



Graduate School of Development Studies

**Application of Human Resource Management  
initiatives for workers motivation and organisation  
performance in Telecommunication Sector in Tanzania**

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## **Dedication**

This paper is dedicated to my beloved husband Mr Stanley J. Mwalembe, and my lovely sons Joel Stanley and Samuel Stanley for their love, prayers, moral and financial support in making my dream a reality. I will always love you and cherish your support.

....God bless you...

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## **List of Acronyms**

CCD	Customer Care Department
CSRP	Civil Service Reform Programme
DEL	Direct Exchange Lines
EAPTC	East African Posts and Telecommunications
EASCO	East African Common Service Organisation
HRM	Human Resource Management
IFM	International Monetary Fund
JIT	Just-in-Time
NPM	New Public Management
PDAS	Performance Appraisal Development System
PMG	Post Master General
PSRP	Public Service Reform Programme
TCC	Tanzania Communication Commission
TCRA	Tanzania Communications Regulatory Authority
TPC	Tanzania Posts Corporation
TPTC	Tanzania Posts and Telecommunication Corporation
TQM	Total Quality Management
TSH	Tanzanian Shillings
TTCL	Tanzania Telecommunications Company Limited
WB	Word Bank

## **Abstract**

Many theories of HRM claim that when workers are given a particular level of motivation, it will result in increasing their level of performance. Although Tanzania government has embarked on several reforms to increase performance among civil servants, there is still a general perception that public sector workers do not perform as efficiently as private sector workers. The main objective of this study is to investigate the effect of HRM initiatives on workers motivation in public and private sector companies.

Using the empirical evidence from three telecommunication companies in Tanzania, this study shows that the gaps between public and private have narrowed. Also, like private companies, the public company also provides all the incentive such as job security, salary, fringe benefits etc to motivate its workers. This article observed and concludes that the different in performance between public and private companies is not because of incentive structure; rather it may be explained by performance management process. The study also reminds that motivation factors may not by themselves achieve organisational performance. Rather, motivation should be embedded in a broader approach through effective performance management processes.

## **Relevance to Development Studies**

By looking at the performance of public sector companies, the information in this study is relevant to the public sector under the deregulation environment. The study brings up recommendations to improve the performance of public sector companies and therefore improve the developmental efforts of the government. Improving the public sector infrastructure contribute to the development of the country.

## **Keywords**

Human Resource Management; Motivation, Public sector; New Public, Management, Telecommunication

# **Chapter 1**

## **GENERAL INTRODUCTION**

### **1.1 Introduction**

This chapter introduces the study presenting the problem addressed in this work. It also outlines the brief background of Tanzania's perceptions on public workers motivation and performance in their workplace. It provides relevancy of the study, the research objectives, questions, methodology, and limitation.

### **1.2 Background and Statement of Research Problem**

Human resources (HR) are considered the most valuable asset in an organization but they make a better bottom line only for a few organizations (Pfeffer 1998). HR practices may lead to higher firm performance and be sources of sustained competitive advantage because these practices are often unique and difficult to imitate (Wright 2001). Globalization has brought competition and a lot of changes in work organisation in both the public and private sector. This has generated debate on the extent to which HRM practises can contribute to competitive advantage for organisations. In the public sector, there has been increasing attention towards the role, size, cost and functioning of the workforce (Adamolekun 1999). Africa's public service has been identified as bloated, inefficient, unproductive and incapable of delivering efficient services especially in 1980's and 1990's (Word Bank 2000). The World Bank called for public service reforms covering restructuring, decentralisation and improvement of pay structures among others. The Bank supported these reforms along the ideology of New Public Management (NPM) that market forces can set everything right.

In Tanzania the level of quality and quantity of services provided by the public sector organisations have been deteriorating due to poor performance, inefficiency and corruption (Therkildsen 2000). And there is the general perception by trade unionist, politicians, workers, and the general public during different radio and television programmes in the country that the Tanzanian public sector employees do not perform as efficiently as private sector workers because they lack incentives to motivate them. Thus, during the mid 1980s, the government with the help of Word Bank and International Monetary Fund (IMF), initiated and implemented the Economic Recovery Programme which led to decentralisation and privatisation of public organisations that were deemed to be mismanaged and underperforming, this also involved the introduction of private sector principles into other government services that were not totally privatised. There have also been attempts to reform the civil service policies and increase salaries to public employees (Bigsten and Danielson 2001) with the objective of improving the incentive structure of public workers. The usual expression is that the salaries and other perquisites of public sector employees are inadequate to motivate them, unless incentives are created for departments and individuals involved in managing public

services. Therefore in Tanzania the civil service reform did concentrate on both technical process and employee's performance, autonomy, organisation, responsibility and welfare (Public Service Reform Programme (PSRP) 2001). The assumption is that government workers will be committed to work harder and stay in the organisation. The question here is, is it still true that workers in private sector are more motivated than those in public sector? Is management system common to the extent that what succeeds in private can also succeed in public sector? This study will investigate the reasons as to why the public sector workers are seemingly not motivated and as productive as their counterparts in private sector. How do workers perceive and rank the incentive structure that influences their performance in their organisation?

### **1.3 Relevance and Justification of the Study**

The implementation of Civil Service reforms has attracted a lot of attention in Tanzania, the desire for means of efficient, effective and improved performance in service delivery is increasing. It requires responsiveness from public officials and public employees to work hard and improve the productivity in public sector (Barney 1991, Kamoche 1996). This means that competent and motivated workers are important to meet this challenge. The argument that 'management is management' and that public sector organisations can be made to improve on their performance through applications of business management techniques have been hot at best in the current literature on public sector reforms and NPM (Yates 1985). Low public sector wages has been one of the reasons for constant campaigning by employees' associations for pay rise in Tanzania. The point here is that, government should not expect high performance from employees when their salaries and other incentives are inadequate to motivate them. Much as several HRM initiatives and motivation strategies have been introduced in the public sector in Tanzania, there is no study on how HRM affects workers motivation and organisational performance; many studies are generally on HRM. This study is going to explore the effect of HRM on workers' motivation and organisational performance while comparing the incentive structure of the different companies. And also the specific focus is to study the reason as to why the public sector workers are seemingly not performing well as compared to those in private sector.

This study contributes to a better understanding of the application of managerial approaches (HRM) developed in the western countries into the context of the developing countries, and see how such a management approach functions in developing word. Also our findings contribute to the existing literature on HRM in private and public services; particularly practises that enhance workers motivation and improved organisation performance in Tanzania. Furthermore, by looking at the performance of public sector companies, this study will come up with recommendations to improve the performance of public sector companies and therefore improve the developmental efforts of the government. By improving the public sector infrastructure, you contribute to the development of the country.

## 1.4 Research Objectives

The main objective of this research is to investigate the effects that HRM initiatives have on workers' motivation in public and private sector companies in Tanzania. Primarily the research has two objectives;

1. To find out whether there are similarities or any differences of motivation (incentives) and performance management system between public and private sector organisations.
2. To investigate the relationship between workers' motivation structure and organisation performance.

## 1.5 Research Question

This study addresses a central research question: Why are Public sectors workers less motivated and less productive than those in private sector in Tanzania.

In order to answer this question, the following sub questions were used:-

1. What types of motivators are available for worker in public and private sector in Tanzania?
2. How do workers rank the incentive structure as a motivating factor in bringing about their commitment and performance in the organisation?
3. How do the management systems of public and private organisation differ in application of principals of HRM?
4. How does the HRM system contribute to the workers' job motivation?
5. How does motivation contribute to organisation performance?

## 1.6 Methodology and Data Collection

### 1.5.1. Case study selection

When comparing public and private companies, it is normal to deal with the notion that, in public companies ownership does not matter, public is all for the benefit of the common goods which turns out to be not very incentive or motivator for workers to work very hard as it allows them to be easy going. While in private sector because the ownership of the company is private which focuses on profit making, the management will find a way to motivate their workers to increase production. That was the starting point of my argument, but then I say comparing the purely parastatal company and private was not very useful because in traditional parastatal companies the modern management has not been introduced, and my main focus is modern management techniques (HRM), and how these management techniques has been used to motivate workers. I then thought of going to another setting, a public owned company where modern management has been introduced. And among the companies where modern management has been introduced is the Tanzania Telecommunication Company Limited (TTCL). Therefore given all those factors in comparing public and private companies, the study choose the

telecommunication sector, in which three telecommunication companies (TTCL, VODACOM and tiGo) were investigated.

The target population of this study included the HRM departments and the employees at TTCL, VODACOM and tiGo. TTCL was selected as one of the case studies because it is one of the public owned, controlled and managed services that were affected by the restructuring programme. Its management orientation, structure and performance have changed. It is also among the public organisations which adopted the NPM and the use of new HRM initiatives on which workers' motivation, job satisfaction and workers' commitment depends; if practised and improved, organisation performance and service delivery is expected to increase. In this particular case, the NPM means that, management in public company organisation has been outsourced. There is a contract between the government of Tanzania and the a management (SASCATTEL). We are now looking at a public sector company with a commercialised management. However, for reasons beyond our control we have not been able to get the details of the deal between government and outsourced company. But the assumption is one of the two; either the outsourced company gets a lump-sum fee and does not get a share in profit; or the outsourced company gets the fee and the share in the profit. If it is the first option, then we are dealing with modernised management but which is under the public sector conditions, where performance is not directly translated into reward. And if it is the second option where the government shares the profit with the outsourced company, then we are talking about the situation where the management leads along commercialised principles where performance is translated into reward. VODACOM and tiGo Companies provide cases on the side of the private companies which also use HRM initiatives in motivating their workers.

Also in Tanzania the telecommunication sector is one of the few sectors that one would expect to find high connection in management orientation between the public and private sector companies. The telecommunication sector has been reformed to the extent that both public and private companies that operate in it have similar objectives and goals of providing good services to their clients, and making profit for their stakeholders

These criteria provide me sufficient justification to compare the outcomes of two organisations. Based upon this argument, this study assumes that any difference between public and private sector in term of performance may be credited to how the organisation management system manages its workers to deliver.

### ***1.5.2 Data Collection***

Field work was conducted to obtain primary and secondary data to answer the research questions. Primary data was collected through the use of semi-structured questionnaire, hand-delivered to participants. The questionnaire was filled out by participants in front of the researcher to enhance the quality of the data. Participants were both workers and HR management of three companies. TTCL representing the public sector and VODACOM and tiGo represent the private sector.

The sample size of 31 workers made up of 15 from TTCL, 10 workers from VODACOM, and 6 workers from tiGo. The selection of the interviewees was carefully done to target operation workers and a cross section of the organisation. The participants interviewed were workers and heads of department who have worked in the organisation for at least three years. The questionnaire asked the participants to give the information regarding their motivation and commitment to their organisation, and give their perceptions on HRM practices and their relation to organizational performance.

