to the subject matter of my study.
1.7 Significance of the study

i. Niko insurance will be able to understand how to motivate its employees basing on the result of the study.

ii. The study will help the researcher to fulfill requirement for a Bachelor of Commerce Degree from Makerere University.

iii. The findings of the study will act as literature review for

iv. the future generation.

v. The researcher will apply the findings wherever she will go so as to gain more skills.
CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter covers theories of motivation, strategies of motivation, factors for motivation, sales performance, and determinants of sales performance, measures of sales performance, methods of evaluating sales performance, relationship between employee’s motivation and sales performance and finally conclusion.

2.2 MOTIVATION.

Motivation can be described as a goal directed behavior. People are motivated when they expect that a course of Action is likely to lead to the attainment of a goal and a valued reward- one that satisfies their needs. Arnold, Robertson and cooper (1991).

Hall (1982) says that the success of an organizations planning is ultimately in the hands of employees to implement its policies and make organization work through motivation.

Motivation means inspiring the personnel with zeal to work and cooperate for the accomplishment of common objectives.

The success of the sales management progress and prosperity of the firm depends on the motivation of sales people to work towards achieving the desired goals.

2.2.1 THEORIES OF MOTIVATION:

Abraham Maslow Hierarchy of needs.

The most famous classification of needs i.e. the one formulated by Maslow (1954) He suggested that there are five major need categories which apply to people in general starting from fundamental physiological needs and leading through a hierarchy of safety, social and esteem needs of self fulfillments, the highest need of all.
Maslow hierarchy is as follows.

- Physiological - the need for oxygen, food, water and sex.
- Safety - the needs for protection against danger and deprivation of physiological needs
- Social - the need for love, affection and Acceptance as belonging to the group
- Esteem - the need to have a stable, formally based, high Evaluation of oneself and to have the respect of others.
- Self fulfillment- the need to develop potentialities and skills to become what one believes one i.e. capable of becoming

However the theory has not been verified by empirical research and it has been criticized for its apparent rigidity

**Herzbergs two factor theory of satisfiers and Disatisfiers**

The two factor model of satisfiers and disatisfiers was developed by Herzberg, mausner and synderman (1957) following investigation into the sources of job satisfaction of accountants and Engineers.

It was assumed that people have the capacity to report accurately the conditions that made them satisfied and dissatisfied with their jobs. Satisfiers include achievement, recognition, responsibility and advancement while dis satisfiers include things like working conditions, salary and company policy.

Their absence lead to job dissatisfaction and still their theory money alone does not motivate Employees.

Therefore management of organizations needs to consider other variable which can motivate Employees as well.

The challenge here is that Employees in developing countries are motivated by salary which is witnessed in switching to high paying jobs in other organizations even when other variables are offered to them.
GOAL THEORY
Goal theory as developed by Latham and Locke (1979) states that motivation and performance are higher when individuals are set specific goals, when goals are difficult but accepted and when there is a feedback on performance. Participation in goal setting is important as a means of getting agreement to the setting of higher goals.

Christopher Earley and Christine Shalley described goal setting in terms of four phases
- Establishing of a standard to be attained
- Evaluating of whether the standard can be achieved
- Evaluating of whether the standard matches personal goals
- If the standard is accepted, the goal is thereby set and behaviour proceeds towards goal.

Niko insurance limited need to know that employee’s involvement in setting up of company goals is as necessary as it makes employees feel that they are part and parcel of every thing that takes place in the company.

EQUITY THEORY
Equity theory is concerned with the perceptions people have about how they are being treated as compared with others. To be dealt with equitably is to be treated fairly in comparison with another group. Equity involves feelings and perceptions and is always a comparative process (Adams 1965).

Equity theory states in effect that people will be better motivated if they are treated equitably and demotivated if they are treated inequitably. Niko insurance therefore must look at the remuneration of other insurance companies such that its employees consider themselves treated equitably compared to other companies in the industry.

Expectancy theory
The concept of expectancy was originally contained in the valency - instrumentality-Expectancy (VIE) theory which was formulated by Vroom (1964).
Valency stands for value, instrumentality is the belief that if we do one thing it will lead to another and the expectancy is the probability that action or effort will lead to an out come.

According to Vroom where an individual chooses between alternatives which involve uncertain out comes, it seems clear that his behavior is affected not only by his preferences among these out comes but also by the degree to which he believes these out comes to be possible.

