



Research Article

An evaluation of leadership strategies for improving employee performance in the fast-moving consumer foods industry

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ABSTRACT

This exploration evaluated leadership strategies for improving employee performance that successful fast-moving consumer goods (FMCG) business leaders use to support employee engagement, improve performance, and increase revenue in the global pandemic era. The study adopted a pragmatic research philosophy, employing a sequential exploratory design starting with a qualitative and ending with a quantitative approach. The respondents included managers with over 5 years of managerial experience and nonmanagerial employees located in Bulawayo. The findings revealed that the majority of employees did not have a good work-life balance due to increased workload and long working hours, insufficient resources, lack of incentives, and fatigue being the major challenges. The study recommended that managers should closely focus on people's motivation and avail resources as a key strategic priority and enabler for high performance. They should incentivize the workforce, set achievable targets in line with available resources, and be willing to ethically implement all strategies geared towards improving the performance of employees.

Keywords: *Leadership Strategies; Employee Performance; Fast-Moving Consumer Goods; Performance Improvement*

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1. INTRODUCTION AND BACKGROUND

In today's ever-changing, globally competitive, and volatile business environment exacerbated by the COVID-19-induced turbulent work environment, performance improvement strategies are probably some of the most significant contributors that determine the success or failure of an organization. Bahn and Weathrill (2013), asserted that business entities that focus on employee performance improvement strategies are more likely to prosper than their counterparts without effective leadership strategies. In agreement, (Van, 2018) concluded that high performance to create a competitive advantage is crucial. Hence, leveraging performance improvement strategies can drive industries to thrive by achieving a high level of employee performance and productivity (Wile, 2014). This study sought inter alia, to explore and evaluate the strategies that fast-moving consumer goods (FMCG) industry leaders used to improve employee performance.

Literature reveals that the lack of strategies to improve employee performance remains a threat to businesses in many industries, surprisingly the majority of managers are still not crafting ways to address this problem (Sankaran et al., 2017). In the Zimbabwean economy,



FMCG companies face fierce competition regardless of size, scope, and market focus. In addition, companies experience challenges relating to employee morale, motivation, performance, and loyalty while striving to remain profitable (Deschamps, 2017). Productive businesses play a significant part in the development of a nation's economy. Without comprehensive strategies geared towards employee performance improvement and motivation of the workforce, leaders hugely struggle to sustain growth (Burns & Christie, 2013).

The FMCG sector in Zimbabwe is characterized by intense rivalry and competition, for example, big players such as Delta Beverages, Schweppes, Ingwebu Breweries, Pepsi, and Dairy Board among others. To compete effectively in this environment, it has become imperative to adopt strategies that offer a competitive edge as competitors step up both offensive and defensive strategies to safeguard their competitive superiority. The current FMCG market is characterized by a lot of FMCG manufacturers targeting the same talent pool and consumer group and selling homogeneous products. The majority of FMCG companies are experiencing the adverse effect of the economic meltdown which has led to high staff turnover. Vilnai-Yavetz and Levina (2018), in their study, concluded that employees get engaged and motivated to do their jobs.

2. STATEMENT OF THE PROBLEM

Ratiu & Suciu (2013) asserted that 50% of businesses fail because of an unengaged and unmotivated workforce. In support, Gallup cited in (Jinda, 2020) proffered that disengaged employees have 37% higher absenteeism, 18% lower productivity, and 15 % lower profitability. Productive businesses play a significant part in the development of a nation's economy. Business leaders cannot sustain growth without sound strategies geared toward employee performance improvements and the motivation of the workforce (Burns & Christie, 2013). Some manufacturing FMCG companies in Zimbabwe are underperforming which affects economic development. Effective leadership strategies focused on performance improvement seem to be a challenge in the FMCG industry, due to the high employee turnover, hence, this needs to be explored as an enabler of success in the FMCG Industry. Research reveals that some FMCG business leaders lack strategies to improve employee performance. Hence, this study sought to add to existing knowledge of the FMCG Industry.

3. OBJECTIVES OF THE STUDY

To achieve the main purpose of the study, the researcher formulated the following main and sub-research objectives.

3.1. MAIN OBJECTIVE

To evaluate strategies that successful FMCG business leaders use to improve employee performance.

3.2. SUB OBJECTIVES

1. To ascertain how the effectiveness of performance improvement strategies is evaluated at Delta Beverages.
2. To identify problems encountered in the process of executing employee performance improvement strategies at Delta Beverages.
3. To establish suggestions regarding approaches to improve the performance of employees at Delta Beverages.