Whereas, with the ordinary workforce the administration of questionnaire consisted mainly on filling in the boxes and writing down brief answers to the open-ended questions. With managers, in addition to questionnaire usually a discussion took place around the open-ended questions where the data collection took more of the form of interview than mere administration of the questionnaire.

This research therefore explores the similarities and differences in the types of motivations available for worker in public and private sector in telecommunication industry in Tanzania, and how HRM system effectively contributes to the workers job motivation and organisation performance. The focus is on the question: do management activities improve motivation? And does this improved motivation lead to increased organisation performance?

## **1.7 Practical problems of the Research**

The big problem encountered during data collection was to get respondent from the private company (VODACOM). Despite the fact that I had prior communication with the HR manager of VODACOM, and he promised to help me, it was difficult to get all 15 respondents from the company as it was planned. I only managed to get 10 respondents because employees were very busy, and some of them refused to talk as they were afraid to misuse their time. Attempts to get the HR manager to convince them to talk were in vain because he was also very busy with his day to day activities.

## **1.8 Structure of the Paper**

This research is organised into five chapters. Chapter one is introductory chapter. This gives the general introduction of the research. Chapter two gives the literature review, where the concept of motivation, HRM, theories of motivation and principal-agent theory are reviewed to provide the critical analysis for the study. The third chapter provides the overview of public sector reform in Tanzania, followed by the discussion of the reforms in telecom sector. Then the overview of the public and private companies that are in business in this sector are analysed. In the forth chapter we present the data and the findings from the field answering the research questions, where the comparison of motivation and HRM system of private and public and the relations of HRM and the performance of private and public are analysed. The fifth chapter provides the conclusion of the study.

## Chapter 2

# LITERATURE REVIEW

This chapter starts with the definition and components of motivation, followed by the second part which carries the definition of Human Resource Management and the importance of HRM in delivering motivation to workers. In the third part we provide the analytical framework of the study. This is followed by the conceptual and theoretical framework where the motivation theories and principal-agent theory are analysed. Another part provides the analysis of the management reform in public sector companies in Tanzania with much focus on NPM and performance management systems. And the last part presents the analysis of the finding on organisational management literature and theories.

### 2.1 Definition and Component of Motivation

Various authors in HRM have defined the term motivation differently. Mescon (1995) defined motivation as a process of moving oneself and others to work toward attainment of individual and organisation goals (Mescon 1988: 380). Similarly, Bewley (1999: 4) defined it as “an individual’s degree to exert and maintain an effort towards organisational goals”. While Armstrong (2001) viewed motivation as “factors that influence people to behave in a certain expected way” he said motivation are built around three concerns; first environment this includes working conditions. Second; job related concerns like availability of resources and working tools. And third; personal concerns such as opportunities for training and promotions(Armstrong 2001: 106). Winfield (2000) categorized motivation as intrinsic and extrinsic. He related intrinsic achievements to personal goals, and extrinsic motivation to what comes from outside the organisation. He also argued that both are important to the individual although a person who is motivated by financial gain is different from one who has an instrumental attitude to work (Winfield et al. 2000).

Frey and Osterloh (2002) argued that in the workplace, intrinsic motivations consist of organisation loyalty, team spirit, autonomy, employees’ recognition, absence of any kind of discrimination against workers and feeling of achievement. Hence the motivation deriving from the activity itself or from within the person is called internal or intrinsic motivation. While the extrinsic motivators are those things satisfying the individual’s non job related needs and they are used to satisfy tangible needs. These motivators are such as wage, bonuses, material goods, long holidays and pension rights. Accordingly, the motivation stemming from external or from the job to the person is called external or extrinsic motivation. They also added that, although there is a clear distinction between intrinsic and extrinsic motivation, in reality they can not be “independent of one another”, as human beings by nature have intrinsic and extrinsic needs (Frey and Osterloh 2002). Moreover, under some circumstances, there will be a trade-off between intrinsic and extrinsic need. This implies that intrinsic and extrinsic motivations may come together as

workers are made more directly a part of the organisation, benefiting from its successes. For example an employee can be motivated intrinsically when the job is made more interesting and be motivated extrinsically when given or promised high bonus. So to satisfy workers in an organisation, managers have to make the working environment more interesting to motivate workers intrinsically and also to provide good payments and bonus to motivate them extrinsically. In this case some people may be motivated in short run, but may lose interest in the long run to make extra efforts when they are sure of the amount of money (Champagne and McAfee 1989). This means that in the long run high extrinsic reward will undermine intrinsic reward.

To achieve a certain desired goal the organisation needs to motivate workers. Motivation cycle suggests that high performance leads to the receipt of rewards, both intrinsic and extrinsic, which leads to increased employee satisfaction when such rewards are valued by the employee and perceived as equitable (Paarlberg 2006). Many theories of workplace incentives claim that a particular act would result to an outcome (Vroom 1964). This concept which can be linked to in-put out-put model which means that, when an employee is given a certain motivation it will lead to increase in performance and hence increase in productivity

## 2.2 Human Resource Management

Human Resource Management is defined by Storey as 'distinctive approach to employment management that seeks to achieve competitive advantage through the strategic development of highly committed and capable workforce, using integrated array of cultural, structural and personnel techniques' (1995:5). This means that HRM is important for workers' motivation and organisational performance (Storey 1995). HRM commentators based their arguments on the belief that employee's safety and welfare will attract quality and committed employees. This will lead to the achievement of the organisational objectives and performance. Although the theoretical underpinning of HRM seems to offer less agreement on whether HRM is a perspective or not, some writers offer various models and typologies that categorise approaches, with some of them being normative and others are empirical (Storey 2001). The two typologies of soft and hard model of HRM have also made attempts to bridge theory and practice. Basing on the underlying assumption and ideas on human relation movement advanced by McGregor (1960), two approaches to HRM are suggested.

The first approach is the soft model of HRM which assumes that workers spend the same amount of physical and mental efforts in their work as their private lives, as long as they are motivated. As Legge articulate that, the soft model of HRM views employees as valued assets, a source of competitive advantage through their commitment, adaptability and high quality (Ramaswamy 2000: 184). This model suggests that employees learn to seek and accept responsibilities because they are imaginative and creative (Storey 1995). Control and punishment are not the only mechanism to let people perform. Job satisfaction is important to engaging employees and ensuring their motivation and commitment. Workers are self-directing to the goals of the organisation. The criticism of this model is that workers may take the

advantage of this model by continually expecting more but give less (Kidombo 2005).

Second approach is the hard model of HRM which assumes that workers inherently dislike working and will try to avoid it if they can or work as little as they can and therefore managers are responsible for work organisation. Workers have different interests from the organisations'. They have to be controlled by the management and threatened so that they work hard enough. Workers are resistant to change, yet they want to feel secure at work, they therefore requires hard management approach, which involves directing behaviour and close supervision (Truss et al. 1997). Sisson (2000) declare that this model is the only route to organisational success (Sisson and Storey 2000). However, the model have been criticised by academicians like Hendry (1995) that it is inhuman and the worst industrial relation practices.

As an attempt to gain the advantages of both the hard and soft approaches to HRM, there has been general concern about what specific strategies organisation should adopt and use to translate HRM objectives into practice and how successful it could be. Whatever model and method of HRM is being applied, it should be seen as a means of developing a committed workforce through increasing their motivation (McCourt and Minogue 2001). Taylor have summarised four key elements of approach to management of people in workplace; first is an assumption and a belief that HR gives competitive rim and therefore the aim should be gaining the employee commitment and not mere compliance to procedure and rules meaning that employees have to be carefully selected and developed. The second is a strategic quality where top management involvement is necessary. The third one is that, HR policies should be integrated into the organisation's strategy. And forth is the critical role of line managers since HR practices are critical to the core activities of the organisation (Taylor 2001).

Ramaswamy have suggested four key strategies to HRM that can transform HRM objectives into practice. First, there should be communication with employees to keep them informed of wide range of issues and mould their attitudes. Team briefings, employee reports, and videos are used extensively as part of the effort to win employees mind and promote their commitment to the organisation. But this is problematic because trade unions always try to block. Second, participation of employees in management specified where unions have no role through Total Quality Management (TQM)<sup>1</sup>. TQM assumes that quality is the outcome of activities that takes place in the organisation in which employees participate in the improvement process; and that organisation need both quality system and quality culture. Third, functional and numerical flexibility are used in order to fully utilize employees. Functional flexibility goes with multi-skilling, job enrichment and semi-autonomous workgroups which are free to rotate them among their members. While numerical flexibility is achieved by distinguishing between

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<sup>1</sup> Can be seen as a philosophy of management which institutionalises planned and continuous business improvement

core workers and subordinate class who are used to cope with shift in demand. The fourth strategy is Just-in-Time (JIT) where organisations have to produce and deliver finished goods and services with minimum waste in time. Waste here is associated with anything that does not add value to the organisation for example too many workers, too much products, space, machine breakdowns, and idle time. Communications, participation and flexibility, are techniques of achieving JIT which is the ultimate objective of HRM (Ramaswamy 2000: 192-201).

However there are gaps, lapses and contradictions that is associated with the application of HRM to make workers motivated. This means that not all management changes that expose workers to HRM policies necessarily make them committed. Storey (2001) observed that there are many ways of managing employee relations that can be distinctive and indistinctive. This to a certain extent implies that HRM is prescriptive, not fully coherent and contradiction free. Therefore HRM should be applied carefully. Management (Individual manager) plays an important role in delivering motivation to workers. Workers motivation is highly dependent on how well managers balance reality and rhetoric of HRM. HR policies and practices need to be reviewed and refocused if necessary since it is important for continuous learning, trust and improvement (Storey 2001). And therefore this would help to achieve organisational objectives and performance (Legge 2005). Though it requires rationalisation of well functioning labour market, public structure, favourable political and socio-economic working environment (Guest 2001).

### 2.3 Analytical Framework

The analytical framework of this study chooses to use the soft model of HRM to draw a connection between the human resource management, motivation and organisation performance. And it is based on the suggestion of (Guest 1995, Legge 2005, Truss et al. 1997) that in order to improve employees motivation at workplace, employers or managers will have to create the opportunity for employees growth, autonomy, and trust if time, resource, and organisation culture can allow. They highlighted that clear roles, rewards, change of attitudes and explicit standards of performance as a bench mark between employees and the organisation is important if higher employees' motivation is to be achieved.