This theory has three major components.

a) Performance out come expectancy

b) The worker expects consequences from his behaviour for example those who aim higher expect higher returns like pay, praises commissions e.t.c.

c) Valance. This is the power that is attached to a particular behaviour in relation to motivation for instance employees who value achievement do not normally switch from one job to another because they want to achieve with their current jobs.

d) Effort performance expectation

People’s expectations of how difficult or simple it will be to accomplish a task affect their decisions. Normally people consider the level of performance that seems to be easily achievable.

Nadler and Hawler recommended that managers should

- Make performance level attainable
- Link rewards to performance
- Determine the performance you desire
- Determine the reward by such employees of the reward.

The criticism of the theory is that it failed to recognize that human beings are complicated so it is quite hard to determine each employees expectations.
**Alderfer Clayton e.g. Theory.**

ERG (Theory) the needs for existence, relatedness and growth as formulated by Alderfer (1972) is about the subjective states of satisfaction and desire. Satisfaction concerns the outcome of events between people and their environment. To him when higher needs are frustrated, lower needs will return.

**John W Alkinsan Three needs Theory.**

According to this theory a motivated person has 3 basic drives - the need for achievement, the need for power and the need for affiliation.

**Reinforcement theory.**

Hull (1951) suggests that successes in achieving goals and rewards act as positive incentives and reinforce the successful behaviour which is repeated the next time the similar need emerges. The more powerful, obvious and frequent the reinforcement, the more likely it is that behaviour will be repeated until, eventually, it can become a more or less unconscious reaction to an event.

According to B.F Skinners, the consequences of past behaviour of workers will always affect future actions in a cyclical learning process which is demonstrated as follows. Stimulus-response - con sequence-Future response. Individuals voluntary behavior (response) to stimulate (stimulus) is the cause of a specific responses. If consequences a rising from a particular event are bad on an individual will always try to avoid engaging in such behaviour while if the consequences from a certain set of behaviour are rewarding an individual will always repeat that behaviour when the same or similar events happen. This theory identifies a motivated person as one who responds to stimuli in consistent patterns of behaviour overtime.

This theory is relevant to Niko insurance ltd in that it needs to have a proper record of how its employees have been reacting to stimulus like recognition, increase in salary and promotions so that they know when to apply what and to which individual.
**Duuglas Mac Gregor theory of x and y**

Theory x holds the view that people dislike work naturally. Managers of such people need to supervise and force them to work.

Theory y on the other hand holds that people take work as natural play. A company with such category needs less supervision and it is better for employees to set their targets. Niko insurance need to establish the different categories of employees and there fore devise means that are fit for them.

**Behaviour theory**

Behavioral psychologists like skinner (1974) emphasize that behavior is learnt from experience, they play down, even dismiss the significance of internal psychological factors that directly influence behaviour.

They believe that learning takes place mainly through the process of reinforcement.

**Self efficacy theory.**

This theory was developed by Bandura (1982) who defined self- efficacy as how well one can execute courses of action required to deal with prospective situations it is concerned with an individuals self belief that he or she will be able to accomplish certain tasks , achieve goals or learn certain things.

Locke (1984) his established that self efficacy is positively related to goal level and goal commitment for self set goals and performance.

**2.2.2. Strategies for motivation**

**Measuring motivation.**

There are of course no direct means by which motivation can be measured but indications of the levels of motivation can be obtained through attitude surveys, measures of productivity, employees turn over and absenteeism, analysis of the results of performance reviews, analysis of issues raised through grievances.
Valuing Employees
Motivation and commitment are likely to be enhanced if employees feel that they are valued.
The means investing in their success, trusting and empowering them, giving them the opportunity to be involved in matters which they are concerned, keeping them fully in the picture, treating them fairly and like human beings.

Behavioral commitment
Behavioral commitment means that individuals will direct their effort to achieving organizational and job objectives.
It can be engendered by getting people involved in setting objectives, give people more responsibility to manage their own jobs as individuals or as teams and providing for rewards to be clearly related to success in achieving agreed goals.

Organizational climate
The organizational climate and core values should emphasize the importance of high performance.
Managers and team leaders should be encouraged to act as role models of the sort of behaviour from expected employees.

Reward management.
Reward management processes can provide direct motivation through various forms of performance pay as long, as dose attention i.e. given to the significance of expectancy and equity theory.

Leadership skills
Managers and team leaders should be helped to learn about the process of motivation and how they can use their knowledge to improve the motivation of their team members.
**Job design**
Job design should involve the application of motivation theory especially those aspects of the theory that relate to the needs and motivation through the work it self.