3.3. MAIN RESEARCH QUESTION

What strategies do you use to improve the performance of your employees at Delta Beverages?

3.4. SUB RESEARCH QUESTIONS

1. How do you evaluate the effectiveness of performance improvement strategies at Delta Beverages?
2. What problems have you encountered in the process of executing employee performance improvement strategies at Delta Beverages?
3. What suggestions would you give regarding approaches to improve the performance of employees at Delta Beverages?

4. LITERATURE REVIEW

4.1. THEORETICAL FRAMEWORK

Three theoretical frameworks underpinned the study concerning employee performance namely: the motivation-hygiene theory (MHT), classical management theory (CMT), and the transformational leadership theory (TLT). There is a vast array of relevant theories that can be applied to the improvement of employee performance. The researchers identified three theories underpinning performance improvement strategies. In CMT, the main principle of the theory is that employees need resources to increase their efficiency and production (Bajwa et al, 2014). Wijesundera (2018), suggested transformational leadership theory, the main principles of which are improving the morale and execution of employees through a range of mechanisms. Transformational leaders attempt to inspire respect, admiration, and trust in workers.

Wijesundera (2018), concluded that a direct correlation exists between positive employee motivation and employee performance. Therefore, effective leadership strategies focused on improving factors geared toward employee motivation will result in significant improvements in employee performance and organizational success.

4.2. IMPORTANCE OF LEADERSHIP AND MANAGEMENT STRATEGIES

The success of any business depends on effective leadership and management (Ahmed, 2016). Scholars and professionals have realized that performance improvement strategies

form a very important component of corporate strategy to set expectations for employee performance (Engelbrecht et al 2017). Due to changes in the operating environment, globalization, and technology; employee performance has become a great challenge to business leaders (Oppong et al., 2017). As a result, business leaders should be able to understand what stimulates employees within the context of the roles they perform. Business leaders should emphasize promotions, job enrichment, and financial, and non-financial compensation (Khedhaouria et al., 2017). Khedhaouria advised company leaders to consider the following areas: good wages, job security, an interesting work environment, good working conditions, tactful discipline, and full appreciation of work done by an employee.

4.3. STRATEGIES FOR IMPROVING EMPLOYEE PERFORMANCE

Many business leaders have realized that the use of money alone cannot achieve effective engagement and motivation of employees (Van & Whitty, 2017). Business leaders should consider using a variety of strategies to ensure employee performance improvement. Other strategies include job recognition, paid time off, job enlargement, and allowing employees to own their job, and take part in decision making are crucial in encouraging and engaging employees to improve performance (Burns & Christie, 2013). Arshadi & Shahbazi (2018) advised business leaders to recognize and offer fringe benefits to employees and give a high priority to employee training in key performance areas of importance to the overall company performance, productivity, and profit. Business leaders should allow employees to make relevant decisions on their jobs. Evidence from the literature review indicates that company leaders consider their employees as their most important assets and have recognized the need to engage them in the accomplishment of company goals.

4.4. CONCEPTUAL FRAMEWORK

Having reviewed related literature around the realm of leadership strategies on employee performance improvement, the researchers crafted a conceptual framework that depicts key independent, moderating, and dependent variables of the study Fig. 1.