This study hypothesizes that: the following performance management system practices are positively related to workers' motivation and high organisation performance: 1) strategic planning, 2) training, 3) clear organisational mission, 4) clear employee's job description, 5) monitoring and performance appraisal including the positive<sup>2</sup> and negative<sup>3</sup> sanctions, 6) compensation policy and 7) job security. These are some of the basic elements of new HRM. The use of HRM in public or private organisation offers

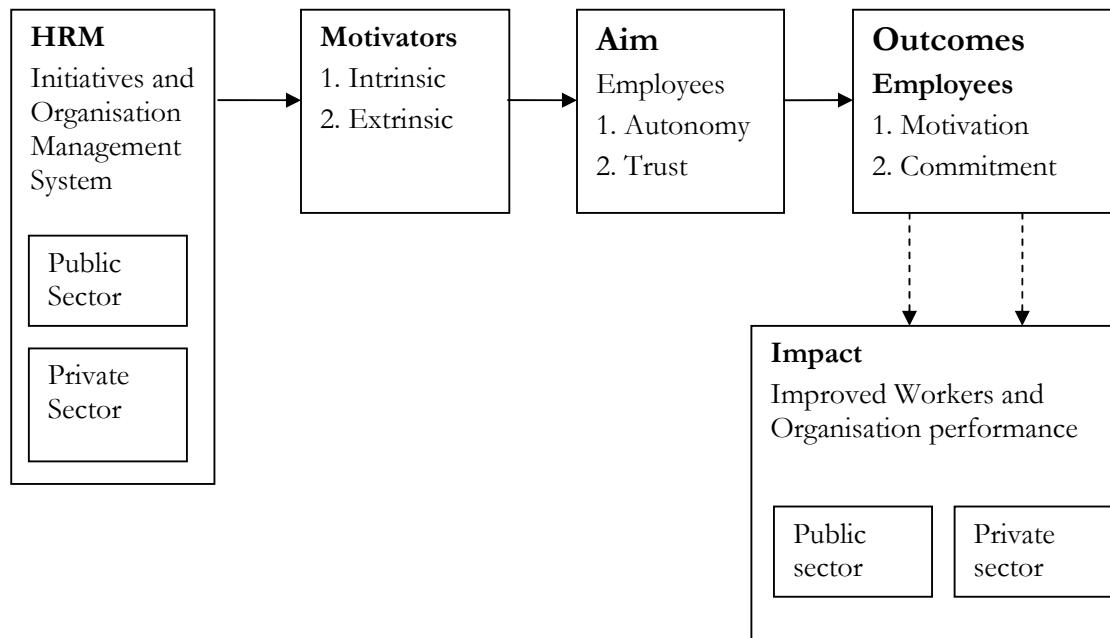
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<sup>2</sup> This means rewards

<sup>3</sup> This means punishment

intrinsic and extrinsic incentives to workers which encourage their autonomy, trust, and these influence workers motivation and commitments which results in improved workers performance which makes a potential contribution to the performance of the organisation. Also investments in certain human resource activities, specifically with respect to human resource planning, hiring and employee development, have a positive effect upon performance, in the form of labour productivity and organisational performance (Storey 2001). Figure 1 below demonstrates the diagram through which the HRM initiatives is analysed.

Figure 1: shows how HRM initiatives are viewed.



*Source: Author's own construct*

The dotted lines between outcomes and impacts mean that employee's motivation is not the only factor which explains the organisation performance. As Guest argues that there are many other intervening variables like change in market, consumer confidence, legal environment and technological environment which contributes to the organisation performance (Guest 2001). But never the less, motivation of workers is a strong precondition for organisation performance.

## 2.4 Conceptual and Theoretical Framework

This study applies concepts and theories of motivation and Organisation Management System. Prominent among the factors in motivational discourse are the content of work, extent of employee participation in organisational decisions, and the core extrinsic incentives of wages, promotion, fringe benefits, and job security. Understanding what motivated employees and how they were motivated was the focus of many researchers (Maund 2001). Many theories of which workplace incentives are based on claim that incentives are needed to achieve organisational performance (Awortwi 2006).

Three major approaches of motivation that will lead to the understanding of employees' motivation in this study are theory X and Y of McGregor, Maslow's need-hierarchy theory and Herzberg's two-factor theory. And the principal-agent theory will lead this study to the understanding of employees-employer relationship in the workplace.

## 2.5 Motivation Theories

### 2.5.1 *Theory X and Theory Y* of Douglas McGregor:

McGregor (1960) in his book "The Human side of Enterprise" states that people inside the organisation can be managed in two ways. The first is basically negative, which falls under the category X and the other is basically positive, which falls under the category Y (McGregor 1960). After viewing the way in which the manager dealt with employees, McGregor concluded that a manager's view of the nature of human beings is based on a certain grouping of assumptions and that he or she tends to mould his or her behaviour towards subordinates according to these assumptions.

Theory X (which is the for-runner of hard HRM) has the assumption that; employees inherently do not like work and whenever possible, will attempt to avoid it. Because employees dislike work, they have to be forced, coerced or threatened with punishment to achieve goals. An organisation that runs on Theory X lines tends to be authoritarian in nature. Workers are perceived as they do not like to take initiatives and prefer to be directed by management so that they work hard enough. They therefore require a hard management approach, which involves directing behaviour and close supervision (Truss et al. 1997). Organisations that practise this model invest in human resource development to ensure strategic integration with business strategy and discourage collective entities with collective bargaining and unions take the back seat (Truss et al. 1997).

In contrast, theory Y (which is the for-runner of soft HRM) is based on the assumptions that; physical and mental effort at work is as natural as rest or play. People do exercise self-control and self-direction and they are committed to those goals. Workers commitment to the organisational objective is not only as a result of the reward associated with their work, but also the pride of self-achievements (Robbins 1984: 47). Theory Y organizations can be described as “participative”, where the aims of the organization and of the individuals in it are integrated; individuals can achieve their own goals best by directing their efforts towards the success of the organization (Gary et al. 2000). Job satisfaction is important in engaging and ensuring employees' motivation and commitment. The management approach in directing behaviour in this case involves being permissive and satisfying workers demand such as training, flexible working hours, decentralising responsibility, including employees involvement in decision making and rewards aiming at achieving harmony (Truss et al. 1997). If all these are appropriately implemented, such environment would result in a high level of motivation as employees work to satisfy their personal goals and those of the organisation.

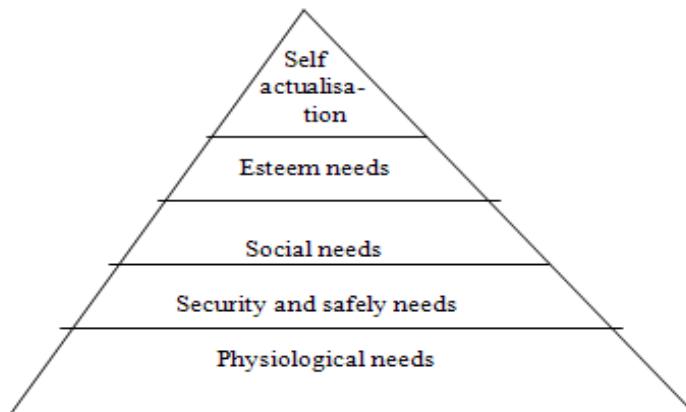
The discussion of theory X and theory Y shows that workers need to be motivated intrinsically and extrinsically. And the HR managers are supposed to know workers' specific needs in the workplace, so that they can know what ways to motivate them.

### *2.5.2 Abraham Maslow's ‘Need Hierarchy Theory’:*

Abraham Maslow introduced the motivation theory which focused on the psychological needs of employees. He includes intrinsic needs of human being in his theory (Champagne and McAfee 1989). Maslow theorised that there are five levels of human needs which employees need to have fulfilled at work. The five needs from the lower to the higher are; physiological, safety, social, ego, and self- actualizing (see figure 2). He argued that lower level needs had to be satisfied before the next higher level need would motivate employees. All of the needs are structured into a hierarchy and only once a lower level of need has been fully met, would a worker be motivated by the opportunity of having the next need up in the hierarchy satisfied (Robbins 2002).

Maslow's needs theories have reminded managers to think of the welfare of the employees (Champagne and McAfee 1989). An employer should therefore offer different incentives to workers in order to help them fulfil each need in turn and progress up the hierarchy. Managers should also recognise that workers are not all motivated in the same way and do not all move up the hierarchy at the same pace. They may therefore have to offer a slightly different set of incentives from worker to worker. However Maslow have been criticised by failing to explain how the hierarchy needs differ from individual to individual (Robbins 2002: 42). There is little evidence to show that employees will be continually motivated through Maslow's hierarchy needs (*ibid*).

Figure 2: Maslow's hierarchy of needs



Source: Stephen Robins, 1984, pp 45

### 2.5.3 Fredric Herzberg's Motivators and Hygiene Factors Theory

Frederick Herzberg had close links with Maslow and believed in a two-factor theory of motivation. Herzberg (1966) likewise argued that there were certain factors (motivators) that management could introduce that would directly motivate employees to work harder. And there are other factors (hygiene factors) that would de-motivate an employee if not present but would not in themselves actually motivate employees to work harder. Guest (1995) explained that motivators are more concerned with the actual job itself. For instance how interesting the work is and how much opportunity it gives for extra responsibility, recognition and promotion. While hygiene factors are factors which 'surround the job' rather than the job itself. For example a worker will only turn up to work if the management has provided a reasonable level of pay and safe working conditions but these factors will not make him work harder at his job once he is there(Guest 1995).

Herzberg literature forms the bases for Functional flexibility and team work which requires people to have job enlargement, job rotation, up-skilling and that people can do more than single job. By doing more than one job has double effect. On one hand it helps the employer because if you have a group of people who can do each other work there is a possibility to do more work with less people. On the other hand it is good for workers because work now becomes more interesting (Ramaswamy 2000).

It is believed that businesses should motivate employees by adopting a democratic approach to management and by improving the nature and content of the actual job through certain methods. Some of the methods managers could use to achieve this are: 1) Job enlargement – workers being given a greater variety of tasks to perform (not necessarily more challenging) which should make the work more interesting. 2) Job enrichment - involves workers being given a wider range of more complex, interesting and challenging tasks surrounding a complete unit of work. This can only be done if workers are better trained to up-skill their knowledge. The provision of training to workers

is an important aspect of the managerial tool kit management has at its disposal to improve motivation which give a greater sense of achievement and thereby improve organisation performance. 3) Empowerment means delegating more power to employees to make their own decisions over areas of their working life (Herzberg et al. 1959, Quick 1980). As Aiying He (2005) quotes Mobley et al. (1979) that

“intrinsic motivating factor provide stability to employees and thus intrinsic job satisfaction is more related to workers commitment than hygiene factors” (He 2005: 25).

The critic to this theory is that, an employee may still have poor satisfaction with hygiene factors yet their career satisfaction is high (Garsker 1996: 19). And also employees may feel that the job is acceptable but still dislike part of their job (Garsker 1996: 20). Furthermore, this theory concentrates only on the satisfaction side, and forgotten to link employees satisfaction and productivity (Roderick 2004). Nevertheless, this theory has been providing recommendation for improving job satisfaction to workers, and therefore it provides a practical course of action for employee motivation at workplace.