**Performance management**
Performance management processes can provide direct motivation for goal setting, feedback and reinforcement.

**Employee or human resource development**
Employee development is about personal development and motivation theory indicates clearly that progress through self development. Self managed learning is the best form of development.

**Behavioral modification**
Behavioral modification or organization behavioral (OB) modification uses the behavioral practice of operant conditioning.
Five steps of behavioral modification have been identified by Luthans and Kreitner (1975) which include identifying the critical behaviour, measure the frequency, carry out the functional analysis, develop and implement an intervention strategy and finally salute the effects of the intervention.

**2.2.3. Factors for motivation.**
According to Donaldson (1990) there are several factors which management should employ to motivate its employees so as to perform effectively.

**Positive communication**
Employees are motivated in their performance when there is positive communication and they are demotivated when they get negative views about their performance.
Management should always communicate to their employees the desired level of output required from them and encourage efficient flow information through suggestion boxes, mail surveys, meetings which can improve communication their company.
**Being part of the company**

Workers are motivated and committed if they feel that their part of the company. When workers perceive that they are part of the company they will work tirelessly which will eventually lead to increase in the sales of the company.

**Participation**

Workers commitment and development would be high if employees participate in policy making especially on polices that affect them in executing their duties.

He also encourages the use management by objectives.

**Ability to handle rejections.**

Sales force normally face rejections in dealing with clients regarding price, quality, and benefits. Therefore managing it needs to train the sales on how to overcome such situations once they meet them.

**Good management.**

Management practices have a big impact on sales, so factors like goal setting, evaluation, training, understanding and know how contribute the great deal to an individuals motivation never the less management practices are difficult to measure.

**Group involvement**

Most people prefer to work independently therefore management should ensure teamwork and group involvement so as to get improved performance from the employees.

**Be available and understanding**

This concept emphasizes that management need to understand its employees as individuals because each individual has got his or her own problem which needs to be analyzed on an individual basis rather than a group.
Discipline
This is the most important element in the organization although it very hard to determine the desired level of discipline. Management should therefore emphasize discipline so as to come out with the desired level of output.

Morale
Morale can be defined as mix or sum of a person’s feeling towards his job pay, other employees, conditions of work and other factors. Good morale itself is not sufficient to motivate employees but poor morale is also a de-motivating factor.

2.3. Sales performance
Performance is referred to as the degree to which there is a larger number of clients matching with the company expectations (Juran 1998). He also looked at it as a means of getting better results for the purpose of organization existence.
Managers in organizations need to ensure that sales performance is ever on increase if the company is to register tremendous developments.

2.3.1. Determinates of sales performance
Churchill et al identified six determinates of sales performance as discussed below;

Aptitude
This is the inherent or acquired ability an individual possesses and it is an essential component for average sales performance.

Role perception
It is an individual’s perception and understandability of the role he is to perform. When he knows it better, performance will increase.

Motivation
Motivated workers are thought to be better sales performers than demotivated despite the difficulty encountered in measuring motivation.
**Personal variables.**
This recognizes that personality of the employees varies and this variability can be exhibited in consistence or inconsistence of an individual and his sales performance.

**Skill**
This is a composite variable of listening, persuasion and presentation. It has a great impact on sales performance when applied correctly.

**Organization and environment factors.**
These are very complex and will affect the performance of the organization depending on which side they favour. They include political, social climate and competition.

### 2.3.2. Measures of sales performance
1) Quantitative measures are further subdivided into output measures which relate to sales and profit performance and input measures which show why performance is below standard and are diagnostic in nature.

**Output measures looks at the following.**
- Sales revenue achieved
- Profits generated
- Sales per active account
- Percentage of gross margin achieved
- Number of order
- Sales to new customers
- Sales revenue as percentage of sales potential
- Numbers of new customers
Input measures looks at the following

- Number of calls on prospects
- Calls per active account
- Number of calls made
- Number of new quotations (partly an output measure)
- Calls per potential account.

Qualitative measures include.

Sales skills
For example how the workers develops rapport with customers, use of visual aids, ability to overcome objectives, quality of sales presentation and closing a sale.

Customer relationships.
For example is customers satisfied with the sales person or they have frequent complaints, is the sales person reliable or not.

Self-organization
Does the sales person keep up to date with records of customers, does he organize routing patterns very well, and does he provide marketing information to headquarters.

Product knowledge.
This looks at whether the sale person has full information about the components of the product and its benefits in relation to competitor’s products.