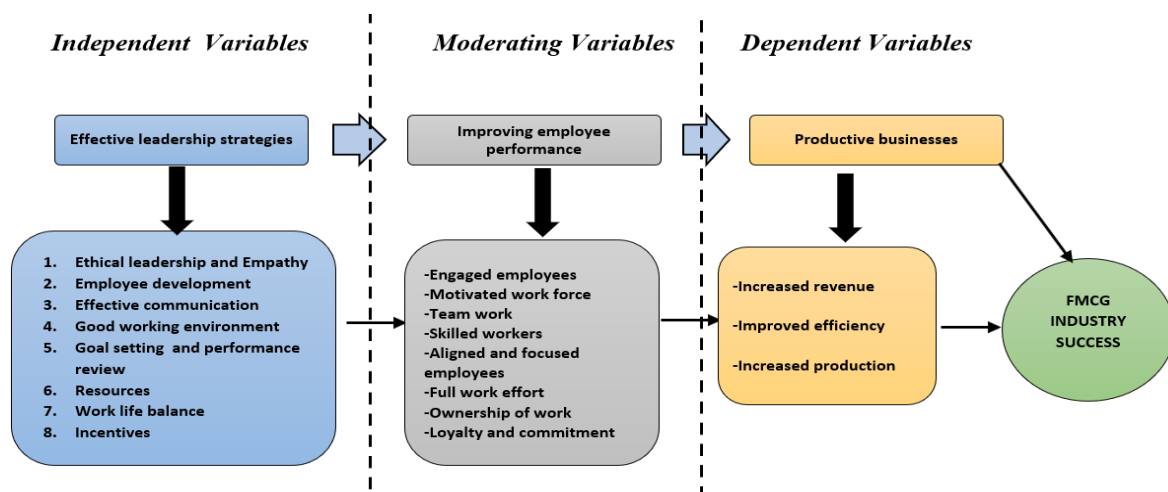


Fig. 1. Source: Compiled by the authors

5. RESEARCH METHODOLOGY

The researchers wanted to deeply understand the problem of employee performance improvement. Pragmatism draws on employing what works using different approaches and giving particular emphasis to the importance of the research problem and questions, and the researchers need to use their intuition and judgment in a particular situation or setting (Creswell, 2014).

The study accepted the notion of objectivity in life and also placed emphasis on deriving meaning from understanding the viewpoints of the individuals in question. Therefore, the researchers in this study were not completely detached objects but actively engaged the participants (Creswell, 2014). Pragmatism allows the researchers to investigate or study what is of interest to them and make use of the results in a manner that culminates in positive consequences within the value system (Teddlie & Tashakkori, 2009). Because of the above, one can argue that pragmatism is a philosophy that offers a practical approach to fixing a particular problem.

The mixed-methods approach was chosen based on the arguments offered by Alarape (2013).

The study was anchored on an exploratory mixed methods design whereby the researchers first needed to explore a phenomenon using qualitative data before attempting to measure or test it quantitatively. The researchers first explored leadership strategies by identifying qualitative themes from the interview responses and then used that information to guide a subsequent quantitative evaluation of the initial qualitative results, such as developing a measurement instrument based on the qualitative results.

5.1. TARGET POPULATION

The researchers selected managerial employees with senior-level FMCG industry experience who had appropriate qualifications with leadership strategies currently used to improve the performance of the employees and the non-managerial employees, those who are being managed to establish their views on leadership strategies in place. Therefore, the target population for this study consisted of managerial employees (Grade D) and non-managerial employees (Grade G and below) of Delta Beverages located in Bulawayo, with at least (five) 5 years of working experience.

Stratified random sampling was used because the organization has more than one department, thus employees from different departments had to have an equal and fair opportunity of being sampled. In this case, the strata were subdivided into two layers of strata, which are the managerial employees and the non-managerial employees. In terms of the sampling method for interviewees, the researcher used the purposeful criterion sampling technique to select managers who have personal experience and qualifications in relation to the research topic (Grossoehme, 2014). The criteria for selecting research participants for this study indicated that participants needed to have the following aspects:

1. Be a senior manager at Delta Beverages.
2. Have at least 5 years of experience in management positions at Delta Beverages

3. Work at Delta Beverages in Bulawayo.

The researchers selected participants with extensive knowledge of the FMCG industry. The researcher obtained a list of prospective participants from the human resources department of Delta Beverages. The purposive sampling technique was ideal as the researchers intended to select senior managers at Delta Beverages with adequate knowledge and experience about leadership strategies for improving employee performance. On the other hand, respondents were randomly selected from the non-managerial employee group.

Table 1. Descriptive statistics analyses for leadership strategies on performance improvement

| Q1 | Poor 1 | Average 2 | Good 3 | Above Average 4 | Excellent 5 | Mean |
|--|--------|-----------|--------|-----------------|-------------|------|
| Effective communication ¹ | 3 | 6 | 59 | 18 | 0 | 3.07 |
| Setting KPI measures and performance review ² | 2 | 46 | 22 | 16 | 0 | 2.60 |
| Training and coaching ³ | 0 | 9 | 55 | 13 | 9 | 3.26 |
| Team work ⁴ | 25 | 27 | 10 | 9 | 15 | 2.56 |
| Counselling ⁵ | 10 | 43 | 21 | 3 | 9 | 2.51 |
| Good working environment ⁶ | 0 | 53 | 18 | 9 | 6 | 2.63 |
| Work/life balance ⁷ | 55 | 9 | 16 | 6 | 0 | 1.69 |
| Incentives ⁸ | 50 | 6 | 21 | 9 | 0 | 1.84 |
| Ethical leadership and empathy ⁹ | 7 | 43 | 30 | 3 | 3 | 2.44 |