## 2.6 Human Resource Management in Workplace

Having in mind the proposition of McGregor that some managers believe that workers are lazy and lack direction, to require performance from them need the management of good judgment. The performance of workers in the workplace will very much depend on how the management is able to structure incentives both intangible and tangible, and control mechanisms. Relating this to the modern management, the soft and hard approaches of HRM are used to extract performance from workers. While soft approach of HRM (which is linked to theory Y of McGregor) seeks harmony and is permissive with the aim of getting employees' cooperation and commitment, the hard approach (which is linked to theory X of McGregor but also extend to the principal-agency theory) consists of an environment of control and supervision. However, arguing from Frey and Osterloh findings, incentives and control systems can interfere with the natural sensibilities and self motivation of the workers. The problem is that trusting workers to work without these carrot and stick mechanism is problematic and not preferred in the modern days HRM (Frey and Osterloh 2002). Therefore, management needs to become smart employer to be able to define the sort of workers to employ and connect them with the organisational goals and identify the quality of workers productivity (Garsker 1996).

### 2.6.1 Performance Development Appraisal System (PDAS)

This is the combination of two things, on one hand the trust and autonomy of the employees, and on the other hand the close monitoring and keeping truck of an employee performance against organisational performance indicators (Armstrong 1993). The PDAS brings together the two central themes of improving the quality of public services, and building the capacity necessary to

deliver services. It entails clear objectives and communication for both management and workers; clear process of monitoring and reviewing performance; use performance targets, standards, indicators and measures to express the organisational objectives; and utilise the appropriate reward and punishment to encourage behaviour which will enable the organisation to achieve its goal (Schneier et al. 2005).

In a workplace PDAS can be done at individual level and at organisation level. In the individual level the most common method used is modern performance-oriented staff appraisal system (Guinn 2005). According to Gilishankar (2001), organisation performance and development are ensured in two conditions. First, 'the structure conditions' this concerns to the governance structures that shape the incentive environment in which the organisations and individuals perform. A structure condition includes three elements which are considered to be favourable in improving organisational performance. First, formal incentive, which comprise job classification, wage remuneration, grading system, and sanction, second, external checks and balance in which participation and client feedback put pressure to bear on an organisation thereby encouraging employees to perform better; and third, availability of timely information on performance in which information on cost efficiency or client satisfaction is used to improve future organisation performance. The second condition is 'the capacity condition' which involve the governance structure that need a minimum level of skill, know how and equipment to fulfil their objectives (Girishankar 2001).

Moriss (1991) have suggested three components of PDAS in improving the performance of the organisation. First, 'performance evaluation system', in which organisation goals are translated into explicit organisational objectives and quantified in a performance criterion. Targets are fixed for these criteria and measured by weights and these should be clear, explicit, under management control and fair to both employer and employees. The second component is 'performance information system', in which the actual performance and achievement of the organisation are monitored. And lastly, performance incentive system in which workers are rewarded or punished according to the relationship between actual and desired behaviour (Morris 1991).

### ***2.6.2 NPM and Management Reforms in Public Sector***

One of the changes that occurred in management in public sector was the Civil Service Reform (CSR). CSR is a supporting strategy for decentralization in government operation and service delivery; and has modified rules and incentives to achieve smaller, efficient, dedicated disciplined and performing labour-force (Langseth and Justus 1996). As Vondee quotes Pollitt & Bouckaert who defines management reform in public sector as

"consist of deliberate changes to the structure and processes of public sector organisation with the objective of getting them (in some sense) to run better" (2006: 17).

Therefore this implies that, the structure change of the organisation may include integration or tear public organisations for efficiency and specialization.

As Vondee argues that the Weber's proposition in the late twenty century of bureaucratic and highly centralised organisations as a rational way of dealing with people and society and which had for a long time dominated the public sector are no longer seen as appropriate ways of dealing with changes in society (Vondee 2006). Many countries in the developing word have adopted NPM approach.

New Public Management (NPM) principles brought changes in public management systems and structures. Basing on the ideology that private is better than public, the NPM seeks to promote the private sector management techniques into the public sector. This is the broad strategy to achieve efficiency, effectiveness and quality servicers (Susan 2006). Consequently, the NPM reform model is driven by the assumption that lager state bureaucracies are naturally extravagant, uneconomical and imperfect, while the market is the best equipped in providing most good and services and it is more economical (Minogue 2000.). The application of the NPM model has found listeners in many developing countries because of the influence from the donors in their economies (Awortwi 2006, Larbi and Sandy 2004. ). The HRM was included in the reform agenda, under which the traditional Weber's bureaucratic model of hierarchical and tight central control system, and life long career service were challenged by the NPM principles of contracting out, increased role of line managers, performance measurement, contractual use of labour, flexibility and employees development (Pollitte et al. 1997, Williamson 2003). Believers of NPM have argued that, competition, customer care, decentralisation, performance management, and motivation can help to transform the culture of public organisation in the same way as they did to private sector.

Despite its advantages, NPM has been criticised by academicians like (Noordhoek 2005) and (Poliütt and Bouckaert 2000), who argued that NPM was a reaction to a perceived lack of effectiveness; the market-oriented values provide inconclusive direction and lacks the legality in a state founded law. They argued that NPM is a western philosophy and a luxury that raises false hopes in developing countries because most of them lack fundamental resources for its implementation. NPM reforms perpetuate a long-term conflict and tension between government and employees in public sector organisations and these blocks the public sector organisation from gaining the autonomy. This implies that, transforming the public sector with private sector doctrine does not mean that public organisations may not fail in its quest to imitate the private sector. And therefore this may not be all right for application of HRM initiatives that can encourage workers motivation.

The adoption and the application of NPM have been accompanied by the performance management system in which the big concern of the organisation should be fixing and managing rewards with the wider reference to organisational issues, values and other factors with the role of line managers at forefront (Sisson and Storey 2000).

## Conclusion

The motivation theories show that workers have intrinsic and extrinsic needs at workplace, and the employer needs to know what the employee's specific needs in the workplace are. Also there is a need for HRM to assume or be aware that in the workplace there are two types of workers; first those whose personal objectives are similar with the organisation and they like challenges; and second, those who are lazy, they don't like to work and may not take any initiative to work hard without clear monitoring and control. Knowing these differences in employees' characteristics, HR managers need to know what approach of HRM (either soft or hard) to be applied so that they can motivate them extrinsically and intrinsically to gain their commitment and increase individual and organisational performance.

# **Chapter 3**

## **TELECOMMUNICATION SECTOR IN TANZANIA**

### **3.1 Introduction**

This chapter discusses the telecommunication sector in Tanzania. The first part gives a brief history of public sector reforms in the country. The second part gives a brief history of the telecommunication sector and the reforms that have taken place; it shows the characteristics and the reasons for implementing the reforms. In the third part the similarities and the differences of public and private companies evolved in telecommunication sector are discussed.

### **3.2 Public Sector Reform in Tanzania**

In 1967, Tanzania with the Arusha Declaration, the government, through the nationalisation policy, assumed control of almost all economic activities in the country. This was seen as an essential instrument for achieving economic independence and planned development (Debrah 2004). However, like other African countries, Tanzania experienced massive underperformance in public sector activities in the late 1970s to early 1980s. During this period, government salaries lagged behind those of private sector pay. The consequence was a decline in productivity and an increase in inefficiency in the production of goods and services (De Valk 1996). In general, major factors that accounted for the poor performance in public sector were socialist government that sought to use the public sector as an employer of last resort, poor economic management of the public sector, and unmotivated public sector workers (Debrah 2004). It is against this background that the economic restructuring programmes were initiated.

After years of following a socialist model of economic development that was ushered in through the Arusha Declaration, the government of Tanzania embarked on market reforms from the mid 1980s (Mashindano 2004). The reform follows years of claims of mismanagement in the government sectors. The new move was to make the market lead the economy of the country. Although the reforms proceeded slowly to begin with, there was a marked improvement in the pace in the 1990s. Part of the reforms pertained to the transfer of the public sector activities to the private sector through the process of privatization and corporatization (UNCTAD 2002). The policy of privatization was initially confined to agriculture services and manufacturing industry and less to public infrastructure. In terms of public infrastructure the state had seen the service as public goods to which government involvement was most important. However, by early 1990s, the privatization policy had been extended to public infrastructure services including telecommunication, and other utilities. The government also introduced the programmes to

reform the internal structure and capacity of employees working in the government sector (Mkenda 2005).

The reforms that the government embarked on were meant to cut public expenditure in order to manage the public debt, and they included reducing employment to make it conform to a smaller government, to provide civil servants with incentives, which meant increasing their salaries and skills, and improving management and accountability in the public service (Lienert 1998). The drive to private sector participation was perceived to be delayed by poor state of civil service.

### **3.3 Civil Service Reform and HRM Initiatives in the Operation of Public Service in Tanzania**

The major problems facing civil service in Tanzania were lack of logistic, over-centralisation of functions, poor working environment, lack of direction and commitment among leadership, lack of morale, and serious deficiencies in training programmes (Mkenda 2005). According to Mkenda, while the number of government employees was expanding, the government ability to pay them was declining; hence employees were provided with inadequate incentives to motivate them. It was believed that public sector employees grow to be demoralized because of years of being neglected; hence their productivity was affected thus affecting the general performance of the public sector. To correct the situation, the government of Tanzania under Civil Service Reform Programme (CSRP) had to reduce the staff numbers through a recruitment freeze and retrenchment programme total Civil Service employment fell from 355,000 in 1992 to 270,000 in 1998; the pay structure was simplified and real pay levels increased with some decompression of the salary structure to attract and increase employees' motivation and retain high quality staff; had to develop a coherent and dynamic training programme to reorient civil servants (Graham and Richard 1999). However different reports (Halfan 1998, Mashindano 2004, Mkenda 2005) show that the ultimate target of pay and employment reform to improve public sector performance did not improve as expected.

However, within a rolling plan and forwarded budget for 1996/97 the government of Tanzania started the second round of CSRP. The emphasis this time was to strengthen the leadership and management level of public sector institution; to better clarify the objectives of the institution; to employ the right expertise and give them right incentive to raise their morale for improving performance (Public Service Reform Programme (PSRP) 2001). Resulting to this, the effective HRM policies was established in public sectors to attract, motivate, retain, and develop a cadre of public servants through training, performance management, career management, and succession planning. This implies that the civil service reform supported the development and institutionalization of wide-ranging approach to HRM.

The civil service reform and the HRM are manipulating the way public sector organisations work in Tanzania. The introduction of competition through internal market; the subcontracting of government service to the private sector; and the elimination of state monopoly in many public services

have obliged many public organisation to adopt different ways of management approach like customer care, and cost effectiveness (Lienert 1998 , Mkandala R.S and Grosh 1994, Mkenda 2005).

### **3.4 Reforms in the Telecommunication Sector**

The evolution of telecommunications in Tanzania can be traced as far back as the early1920s, when the then Tanganyika and Zanzibar were still under colonial rule. The colonial settlers, foreign trading companies and later missionaries, established their centres in the country, thus the spread of the postal and telecommunications network followed the pattern of these centres. In 1961, when Tanganyika became independent, the East African High Commission gave way to a new organ, the East African Common Service Organization (EASCO) and the Head of Posts and Telecommunications was designated Postmaster General (PMG).