Co-operation and attitudes.
This looks at the extent to which the sales person will respond to the objectives determined by management, the company and its products cooperate with suggestions made during training for improved sales and use his initiative.
2.3.3. Methods of evaluating sales performance.

Jobbers (1997) considered the following as methods which one can rely on to evaluate on organizations performance.

**Productivity analysis**
This is the relationship between outputs and inputs and inputs. It usually expressed as the ratio of output measures to appropriate input measures.

Sales productivity = \( \frac{\text{output}}{\text{Input}} \)

**Cost analysis**
It is the difference between estimated and actual costs incurred in achieving a level of sales so as to reveal the relationship between sales and cost. Sales costs are expressed as percentage of achieved sales.

**Sales analysis**
This involves gathering information on sales, classifying this information, comparing it with sales forecasts, sales quotas’ sales data from previous period and competitor’s performance. It uses units sold or revenue collected since the use of one can be misleading. An example is that sales can increase as a result of inflation and this may depict a wrong picture if it is taken to mean that units sold increased.

**Profitability analysis**
This uses either income statement analysis or return on assets managed analysis by providing more information above sales and cost analyses.

2.4. Relationship between motivation and performance

Stonner (1992) in their equity theory holds that an individual’s motivation and performance depend on his or her subjective evaluation of the relationship between his her effort, reward ratio and effort reward ratio of others in similar situation.
Management should therefore ensure that the ratio of employee’s rewards is commensurate to their personal input in comparison the person’s at the same positions in other organization.

2.5. Conclusion

People are known to have different interests and goals while joining organizations, some go with their targets and if they do not realize them in time however much they are motivated they still shift to other organization. Therefore, this chapter is intended to elaborate more about the relationship between motivation and performance of employees in an organization.
CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

This chapter looked at the procedures of carrying out the research. It will include research design, sampling design, population study, sample size, data collection sources and methods, data analysis and limitation of the study.

3.2 Research design

The researcher used descriptive so as to get more information about the variable under study.

3.3 Sampling design

3.3.1 Study population

This consisted of employees of Niko insurance limited since the study was meant to establish a relationship between motivation and sales performance of the employees.

3.3.2 Sample size

The researcher used a sample of 45 respondents but only 30 responded by filling the questionnaires that were given to them.

3.3.3 Sampling method

The researcher used purposive sampling to get the required information from all the employees.
3.4. Data collection

3.4.1 Data source

3.4.1. Primary
The researcher used questionnaires and interviews to gather primary data required for the variables under study.

3.4.1.2 Secondary data.
This included the existing literature review on the topic under taken.
It was got from textbooks, internet, magazines brochures and other publications.

3.4.2 Data collection Instruments

3.4.2.1 Questionnaires
The researcher used both closed and self administered questionnaires.

3.4.1.2 Interviews
Both structured and unstructured interviews were used.

3.5 Data processing analysis and presentation
When data has been gathered it was put to interpretation analysis and presentation.
It was arranged to conform to the objectives of the study, edited to attain accuracy by use of tabulation and computation of percentages.

3.6 limitations of the study

1. Finance constraint.
The study needed a lot of money for typing, printing as well as transport costs while conducting the research.
2. Time.
There was no enough time as the research is supposed to be completed before the end of the semester.

3. Confidentiality of data.
Most of the data in organization was confidential and the researcher did not get the required information
CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter covers the presentation and analysis of data that was collected using questionnaires. The variables covered were motivation and sale performance. 40 questionnaires were given to the respondents but only 30 were returned.

4.2 Demographic characteristics of respondents

Table 2: Gender of respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>20</td>
<td>66.7</td>
</tr>
<tr>
<td>Female</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary data

From table 2, 66.7% of respondents were males and 33.3% females. This is possibly because companies always target men than women.

Table 3: Age of respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 25</td>
<td>10</td>
<td>33.3%</td>
</tr>
<tr>
<td>25-30</td>
<td>15</td>
<td>50%</td>
</tr>
<tr>
<td>30 and above</td>
<td>5</td>
<td>16.7%</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>
Table 3 presents that 50% were between 25-30 years of age. This group is very instrumental in making sales as most of this had spent more than three years in accompany and had acquired enough experience. They were also considered to be energetic in the execution of their duties. 33.3% of the respondents were below 25 years this because young people find it easy to look for business in all locations of the city and beyond. 16.7% were above 30 years and these normally take up administrative posts as well as formulation of policies.