Results in Table 1 reveal the existence of effective communication, training, and coaching as strategies used by managers to improve the performance of employees at Delta Beverages, as evidenced by high mean values of 3.07 and 3.26. The majority of the non-managerial employees confirmed that their managers had good channels of communication and training programs for them. The managers were also seen to afford employees an average working environment, which was verified by the majority of the respondents, as evidenced by a mean value of 2.63. Although a significant number of non-managerial employees were of the view that the organization lacked work/life balance and incentives were not satisfactory these variables recorded the lowest mean values of 1.69 and 1.84 respectively.

A mean well above 2.514 for all the question items above indicated that the majority of non-managerial employees at Delta Beverages believed that the leadership strategies in place for performance improvement were not poor such as settling targets, teamwork, and counselling with a mean ranging from 2.51 to 2.60. These variables were found to be average and fair within Delta. However, in terms of ethical leadership and empathy a mean score of 2.44, slightly lower than the standard mean score of 2.51 was obtained from the majority of employees who are being managed which indicates that the ethical practices of managers were somehow fairly good and with only 10 respondents rating it as poor.

5.1.1. Descriptive Statistics Analyses for Aspects Considered in the Employee Performance Improvement Strategy

Respondents were further asked about the aspects considered in the performance improvement strategy. Their results are summarised in Table 2. Statements were used to

measure the effectiveness of the performance improvement strategy. Respondents were to respond using a 4-point scale (Strongly Agree=1, Agree=2, Disagree=3, Strongly Disagree =4).

Table 2. Descriptive statistics for aspects considered in the employee performance improvement strategy

| Q 2 | Mean | Strong Disagree | Disagree | Agree | Strong Agree |
|---|------|-----------------|----------|-------|--------------|
| Considers appropriateness of the targets e.g. achievable targets ¹ | 3.40 | 3 | 13 | 17 | 53 |
| Considers the level of available resources ² | 3.13 | 4 | 25 | 13 | 44 |
| Considers employee choices on incentives ³ | 3.59 | 2 | 9 | 11 | 64 |
| Considers the nature of the operating environment e.g. Covid-19 impact ⁴ | 3.53 | 0 | 15 | 10 | 61 |
| Performance improvement strategies are built with an understanding of what the employee needs to improve ⁵ | 3.86 | 0 | 0 | 12 | 74 |

Table 2 indicates that the leadership's current strategies for employee performance improvement were somehow effective, as confirmed by the majority of the items above which all had mean values above the item summary mean of 3.502. The majority of the employees who are being managed indicated that their managers were considering employee choices on incentives, and the nature of the operating environment with a special focus on the impact of COVID-19, as reflected by the high mean value of 3.59 and 3.53 respectively, while the highest number of non-managerial employees believed that performance improvement strategies were built with an understanding of what the employee needs to improve (mean value of 3.86). Covid-19 was indicated to influence employee performance and employee opinions were considered in the overall development of performance improvement strategies. The findings of this study indicated that leadership strategies are generally adaptive to external stimuli.

However, there seemed to be some instances where there was a mismatch between set targets and the level of resources required to drive employee performance to achieve set goals, as exhibited by a low mean value of 3.13. This mismatch between set targets and required resources had somehow been confirmed to influence the genuineness or practicality of set targets at Delta Beverages, as confirmed by some of the non-managerial employees, with a significantly low mean value of 3.40.

5.1.2. Descriptive Statistics for Challenges Affecting Employee Performance

The questionnaire also asked respondents to indicate if they ever encountered any problems in the execution of their duties to meet set targets at Delta Beverages. In this question, respondents were provided with various options to choose from (Yes=1, No=2, Not Sure=3). Responses from the respondents varied with 74 (86%) indicating 'yes' for existence, 6 (7%) stating 'no' for non-existence, and 6 (7%) 3(17%) indicating 'not sure'. This is presented in Table 3 below.