In 1967 the East African Community was established and became operative from 1st January, 1968 replacing the then EASCO. It also brought certain changes in the operation of P & T Administration. The name of the Administration was changed to "Corporation" and since then the business was conducted on commercial lines under the East African Posts and Telecommunications Corporation (EAP&TC). The disintegration of the East African Community in 1977 necessitated the establishment of Posts and Telecommunications organizations in each member state of the defunct Community. The Tanzania Government incepted a parastatal known as Tanzania Posts and Telecommunications Corporation (TPTC) in 1978.

However, in 1993 the Corporation (TPTC) was reformed as part of the government's move to liberalize the communications sector in the country. Following this reform, three entities were formed, and these are the Tanzania Posts Corporation (TPC) the Tanzania Telecommunications Company Limited (TTCL) and Tanzania Communication Commission (TCC). In 1994, the telecommunication sector was liberalized, providing space for private sector participation. Since then the telecommunication sector has become one of the most vigorous and energetic sectors in the Tanzanian economy. The major group of actors or companies in the sector are: Tanzania Telecommunications Company Limited (TTCL), VODACOM, tiGo, CELLTEL and ZANTEL.

For the case of this paper only TTCL, VODACOM and tiGo are surveyed to see their similarities and differences in the application of HRM initiatives and their impact on organisation performance in public and private companies.

### 3.5 The Organisational Differences among Telecommunication Companies in Tanzania

#### *3.5.1 Public Sector Company in the Telecom Sector*

##### **(TTCL)**

The Tanzania Telecommunications Company Limited (TTCL) was established by an Act of Parliament, "The Tanzania Telecommunication Company Incorporation Act of 1993". The company came into operation on 1st January, 1994. According to the Act, TTCL was established to develop and operate telecommunication services within and outside the country. As part of the reform programme, the Tanzanian government privatized 35% of its 100% share with the full management control to a conglomerate of Detecon of South Africa and MSI of the Netherlands in 1999 in order to bring in commercial, technical, and financial expertise. Upon the expiry of the technical services of agreement with Detecon and MSI in 2003, Tanzanian government tendered the proposal to invite interested organisations to bid for the right to manage and develop the TTCL into a modern and viable telecommunication unit. Out of many bids submitted, Detecon of South Africa was chosen to prepare the business plan, but due to the government and the Detecon unsolved differences in shareholdings and governance issues, the Tanzanian government decided to remain with 65% of the total share and the rest 35% share remained under Detecon of South Africa and it was not considered wise for the government to offer management to them. Therefore its management has been contracted out to SASCATEL Company of Canada, with respect to employees, ownership, and statutes, TTCL is a public organisation, and can not be classified as a private organisation because the government has the majority share. At most it can be classified as not genuine public but having the appearance of private. SASCATEL only brings in the technical and management skills. The day to day operations of the company are handled by the Chief Executive Officer, supported by deputy and five Chief Officers (TTCL 2007).

The TTCL is the biggest telecommunications operator in the Tanzania, holding 12% of market share. In brief the areas of activities for the company include: to provide telephone services within and outside the country; to operate telecom services in accordance with TTCL license issued by the Tanzania Communication Commission (TCC); to take over the business assets and liabilities of the former corporation TPTC in relation to the provision of Telecommunications systems and services which include mobile phone services, direct exchange lines (DEL), prepaid phone and broadband; to establish, develop and operate telecom services within and outside the United Republic of Tanzania and to provide all incidental services which are necessary and proper for the purpose of the company. That is why TTCL is one of the largest employers in the country employing more than 4,000 Tanzanians.

### **3.5.2 Private Sector Companies in the Telecom Sector**

#### **VODACOM TANZANIA**

VODACOM (T) Ltd was the second private company in Tanzania to provide GSM services after the adoption of the liberalization policy in 1990s. VODACOM Ltd. won a bid to operate a GSM cellular network in Tanzania and formed the subsidiary company VODACOM Tanzania Limited in the 1990s. Vodacom Tanzania Ltd is a subsidiary company of VODACOM Ltd based in South Africa. It is currently the most dominant and largest mobile phone network provider in Tanzania, holding 53% market share with more than 4 million customers. In 2000, VODACOM (T) Ltd completed its state of the art GSM infrastructure and went live on August 14, 2000. On August 15, 2000 it officially started its commercial operations. Within the first four months of operations 50,000 subscribers were connected to its network ([www.vodacom-tz.org](http://www.vodacom-tz.org)). Its dominance exceeds the sector as it has been voted by Tanzania Communication Regulatory Authority (TCRA) as the number one company in terms of profitability ratio, turnover, and contribution to social development in the country. Currently VODACOM is employing a total of 668 Tanzanians, and also it provides employment to agents who retail its prepaid, payphones and recharge cards.

#### **tiGo**

tiGo was the first mobile phone company to introduce the analogue system in Tanzania in 1994 under the name of Mobitel, although now it has become the operator of GSM with more than 2,000,000 subscriber's base. TIGO holds about 8% of the market share, and it has a total of 384 employees.

Table

A:

Showing the organization differences among VODACOM, TTCL and TIGO in Tanzania<sup>4</sup>

Name of the company.	ORGANISATIONAL FEATURES					
	Ownership	Management	Market share	No of employees	Labor contract	Types of operation
<b>TTCL</b>	Tanzanian Government	Contracted-out to private sector	12%	4256	Mostly permanent with few contract	Fixed lines and mobile phone services
<b>VODACOM</b>	Vodacom Group (Pty) Ltd	Private Sector	53%	668	Contract and permanent staff	Mobile phone services only.
<b>tiGo</b>		Private Sector	8%	384	Contract and permanent staff	Mobile phone services only.
<b>CELTEL</b>		Private Sector	27%	214	Contract and permanent staff	Mobile phone services only.

Source: field data compiled from telecommunications companies profiles and documents

<sup>4</sup> All three companies have a nationwide coverage

# Chapter 4

## FINDINGS AND ANALYSIS

### 4.1 Introduction

This chapter discusses the results of the data and analysis of different types of motivators found in public and private companies. The first part of the chapter discusses and analyses types of motivators available for workers in public and private companies. The second part of the chapter examines the management systems of these organisations in the application of principles of HRM. The third part is the analysis of the workers and heads of department's perception on different types of motivation and how they perceive their relation to the organisation performance. This is followed by the explanation on how the HRM system contributes to the workers job motivation and organisational performance. The last part provides the analysis of the findings.

### 4.2 Types of Motivators Available for Workers in Private and Public Organisations

This section is going to answer the research question which says 'what types of motivation are available for workers in public and private sector organisations? Different motivating factors (intrinsic and extrinsic motivators) are analysed here practically.

Table  
Type of motivators available for workers in TTCL compared to VODACOM and tiGo companies B:

MOTIVATORS	Types of motivator		PUBLIC	PRIVATE
	intrinsic	extrinsic		
Condition of work		X	Satisfactory	Good
Fringe benefit		X	Minimally available	More available
Job security	X		Permanent employment	Employment based on contract
Promotion and career development	X		Not proper	Proper
Training	X	X	Better (on the job and out the job training)	Satisfactory (On-the-job training)
Workers participation in Org. decision making	X		Command structure	Command structure
Content of work	X		Low	High
Salary		X	Moderate	High

Source: Data compiled from field.

#### 4.2.1 Conditions of Work

All companies enjoy a good working environment, all organisations provide a type of security and safety for workers as long as they are working with them; although in VODACOM the working environment is more modern and better compared to TTCL and tiGo. In all companies there are first aid departments to assist those who get accidents in the workplace. And the workers who work in sites are provided with protective instrument to avoid accidents or to

minimise the effect of the accident. Also all companies provides health insurance to all workers, the difference is that in TTCL the employee gets free medical coverage with partner and children (not more than five people) with no age limit, while in VODACOM and tiGo employees gets medical coverage with their families but the age limit for their children is 18 years. In general, the condition of work of TTCL on one hand and VODACOM and tiGo on the other hand can be concluded that VODACOM enjoys better condition of work because they have good offices with modern equipment and even their workers' protective gears are up to date.

#### ***4.2.2 Fringe Benefits***

The fringe benefits which are offered in these companies have a small difference. Whereas the TTCL employees enjoys few other incentives like medical insurance, free telephone calls, and car loans (to only few employees in managerial level), the VODACOM employees enjoy the same incentives with the addition of transport allowance, accommodation allowance and payments of bonuses. In VODACOM employees are given an annual bonus which depends on how successful the company was in that financial year. The bonus is given to all workers following the percentage of their salary; it does not depend on workers performance in the company. In TTCL they say that now days there is no bonus system, the last bonus was given in the year 2000. Therefore in the point of how these companies compensate and motivate their employees there is a point of difference between them. The private companies get more fringe benefit than in the public companies.

#### ***4.2.3 Job Security***

One hundred percent of respondent employees in TTCL feel secure in their jobs while in private companies only 30 percent of the respondents feel that they are secure. Many employees in TTCL are permanently employed and some few others have automatically renewed employment contracts. Their employment security is still certified to the public sector regulation which makes it difficult to be sacked. While employment in private companies is based on a contract of maximum of three years, this may or may not be renewed depending on performance of the employee among other factors. Therefore a larger percent of employees in VODACOM are not totally sure about their job security. As one employee in VODACOM said:

Although we have the employment contract, we have to work hard, be competent in the work and avoid mistakes, because if you mess up the management fires you on the spot (VODACOM employee).

While employees of TTCL when asked a question like: Do you feel that you can lose your job at any moment? 100% of respondents said no. Most of them gave the reason that it is because they are permanently employed. And one employee said

“Because of socialist ideology in my mind, I feel more comfortable and I have pleasure to work with public company. And I feel so much connected to

“TTCL I have been here for seventeen years and I have learned a lot from this company” (TTCL employee).

This shows a big point of difference between public and private companies in motivating workers. The perception of job insecurity also affects employee's motivation and commitment to the organisation. Table C below shows the different views of employee's in job security in public and private companies

**Table C: Employees views on job security**

Questions	PUBLIC (in percentage)			PRIVATE (in percentage)		
	Yes	More or less	No	Yes	More or less	No
Does your work have job security?	80%	13%	7%	20%	60%	20%
Do you feel that you can lose your job at any time?	0%	0%	100%	30%	70%	0%

Source: Compiled data from the field work

#### **4.2.4 Workers Participation in Organisational Decision Making**

Several studies have identified the extensive use of teamwork and decentralised decision making as important HRM initiative for increasing organisational performance (Pfeffer 1998). Team-based organisations encourage employees to poll their ideas to come up with creative solutions to problems. Additionally, participation in decision making may enhance employee's commitment to the organisation. This can be done if the employees provide and get back the information for processing and for decision making.