**Table 4: Years spent in the company**

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>1-2</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>2-3</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>3 and above</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: primary data*

Table 4 reveals that 50% had spent more than 3 years in the company because they hope that with the continuous growth of the insurance industry in Uganda they will meet their dreams. 20% were between 2-3 years, 16.7% between 1-2 years and only 13.3% had spent less than a year.

**Table 5: Qualification of respondents**

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 0’ level</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>0’ level</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>A’ level</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Diploma</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>Degree</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: primary data*
Table 5 shows that the number of respondents covered had education background above 0’ level with 20% having finished A’ level, 40% with diplomas and 40 with degrees. This is perhaps because the task of selling insurance services needs some one whose background is a bit high.

4.3 Findings on motivational tools used by NIKO insurance company

Table 6: Salary as motivational tool

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>11</td>
<td>36.7</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Not sure</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary data

Table 6 shows that 36.7% strongly agree that salary motivates them, 13.3% agree that salary motivates them, 16.7% not sure, 13.3% disagree that salary motivates them and only 20% strongly disagree that salary motivates them.

Table 7: Job security

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Not sure</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary data

Table 7 reveals that 20% strongly disagree that job security motivates employee, 33.3% agree that job security motivates them, 13.3% are not sure whether job security motivates
them, 16.7% disagree that job security motivates employees and lastly 16.7% strongly disagree that job security motivates employees.

**Table 8: Promotion**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Not sure</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: primary data*

Table 8 shows that strongly agree and disagree are ranked the same taking 16.7%, 33.3% agree that promotion motivates them and 13.3 are not sure, 20% strongly disagree that promotion motivates them.

**Table 9: Delegation of authority**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Not sure</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: primary data*

Table 9 indicates that strongly agree, agree, disagree and strongly disagree take same ranking of 16.7% while 33.3% indicate that they are not sure whether management indicates authority.
Table 10: Decision making

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Not sure</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary data

Table 10 shows that 33.3% has been ranked for both strongly agree and agree, 10% for both not sure and disagree and then 13.3% of employees strongly disagree that employees participate in decision making.

Table 11: Working conditions favorable

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Not sure</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary data

Table 11 reveals that 33.3% of employees agree, that working conditions are favorable, strongly agree, Not sure, disagree, and strongly disagree have been ranked the same with 33.3%.
4.4 Findings on the level of sales performance.

Table 12 : Workers aim at higher sales performance

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Not sure</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: primary data

From table 12 26.7% of respondents strongly agree that workers aim at higher sales performance, 33.3% agree that workers aim at sales performance 23.3% disagree that workers aim at sales performance and then 16.7% strongly disagree that workers aim at sales performance.

Table 13 : The company experience sales improvement

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Agree</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: primary data

From the table above 20% strongly agree that the company experience improves sales, 26.7% agree that the company experience improves sales, 33.3% disagreed that the company experience improves sales, and then 20% strongly disagreed that the company experience improves sales.
4.5 Findings on the relationship between motivation and sales performance

Using spearman correlation coefficient to measure the relationship between motivation and sales performance

<table>
<thead>
<tr>
<th>scale</th>
<th>Y Motivation Table 8</th>
<th>X Sales Performance Table 12</th>
<th>R1</th>
<th>R2</th>
<th>d</th>
<th>d²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>-2</td>
<td>4</td>
</tr>
<tr>
<td>Not sure</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>-1</td>
<td>1</td>
</tr>
</tbody>
</table>

\[ \Sigma x = 30 \quad \Sigma y = 30 \quad \Sigma d^2 = 11 \]

**SPEARMAN CORRELATION COEFFICIENT FORMULA**

\[ r = 1 - \frac{6 \Sigma d^2}{n (n^2-1)} \]

**APPLYING SPEARMAN CORRELATION COEFFICIENT FORMULA**

\[ r = 1 - \frac{6 \times 11}{5(25-1)} \]

\[ r = 1 - \frac{66}{120} \]

\[ r = 0.45 \]
CHAPTER FIVE
SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction
This chapter provides the summary of findings and recommendations from the study. The summary and recommendations are derived from the findings of the study which are presented in chapter four. Suggestions in areas thought necessary for further research also included.

5.1 Summary of major findings

5.1.1 Findings on the motivation techniques used in Niko insurance Ltd
From the findings it was revealed that there various motivation techniques used by Niko insurance which include promotions, delegation of authority, participation in decision making, bonus and commissions to good performers. This is in line with (Farrant 1994) who defined motivation as a driving force that determine how much individual puts in his work perform effectively.