Table 3. Frequency distribution of the respondents' facing challenges in executing their duties

| Q 3 | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------|-----------|---------|---------------|--------------------|
| Valid | Yes | 74 | 86.0 | 86.0 | 86.0 |
| | No | 6 | 7.0 | 7.0 | 93.0 |
| | Not Sure | 6 | 7.0 | 7.0 | 100.0 |
| | Total | 86 | 100.0 | 100.0 | |

Table 3 indicates that the majority of respondents from the non-managerial group confirmed that they encountered problems in executing their duties to meet set targets at Delta Beverages.

The majority of the qualitative findings were confirmed to be evident and somehow effective by findings from the quantitative results as the majority of the leadership strategies in place were not rated as poor. While the bulk of the leadership strategies on employee performance improvement at Delta Beverages seemed to be somehow effective, it was evident that the majority of employees who are being managed did not have a good work/ life balance due to increased workload and long working hours. Insufficient resources, lack of incentives, and fatigue were the major challenges faced by non-managerial employees which reflected that the working environment at Delta Beverages was somehow not satisfactory as perceived by those who are being managed. One can therefore conclude that overall employee performance improvement strategies at Delta are somehow effective and that sound leadership strategy on employee performance improvement can significantly reduce disengagement and demotivation issues which ultimately results in improved employee performance.

6. RECOMMENDATIONS

Based on the identified problems, the study suggested possible recommendations to foster high performance from employees.

6.1. MANAGERS SHOULD CLOSELY FOCUS ON PEOPLE AND RESOURCES

Managers should exercise empathy as a great way of understanding worker issues and proffer speedy resolutions. By practicing leadership empathy, managers are never distanced from employees' issues affecting their jobs and this is the greatest way of motivating employees in this traumatic situation characterized by Covid-19.

2. In addressing the problem of scarce resources needed by workers to get the job done effectively, Delta management should consider adding more staff resources if performance is to be increased.

3. It is also recommended that FMCG managers acquire and invest in the latest technologies for their manufacturing processes and be able to attract and retain their employees.

4. Managers should remain people-centric and focus on satisfying employees with adequate resources. The main rule of classical management theory is that workers need the necessary tools to maximize their output (Bajwa et al, 2014).

5. Business leaders ought to stay close to the operating environment as a whole and respond effectively to the needs of the workers by strategizing accordingly to improve their work output and consider resources as a key strategic priority and enabler for high employee performance.

6. Managers should focus on strongly incentivizing employees for high-performance

The findings confirmed that incentives are one of the key factors for employee motivation and an enabler for improved performance from employees.

7. As a way to get rid of issues around increased workload and fatigue, and improve the work-life balance of employees, Delta Beverages management should formulate performance targets that are in line with available resources in order to avoid over-sweating resources in terms of staff and other tools needed for executing job tasks.

7. DIRECTIONS FOR FUTURE RESEARCH.

This study focused on a single case study of an FMCG company, Delta Beverages in Bulawayo. Further leadership strategies research could incorporate multiple case studies and be carried out on various companies in the FMCG sector and other sectors. A comparative analysis could also be undertaken between various FMCG companies to determine whether there are variations in leadership strategies for improving employee performance.

Author Contributions:

For research articles with several authors, a short paragraph specifying their individual contributions must be provided. The authors of this study have contributed, “Conceptualization”, Blessing Rugaro and Dr. Sibongile Manzini; “Methodology”, Dr. Sibongile Manzini; “Software”, Blessing Rugaro.; “Validation”, Dr. Sibongile Manzini and Blessing Rugaro.; “Formal analysis”, Blessing Rugaro.; “Investigation”, Blessing Rugaro.; “Resources”, Dr. S. Manzini.; “Data curation”, Blessing Rugaro.; “Writing—original draft preparation”, Blessing Rugaro.; “Writing—review and editing”, Dr. Sibongile Manzini; “Visualization”, Blessing Rugaro.; “Supervision”, Dr. Sibongile Manzini; “Project administration”, Dr. Sibongile Manzini; “Funding acquisition, N/A.

All authors have read and agreed to the published version of the manuscript.” Please turn to the CRediT taxonomy for the term explanation. Authorship must be limited to those who have contributed substantially to the work reported.

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Ethical review and approval were waived for this study because this study does not involve any animal or medical experiment on humans that may cause harm.

Informed Consent Statement:

Your participation in this study is voluntary. It is up to you to decide whether or not to take part in this study. You are free to withdraw at any time and without a reason. Withdrawing from this study will

not affect the relationship you have, if any, with the researcher. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.

Data Availability Statement:

All the data used in the study is available.

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Conflicts of Interest:

There was no conflict of interest.

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