Employees from both public and private companies feel that they don't participate in the decision making process. The TTCL employees criticize that because the organisation is too big, it is difficult to know when and how the decisions are made in the organisation. Although in TTCL Human resource management guidelines and regulations it is well stipulated that, lower and middle level employees will have to submit their suggestions and opinions to their heads of department through their departmental meeting, so that those opinions can be discussed in the Heads of Department's Meetings. But in reality that is not the case. Even with the implementation of the NPM in public sector company, still there is the disinclination on part of the middle and frontline staff to make basic decision. The decision making process is still in the command structure. One employee from TTCL lamented that

“We don't have any clue or information on when and how the organisation decisions are made. Only employees at the top level and the decision makers in this organisation know about company performance. All the reports on how the organisation is performing are available to only few people in the organisation.” (TTCL employee)

Likewise, employees at VODACOM complained about not being involved in decision making. As they say that, although their office is more modernised and the information system is highly advanced, there are some fundamentals in the organisation that do not allow employees to have easy access to files and logistics of organisation performances. This shows some similarities between private and public companies

#### ***4.2.5 Promotion and Career Development***

There is a bit difference in promotion and career development in public and private company. There appeared to be a proper promotion and career development in private than in public company. Like tiGo, in Vodacom there is a well stipulated way of promotion in which employees are promoted following the attainment of certain requirements and performance. Employees in TTCL feel that there is no clear promotion and career advancement. The promotion of the employee is done only when there is a vacancy in the organisation, if there is no vacancy then the employee remains in the same post for years. The management structure of the organisation in private sector is flat (thinner at the top and thick at the bottom). While the management structure in TTCL is a little bit hierarchical. This factor of motivation shows the different between these two sectors.

#### ***4.2.6 Training***

Training can be expected to be an important determinant of organisational performance. A variety of Human Resource Management practices are related to the development of the human resource of the company. First, company investments in both technical and non-technical training are likely to have a positive impact on the extent to which the company actually succeeds in developing the skills or knowledge of its employees.

The training opportunity to undertake job related training is available in all companies. TTCL, Vodacom and tiGo offer on-the job training, though TTCL went further by allowing its employees to attend out job training, and sometimes it is sending its employees abroad for more studies. This gives the employees chance and support to develop their career, as a result they feel more connected and attached to the organisation. For example there are some employees in TTCL who entered the company with only secondary education certificate but now they have been able to earn their degrees or post-graduate degrees and diplomas and they manage to get promotion whenever vacancy was available.

What attracts me much in undertaking out of job training is that you continue to get the full salary and at the same time my occupation and positions are maintained (TTCL employee).

This is kind of motivation because while they are advancing their career, their salary, job, and position are also secured.

On the other hand, in VODACOM and tiGo, a lot of employees declare that their employer discourages them from undertaking long-term and out of job training. Employees are told to resign their job if they want to go for long term training. However some employees decide to develop their career by attending part-time studies in the local colleges or universities. This is another area where public and private companies differ in the application of HRM initiatives. In broad-spectrum employees at TTCL gets better human resource development package from their employer as it have the good capital base and infrastructure than those in VODACOM and tiGo.

#### **4.2.7 *Salary***

This research assumed that the salaries and other privileges of public and private sector employees in Tanzania are different, and this may affect their performance in the organisations. The salaries of employees in TTCL companies have increased after the adoption of civil service reform and NPM policies in telecommunication companies. TTCL use a salary structure which is quite different with other civil servant. Although it was not possible to get the general salary structure of the VODACOM, tiGo and TTCL companies, the analysis is based on the sample of respondents from both companies which indicate that there is a major difference.

Whilst in broad-spectrum the first appointment employee holding a first degree, with three to five years experience in Tanzanian public sector earns between 250,000 to 350,000 Tanzanian shillings (250 – 350 US\$) per month, those in TTCL earn between 650,000 and 900,000 Tsh (650 – 900 US\$) per month. The employee with the same educational qualification and experience in VODACOM earns twice as much between 1.5m/- and 2.5m/- (1500 - 2500 US\$) per month. In comparing these three companies with other telecommunication companies in the country, employees at VODACOM are the highest paid (they rank number one), followed by employees from tiGo, then employees from TTCL. Employees at CELTELL are the least paid. Although employees in TTCL rank number three in telecommunications companies, when comparing them with other public employees they seem to be highly paid.

Concerning the TTCL, VODACOM and tiGo, and based on the general observation of these companies in terms of companies' market share, customer base and physical infrastructures, VODACOM is ranking number one. And maybe that is why it can afford to pay its employees that handsome money. However, it has been observed that apart from the fact that employees in VODACOM are highly paid, most of them do not stay long in the organisation. The study shows that 80% of respondent from VODACOM have less than three years in the organisation. While their counterpart TTCL, data shows that only 27% of respondent have stayed in the organisation between four and ten years, and other 73% have stayed in the organisation more than ten years. (See table D below). If salary is the sole reflection that motivates and make employees committed, perform, and stay in the in an organisation, then TTCL would find it difficult to retain its workers. However, while VODACOM which is ranked number one telecom company in Tanzania is paying its employees very well, its employees do not stay longer in the organisation.

**Table D: Employee's Retention in the Companies**

Name of the company	Number of years you have been working with this company			
	Less than 2yrs	2-3 yrs	4-10 yrs	More than 10 yrs
TTCL	0%	0%	27%	73%
VODACOM	80%	10%	10%	n.a
tiGo	33%	33%	17%	17%

Source: Data compiled from the field work

#### **4.2.8 Workers' Satisfaction with Their Salaries**

Employees in both public and private companies are generally not satisfied with their salaries irrespective of where they work despite the fact that VODACOM employees earn twice as much as employees of TTCL. Data show that out of the total number of thirty three respondents from both organisations, only five respondents were satisfied with their salaries (see table E below). This shows some similarity between these companies

**Table E: employee's opinion on the satisfaction of their salaries.**

Name of the company	Question	
	Is the income you get here satisfying?	
	YES	NO
TTCL	2 (13%)	13 (87%)
VODACOM	2 (20%)	8 (80%)
tiGo	1 (20%)	5 (80%)

Source: data from field work.

#### **4.2.9 Employees' Loyalty and Commitment with their Organisation**

Commitment is necessary to cultivate loyalty, improve performance, and optimize cooperation among individual and groups (Laurie 2002). Here there seems to be big difference between employees in public and private sector, while in general there is a tendency for workers to be influenced by high financial rewards to change jobs, this was not the convincing case at TTCL. This was tested and approved by a hypothetical question in the interview. When respondents were asked: "would you change your job if you are offered 15% more on your salary by another company?" The result was that, 80% of respondent from private companies confirmed that the 15% increment in their salary is enough incentive to make them change their job. On other hand only 20% employees in TTCL said yes and other 73% were not convinced to change their job (see table F below). This result may correspond to the notion

that public sector workers prefer to stay in their job because of, first, the security it offers them, second, employees in TTCL feel more attached to their organisation because to some of them TTCL has been like a parent to them, and third, because of socialist ideology among many Tanzanian (public workers) private companies are regarded as agents of capitalism. In other words, many public employees decide to remain in their job even though their chances of promotion are minimal, and even though they are paid less than those in private companies.

In this case there appears to be a difference in the perception of public and private sector workers as far as employee's loyalty is concerned. The perception of security, political ideologies and feeling of more attached to the organisation seems to affect employee's loyalty to their organisation.

**Table F: Employees perception about royalty in the organisation**

<b>Questions</b>	<b>Public Company (in percentage)</b>			<b>Private Companies (in percentage)</b>		
	Yes	More or less	No	Yes	More or less	No
Would you change your job if you are offered 15% more on your salary by another company?	20%	7%	73%	80%	20%	0%

Source: Compiled data from the field work

#### **4.3 Workers and Head of Department's Preferences on Different Types of Motivation**

Under this section we are going to answer the question that 'how do workers rank the incentive structure as the most important motivating factors in satisfying their commitment and performance in the organisation?' Knowing that in any workplace, there are different forms of incentives that motivate workers to perform and give their best, the sampled employees and heads of departments from both companies were given a list of factors which are important to the organisation, and they were asked to rank them according to their preference. Table G below shows the summary of outcome of their preferences.

**Table G: employees and heads of departments ranking of motivating factors**

<b>MOTIVATION FACTORS</b>	<b>TTCL</b>	<b>VODACOM</b>	<b>tiGo</b>
Interesting work	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
Good salary	2 <sup>nd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>
Full appreciation of work done	3 <sup>rd</sup>	2 <sup>nd</sup>	5 <sup>th</sup>

Job security	4 <sup>th</sup>	5 <sup>th</sup>	3 <sup>rd</sup>
Prestige associated with organisation	5 <sup>th</sup>	6 <sup>th</sup>	6 <sup>th</sup>
Promotion and growth in organisation	6 <sup>th</sup>	7 <sup>th</sup>	4 <sup>th</sup>
Good working condition	7 <sup>th</sup>	3 <sup>rd</sup>	9 <sup>th</sup>
Sharing of organisation goals	8 <sup>th</sup>	10 <sup>th</sup>	10 <sup>th</sup>
Participation in decision making	9 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>
Relation with colleague	10 <sup>th</sup>	9 <sup>th</sup>	8 <sup>th</sup>

Source; data compiled from the field

From the table above, it comes as an eye-opener that employees and head of department interviewed in both organisations see interesting work as number one motivating factor that pushes their workforce. Employees at TTCL and tiGo see salary as number two motivating factor, while employees at VODACOM see full appreciation of work done as the second factor. By way of the exception of 'relation with colleague', 'participation in decision making, and 'good working condition', there is no major differences between public and private employees in terms of their ranking. More employees in public sector (TTCL) see 'prestige associated with organisation' as an important factor that influences their performance than employees at private companies. The judgment by Human Resources Manager on what motivates their staff was just the same as what employees provided, with exception of VODACOM where salary was not the most critical motivating factor for workers.

In VODACOM the research found different perception of workers in salary issue which is interesting. Because VODACOM is paying the highest salary of them all, yet its' workers are still saying that they would leave the organisation the moment they get more money. And on the other hand workers are saying that what motivates them is not salary, they want interesting work, good working conditions, and they want full appreciation of work done. This could mean two things; either they get so much salary that for them it is given and it is no longer a motivating factor; or in deed workers are not interested in salary they are getting.

#### **4.4 The Comparison of the Management Systems of Public and Private Organisation in the Application of HRM**

Under this sub section we going to answer the question "How management system of public and private organisation differs in the application of HRM?" We compare TTCL and other private companies in areas where there are similarities in HRM direction.

##### ***4.4.1 Personnel management***

Among other factors, personnel management has been one of the major areas that all three organisations are innovating. The TTCL have gone higher by

maintaining and developing its staff college, which is called Tanzania Telecommunication Training College, which aims at developing and promoting qualified, efficient, and motivated employees to be responsible for causing change in the organisation. The management of TTCL have found within the employees a nucleus group to be agent of change. The management believes that these employees have loyalty, better attitudes and understanding of the organisation vision than the rest of the workers. And thus, they can transfer knowledge to others and they can also convince their fellow workers to achieve changes in different departments in the organisation.