5.1.2 Findings on the level of sales performance in Niko insurance Ltd
It was discovered that Niko sales’ performance is greatly affected by the quality of supervision, increased employee commitment, level of education, conditions under which they perform their duties, the quality and management of operations and the number of hours worked for. Hertzberg (1998) this depends on whether the factors that affect performance are either satisfiers or dissatisfies. The satisfiers that are intrinsic in nature and these include, working conditions, pay and supervision, these two factors affect performance both positively and negatively thus sales performance.
5.1.3 Findings on the relationship between motivation and sales performance in Niko insurance Ltd

It was discovered that there is a high correlation between motivation and sales performance as shown by a positive correlation coefficient value of 0.45.

5.2 CONCLUSIONS

It was found out that due to the nature of work that employees do in making sales of the company involves a lot of commitment, determination and hard work, Niko insurances uses various motivational techniques to have improved sales such as promotions, commissions, bonuses, salary increment.

It was noted that the level of sales performance was high although Niko insurance still has put various means of checking sales performance such as setting targets to its employees as well as requesting for daily reports on the sales made so as to have improved sales.

The relationship between motivation and sales performance was found out to be good since it has acorrelation coefficient of 0.45 although management of Niko insurance Ltd still has to put additional incentives to have improved sales performance.

It should be noted that a part from motivating employees Niko insurance Ltd uses other techniques to ensure improved sales performance like putting in place strict rules and regulations for employees to follow during their time at work, strict supervision to a void laziness at work among others.

5.3 RECOMMENDATION

Basing on the responses obtained from Niko insurance Ltd, it is vital for management to address specific issues relating to motivation and sales performance.
Management of Niko insurance Ltd should improve on the motivation techniques of employees by giving employees more incentives in form of allowances like breakfast and lunch, involving them in the various decisions made by seeking their opinion before implementation among others.

Management should device ways of measuring their employees’ performance by carrying out performance appraisal for instance; which the manager writes down positive and negative performance behaviour of employees throughout the performance period, use of the scale of rating where the manager simply checks off the employee’s level of performance graphically and managers can set objectives for the employees, periodically evaluate the performance, and reward according to the result commonly known as management by objectives (MBO).

There should be a concession with management of Niko to find flexible and less costly motivation techniques that will be helpful in improving employee performance. Because as long as an employee feels comfortable and loves what he or she is doing then this will boost their efficiency and effectiveness at large.

The company should constantly review the salary structure and ensure that the employees get what is worth to their level of performance and positions.

The company needs to emphasize bonuses and commissions such that the employees become more aggressive to market the services of the company than other companies in the industry.

Non financial rewards like job security, delegation of authority, promotions, recognition, need to be given attention as employees would feel that they are valued.

**5.3.1 AREAS FOR FURTHER RESEARCH**

1. Motivation and labour turn over
2. Customer care and customer loyalty
3. Sales turn over and profitability.
MAKERERE UNIVERSITY
FACULTY OF ECONOMICS AND MANAGEMENT
INSTITUTE OF ADULT AND CONTINUING EDUCATION

QUESTIONNAIRES
(To be completed by employees)

Dear Respondents

This questionnaire is designed to collect necessary data to find out the relationship between motivation and sales performance.

You are kindly requested to fill in the space provided by answering or ticking where necessary. The data given will be treated with maximum confidentiality.

Section A: Demographic characteristics

1. What is your gender?
   a) Female □  b) Male □

2. What is your age?
   a) Below 25 □
   b) 25-30 □
   c) 30 and above □

3. What is the level of your education?
   a) Below O’Level □
   b) A’Level □
   c) Degree □
   d) O’Level □
   e) Diploma □
   f) Others
   (specify)…………………………………………

4. How many years have you been in the company?
   a) 1 year □
   b) 2 years □
   c) 1-2 years □
   d) 3 years and above □
Section B: Motivation

Please indicate the extent to which you agree or disagree with the following statements.

1. Employees are motivated with the salary given to them.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

2. Job security motivates employees.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

3. Management gives promotion to employees.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

4. Managers delegates authorities to employees.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

5. Niko insurance trains its employees for performance.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

6. Employees participate in decision making of the company.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

7. Employees are satisfied with the working conditions.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>
### Section C: Sales performance

1. Workers aim at higher performance in sales.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. The company experience sales improvement.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Niko insurance registers increased sales.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. The company hit the sales targets.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. To what extent do you agree that motivations determine sales performance of your company?

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

THANK YOU VERY MUCH GOD BLESS YOU.