#### ***4.4.2 Work Categorization***

In the search to reduce cost, all organisation use contract labour. Even though management in TTCL argues that all workers are permanently employed, however other source provides evidence that management are trying to convince workers to opt for contract employment, while they are slowly employing staff on contract basis. In an attempt to follow sound HRM all companies put much emphasis on recruitment, hiring and placement of persons with high attitude and qualification. VODACOM has five times bigger market share than TTCL, but it employs a larger number of people more than any other company. This is because apart from mobile phone services, TTCL provides other telecommunications services like DEL, land line prepaid phones services, and broadband.

#### ***4.4.3 Customer Care and Responsibility***

In all three companies there is Customer Care Department (CCD) which has been set up to facilitate improved client services in the organisation. The CCD is responsible for monitoring and improvement of service delivery and handling of complaints from the community. Given the fact that the management of TTCL have been contracted out to the private company, it has further established service charters to outline the standards and procedure of service delivery; complains and dispute resolutions mechanisms; and the provision of information. In addition to that, TTCL now demonstrates through advertisements to the community its commitment to best practice to service delivery; provides complaints handling procedures; and channels for repair of grievances. With all these efforts of TTCL in customer care, changing structure and operation orientation have made TTCL quite different from a typical public organisation in Tanzania.

#### ***4.4.4 Mission Statement***

All three companies have a clear mission statement which shows some similarities. The clear mission statement is of extreme importance to an organisation as it gives the organisation a well focused objective. The review we made on the mission statement of the three companies shows some similarities. The TTCL which in the past had operated as a bureaucracy and which has been used as an opportunity for employment creation has begun to plan a new course with a vision that reflects its new direction. That is to say;

TTCL is a viable business entity that meets its customer's telecommunication needs. Comparing TTCL mission statement with the other two companies (as shown in table H) some similarities and differences are observed.

**Table H: Mission statement of three telecommunication companies**

Name of the Company	Mission statement
TTCL	To become the preferred provider of communication services to our <b>customers</b> through continuous technological and customer care improvement with qualified and motivated <b>employees</b> , while meeting <b>stakeholders'</b> expectation in attaining region excellence.
VODACOM	To enrich our <b>customers'</b> lives by enabling them to communicate in an increasingly connected world with high quality, competitively priced product and service while meeting its <b>social responsibilities</b> as a good corporate citizen and providing growth prospects for its <b>employees</b> , and Building <b>stakeholders'</b> values.
tiGo	To provide quality and affordable communication services to <b>customers</b> national wide while building <b>shareholders</b> value through selected and continuous building of <b>employees</b> for professional qualification

Source: Compiled from companies' profiles

The common thing which can be seen in the above statements is that, each of the company puts emphasis on three main elements, which are employees, customers, and stakeholders. This is seen as extraordinary in a typical public company in Tanzania, while in private company this may not be seen as a new phenomenon. VODACOM have gone further by including social responsibility in its mission statement.

In the actual process of the implementation of their mission statements, each of these three companies is practising constant publicity target which make telecommunication sector one of the strongest competitive sectors in Tanzania. For example, there have been relative reductions in rate charges and the introduction of the wide range of products to attract both existing and potential customers. This has also positively increased access to information and communication services in Tanzania. For example in 2006, subscription was 2.5 millions, but it has significantly increased to five millions in 2007, and by 2008, almost seven million (Kalili 2008). Other effects have been the involvement of these companies in the social activities. For example, TTCL is providing scholarships to students, and sponsoring the secondary school football league among schools, while VODACOM is implementing its mission of involving in social responsibility, by sponsoring football clubs, setting up

scholarship for students, and getting on several cultural activities like sponsoring the 2008 Tanzania beauty contest. By doing these contributions to corporate governance and social responsibility activities, the companies improve their public image.

## **4.5 Management System of TTCL, VODACOM, and tiGo in the Application of HRM**

Surveying the management of these three companies provides the answer to the question; how does the HRM system contribute to the workers job motivation. According to the discussion of hard model of HRM (theory X), it seems that apart from the fact that the employers always uses the incentives to motivate workers, it is always in the employees self-interest to avoid work or undertake kind of behaviour which is against the interest of the organisation. Due to this behaviour, the employer or the management needs to make some series of activities to correct the situation and to maintain the good contractual relation with employees. Some of these critical factors are explained in this section.

### ***4.5.1 Employee Job Recruitment***

In both public and private companies, the recruitment of employees is done through the advertisement of the vacant posts in newspaper and other public means. The HRM office then scans through the applications; short-list some of them which qualify more; and organise the interviews. The successful candidates are selected and offered on-the-job training, and then they are given job appointment. Using this procedure there is the probability of the company to recruit wrong people since it is difficult to detect people with right attitude to work, because most of the time it is 'distressed' people who submit spontaneous application. So once again, here there is similarity in recruitment process among these companies as they both recruit their employees based on merit.

### ***4.5.2 Employees' Job Description***

The situation appears better in private companies. At VODACOM and tiGo, employees claim to have clear job description based up on which their superiors monitor. In public company the situation is different. At TTCL though they claim to be moving towards providing clear job description, but because firing of employee is next to impossible in the state companies, the inefficient still exist. The new management is struggling to install a new culture of clear job description into the staff by setting different levels of performance to different levels of employees. Senior managers in TTCL told the researcher that, for them clear job description and targets for performances were set. However, this did not apply to more junior level where the process of providing job description and target setting was still not concluded.

#### ***4.5.3 Employees Monitoring and Performance Development***

Performance appraisal has become a widespread formal organisational procedure with managers measuring and evaluating subordinates' performance using formal rating instrument on an annual or semi-annual basis (Longenecker and Ludwing 1995: 66). Theoretically, employees' appraisal is an objective, rational, and systematic attempt on the part of the manager to accurately describe subordinate performance (*ibid*). Therefore the organisation should have a well defined procedure to follow when monitoring the performance of its employees. In TTCL employees are assessed based on the reports from their immediate supervisors. Actually, the procedure is that, the employees are given annual appraisal forms to fill for self-assessment. But because many employees does not know specific indicator that the management set in the beginning and they were not involved in setting those indicators, they lack a point of reference to measure their own performance and therefore they end up filling in boxes as a custom. In actual fact, larger number of the TTCL employees does not bother to do self assessment by deciding not to fill or submit the appraisal forms. Though the TTCL management claims to do employees performance appraisal through the appraisal forms, the exercise does involve neither formal interview nor presentation of the written evidence.

On the other hand, the performance appraisal in VODACOM and tiGo are based on the previous agreed goals and objectives in discussion between supervisor and workers. These agreed goals are sometimes used as the basis for remuneration packages and bonuses. In these private companies, the performance appraisal system seems to be properly structured as employees and management are involved in the setting up of the performance indicators based on the figures handed to them from their headquarters. Employees from these companies (VODACOM and tiGo) claim that their close proximity to supervisors ensures that their performance is monitored frequently. And the HRM in VODACOM and tiGo indicate that employee's performance appraisal eases counselling process and helps to develop workers efficiency.

#### ***4.5.4 Sanctions for Underperformance***

In companies there are different forms of sanction against workers underperformance. Whereas in private companies about 80% of employees feel that there might be a form of sanction when they underperform, in TTCL about 35% of workers think that no sanctions are applied when they underperform.

In tiGo for example; the HRM documents indicates that the punishment for underperformance is the withdrawal of bonuses and some times the employee can be demoted and warned. As head of department of HRM said;

We have a good system to ensure that only workers with right attitudes remain in the company. And those who underperform but they have good attitude are trained, monitored and retained (Head of department of HRM of tiGo)

Also among the employees in private companies there is a greater feeling of threat of sanction in the form of dismissal for functioning against rules and

regulations. In VODACOM the HRM manual declares that “employees’ malfunction to rectify or failure to take reasonable steps to either report or prevent any issue likely to give rise to a significant and avoidable loss or cost to the company is regarded as an offence and therefore is going to be punished in view of that.” (VODACOM 2008: 17).

Although employees in private sector have the feeling that they may be sanctioned for underperformance, this is a sign of hidden force for them to perform. At TTCL workers do not have this least feeling. While the management seems to be focussed and familiarize the organisation into business principles, it has not been able to align employees’ goals with those of the organisation. Employees in junior level do not know the organisation performance target. Hence there is lack of togetherness and sharing of corporate vision among the workers and management. And also there is a lack of performance development appraisal (PDAs)<sup>5</sup> which is the HRM problem that seems to affect TTCL, hence poor organisation performance.

#### **4.6 The Quality of Services Delivery by These Companies**

This section is going to examine the question ‘how does motivation contribute to organisation performance?’

In the telecom telecommunication sector, these three companies have similar indicators by which their performance is assessed. They assert to set clear service and description of performance indicators by consulting customers; meeting those standards; monitoring; and review performance against standards and publish result. These indicators include; market share, employees’ satisfaction, customer size, customer satisfaction, financial growth and sales return.

Even though all the companies claim to provide good quality service to their customers expectation and satisfaction, their nonstop calls for better service have not given way to any best result from some of the companies. For example, TTCL’s failure to comply with licence condition to rollout 800,100 DEL and continues poor service to the public resulted in the fine of US\$.44.2 million from the Tanzania Communications Regulatory Authority (TCRA) in February 2005. According to the data released by the TCRA in July 2008, VODACOM provides the best services followed by CELTEL, and then tiGo, TTCL ranked fourth, and ZANTEL came last. The TCRA ranks the phone companies according to the following criteria; accessibility, connectivity, number of customers, the way the company responds to customers’ complains, and the overall quality of service delivery. This ranking was also similar to the research finding from the employees who were interviewed in these three

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<sup>5</sup> PDAS on one hand is looking back to evaluate workers performance and give either reward for good performance or sanction for poor performance. On the other hand it is looking forward and sees what lesson can be learned from the past and sees how the situation can be improved.

companies, where they were asked to rank the phone companies which do better in terms of overall quality of phone service delivery.

The number of customers of these companies from the year 2006 to 2008 shows that VODACOM is doing better than TTCL and tiGo. (See table I). Although all companies have increased number of customers, VODACOM is leading and is the least. This implies that private companies are performing better than public companies. The increasing number of customers in VODACOM and tiGo has increased the teledensity<sup>6</sup> of Tanzania from 15% in 2006 to 23% in 2008 (Tanzania Communication Regulatory Authority (TCRA) 2008).

Table I. Number of customers per operator

Year	TTCL	VODACOM	tiGo
2006	6,396	2,975,580	760,874
2007	72,729	3,870,843	1,191,678
2008	134,970	4,224,493	1,446,425

Source: TCRA website accessed on 23 October 2008

From the TCRA ranking results on the quality of the services provided by these companies raises many questions. How comes TTCL with superior technology in the telecom business is performing so badly? And how was it that tiGo, the first company to introduce mobile phone in Tanzania and in the past was advertised as the best provider of services suddenly is performing poor? Are these companies not motivating their workers enough to perform well? How comes VODACOM is performing so well? In the previous section we analysed the company's incentive structure and management practices, and we observed two main things. First, all these three companies provides incentives to motivate their workers although workers in TTCL are paid less than private company. And second, unlike tiGo and VODACOM, TTCL lacks PDA system which seems to affect its workers performance. In the next section we analyse these question in relation to the motivation theories.

## 4.7 Analysis

This part provides analysis of the above findings. Theories, empirical evidence and some perspectives from the literature review are applied in this discussion.

### 4.6.1 Relating the Findings with Theories.

The ranked order of motivating factor in TTCL as shown in table F is that: 1<sup>st</sup> interesting work, 2<sup>nd</sup> good salary, 3<sup>rd</sup> full appreciation of work done, 4<sup>th</sup> job security, 5<sup>th</sup> good working condition, 6<sup>th</sup> promotion and growth in the

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<sup>6</sup> Voice telecommunications penetration

organisation, 7<sup>th</sup> prestige associated with organisation, 8<sup>th</sup> participation in decision making, 9<sup>th</sup> diplomatic discipline, and 10<sup>th</sup> relation with colleagues.

A comparison of these results to Maslow's need-hierarchy theory provides some interesting insight into employee motivation. The number one ranked motivator, interesting work, is a self actualizing factor. The number two ranked motivator, good salary, is a physiological factor. The number three ranked motivator, full appreciation of work done, is an esteem factor. The number four ranked motivator, job security, is a safety factor. Therefore according to Maslow (1943), if the managers wish to address the most important motivational factor of TTCL employees, interesting work, physiological, safety, social, and esteem factors must first be satisfied. If managers wishes to address the second most important motivational factor of TTCL employees, good salary, increased salary would suffice. Contrary to what Maslow's theory suggests, the range of motivation factors is mixed in TTCL employees. Maslow's conclusions that lower level motivational factors must be met before ascending to the next level were not confirmed by this study.

The two highest motivation factors in TTCL employees are compared to the Herzberg's two-factor theory. The highest ranked motivator, interesting work, is a motivator factor. The second ranked motivator, good salary is a hygiene factor. Herzberg et-al (1959) stated that to the degree that motivator are present in a job, motivation will occur. The absence of motivators does not lead to dissatisfaction. Further, they stated that to the degree that hygiene are absent from the job, dissatisfaction will occur. When present, hygiene prevents dissatisfaction. In our results, the lack of interesting work (motivator) for TTCL employees would not lead to dissatisfaction. Paying TTCL employees lower wages (hygiene) than what they believe to be fair may lead to job dissatisfaction. Conversely, employees will be motivated when they are doing interesting work and but not necessarily be motivated by higher pay.

The discussion above, about the ranked importance of motivational factors of TTCL employees as related to motivational theory, is only part of the picture. The other part is how these ranking compare with ranking with employees from VODACOM. The results from VODACOM yield the following ranked order of motivational factors; 1<sup>st</sup> interesting work, 2<sup>nd</sup> full appreciation of work done, 3<sup>rd</sup> good working condition; Employees of tiGo had the following ranking order of motivation factors; 1<sup>st</sup> interesting work, 2<sup>nd</sup> good salary, 3<sup>rd</sup> job security. In all companies (TTCL, VODACOM, and tiGo), interesting work ranked as the most important motivational factor. Pay was not ranked as one of the most important motivational factors by VODACOM employees, but was ranked second by TTCL and TIGO employees. Full appreciation of work done was not ranked as one of the most important motivational factors by tiGo, but was ranked second in TTCL and in VODACOM. The discrepancies in these results support the idea that what motivates employees differs given the context in which the employee works (Armstrong 1993, Roderic 2004). What is clear, however, is that employees in both public and private companies rank interesting work as the most important motivational factor.

Most important observation is that, the ranking of salary in VODACOM is controversy. Table F shows that at VODACOM workers do not find salary

as most important motivating factor as it is ranked number four. For them it is interesting work, full appreciation of the work done, and working conditions are the most motivating factors. The reason could be that, either in VODACOM workers have so much money so much so that money is not a problem to them at all. Or it could also genuinely be that money is not their important motivating factor. But at the same time when workers were asked the hypothetical question to test their loyalty in the organisation, 75% of people in VODACOM said they are ready to leave the organisation if they are promised to be given fifteen percent more of their salary. This shows the contradiction in VODACOM workers perception; because on one hand they show that money is not important to them, and on the other hand money is seem to be very important so much so that they are not loyal to their organisation.

On the other hand theory X or the hard model of HRM can be used to explain the reasons for TTCL poor performance. Whilst in the private companies' employee have a feeling that they may be sanctioned for working against the rules and regulations and for underperformance, in TTCL employees do not have this feeling of being sanctioned for underperformance. This is the lack of performance development appraisal that appears to have an effect on TTCL performance. Because it is difficult for the company to detect and discipline employees who dodge on the work, for this reason the organisation underperforms. The management of TTCL has not been able to align organisational goals with those of employees'. Despite the fact that the TTCL mission statement is clearly stated and points out, there is lack of togetherness and sharing of business vision among workers and management.

#### ***4.6.2 Similarities and Differences of Motivators and Management Tasks in Public and Private Companies.***

The study and the analysis of types of incentives, management direction, and workers and heads of department perception on factors of motivation in the organisation shows that there are many similarities and differences between public and private companies. (See table J)

**Table J: Similarities and Differences in motivators and Management tasks in Public and private companies**

Explanation	Similarity	Differences
<b><i>1. MOTIVATORS</i></b>		
Job security	x	
Fringe benefits	x	
Bonus		x
Training	x	
Interesting work	x	

Salary	x	
Promotion and career advancement		x
Condition of work		x
<b>2. MANAGEMENT TASKS</b>		
Workers participation in decision making		x
Sharing organisation goals and objectives		x
Monitoring & workers Performance appraisal		x
Organisation Missions	x	
Workers job description		x
Sanctioning for workers underperformance		x
Recruitment and hiring of workers	x	
Customer care	x	

Source: Compilation of field data

The above table shows that although there are similarities in some major incentive factors like job security, fringe benefits, salary, training, recruitment, interesting work, and organisation missions, other important issues related to performance management like promotion, workers participation in decision making, sharing of organisation goals, sanction, employees job description, monitoring and performance appraisal are relatively different between these companies.

And the big difference is that in TTCL there is poor performance development appraisal. Although they provide training for its workers, but it seems that the training is not well linked to workers performance because there is sloppy job description, poor performance monitoring, poor feedback mechanism between supervisors and employees, and there is no set targets and indicators of performance. While in Vodacom and in tiGo, there is proper performance development appraisal system where targets and indicators for performance are set, there is proper communication between management and employees

## Chapter 5

# CONCLUSION AND OBSERVATION

The telecommunication companies present the case study to compare the effect of HRM initiative in workers motivation and organisation performance. The main objective engaged by this study is to find out whether there are similarities or differences of motivation and performance management system between public and private sector organisation; and to investigate the relationship between workers' motivation structure and organisation performance. We hypothesised that the performance management system practices (strategic planning, clear organisational mission, training, sanction, workers job description, clear compensation policy, security, monitoring and performance appraisal) are positively related to workers motivation and organisation performance. Using the telecommunication sector in Tanzania, we asked why public sector workers are not more motivated and productive than their counterpart private sector workers. However the differences that I thought I would find in the field I have not seen, because TTCL is not managed by public servant but it is run by private or commercialised managers, which the government have signed the Canadian company to do so. The managers who are employed by the government to run TTCL, in principle are not different from the managers who are employed by South African consortium to run VODACOM. At the management level there is no different between public and private companies, but at the level of workforce there are differences. With workers in public sector there are workers with the notion of working for the government in line with the socialist idea, as one employee from TTCL said; 'I will never work with capitalist...' (Referring private companies with capitalism) this shows that among some people in workforce the whole idea of the public/private is still there.

Thus this study has studied a central question: why are public sector workers less motivated and less productive than those in private sector in Tanzania? We also posed several questions that limit workers motivation for organisation performance in telecommunication sector. The study has gone through the following steps and got the following conclusions. First, the study looked at the definitions of motivation; theories of motivation; factors of motivation; and HRM. We found that intrinsic and extrinsic motivators are the basic means of motivating employees in a work place. And in the workplace there two types of people; others are lazy who need hard model of HRM to manage, and others are creative and hard workers who need soft model of HRM to manage. Therefore employers need to know their people so that they can decide what approach of HRM to be used to motivate workers so as to gain their commitment and increase organisation performance.

Second, we tried to look at differences in motivation between the public and private sector employee. The findings have revealed that generally there are more similarities and some minor differences between private and public organisations. All companies provide their employees with extrinsic and intrinsic motivators to motivate them. To compare the situation, the minor

difference is that, in TTCL workers are paid less than VODACOM and tiGo but they stay longer in the organisation.

We have also observed that workers in VODACOM have different perception on salary issue. In VODACOM where they pay highest salary, its workers are not interested in it, as they rank interesting work as the first motivating factor while money is ranked fourth motivating factor. And on other hand, although they are paid highest salary, they are ready to leave the organisation the moment they are promised more money somewhere else. This is the contradiction observation.

Employees in public sector stay longer in the organisation than employees in private companies. In VODACOM there is high job turnover, despite the fact that their employees are highly paid. In the point of high rate of labour turn over like that of VODACOM, it is urgent for HRM to make efforts in finding ways to motivate and retain their workers.

Third, we tried to explore how the management systems of public and private companies differ in the application of HRM initiatives and how it contributes to workers commitment to perform. The study reveals that, even though TTCL can be identified with several characteristics of the NPM, some of the things in TTCL are not HRM like. In TTCL there is lack of performance development appraisal and workers performance feedback. While there is all this culture of workers filling in the performance appraisal forms, no body cares if the forms are filled or not. There is no communication and performance feedback between workers and supervisors. The literature says that, performance development and feedback on performance is very important in HRM as it helps to learn from the past experience. This is lacking in TTCL and it is the reason which contributes to underperformance.

In connection to that, the study also discovered that, in private sector workers are made more aware to perform well because they know their organisation target for a particular period of time, they know the indicators for performance and it is an issue. While in the public sector because of socialist culture, performance is not an issue to workers and they don't pay attention to it. Usually employees and organisation performance is influenced by the mixture of motivation and control<sup>7</sup>. If the management have put in place all the motivators and the workers are motivated then we can say that the organisational poor performance is because of something else. In this study, the public company has put in place all incentives to motivate its employees, what is missing is that management have failed to use performance development appraisal system to induce organisation performance. As such, the provision of incentive to workers has not translated into comparable performance. This implies that continuous provision of incentive to workers without bringing into line workers' direction to performance it only increases the cost. In the public sector this may lead to government budgetary waste. The study therefore suggests that the public sector should learn from its own management practice and improve on them gradually.

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<sup>7</sup> Control involves management competences

However the study also discovered that, TTCL may be performing poor if one looks at the profit make per employee, but they are performing fantastically if you see that they are providing employment for four thousand people without making big loss.

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