

ABSTRACT

This study examines the impact of employee motivation on job performance in small-scale businesses, with specific reference to Msungwi Market in Lilongwe, Malawi. Small-scale businesses play a vital role in the country's economy, yet many operate under informal conditions with limited financial and human resource structures. In such environments, employee motivation becomes a critical factor influencing productivity, job satisfaction, and overall business performance. The main objective of the study was to assess how both financial and non-financial motivational factors affect employee job performance in small-scale businesses.

The study adopted a quantitative descriptive-correlational research design. Data were collected using structured questionnaires administered to 39 employees working in various small-scale businesses at Msungwi Market. The data were analyzed using descriptive statistics, correlation, and regression analysis with the aid of SPSS. The study focused on motivational factors such as salary, recognition, job security, supportive work environment, and opportunities for growth.

The findings revealed that employee motivation has a significant positive influence on job performance. While salary was identified as an important hygiene factor, non-monetary incentives such as recognition, appreciation, a respectful work environment, and opportunities for personal growth were found to play a major role in enhancing employee motivation and performance. The study concludes that effective motivational strategies, particularly non-financial ones, are essential for improving employee performance in small-scale businesses.

The study recommends that small-scale business owners adopt cost-effective motivational practices such as recognition, supportive leadership, and skill development opportunities to enhance employee productivity and business sustainability.

INTRODUCTION

Employee motivation is a crucial driver of job performance and organizational success, especially in the context of small-scale businesses. Motivation includes both internal desires and external influences that energize employees to pursue their goals (Riyanto, Endri, & Herlisha, 2021). In small enterprises operating under financial and structural constraints, as often seen in developing countries like Malawi, employee motivation is not only necessary for performance but also for

business continuity and survival (Riana, 2015).

In Malawi, small-scale businesses play a vital role in economic development by providing employment and supporting livelihoods. Many such businesses operate informally in local markets. These market-based enterprises often rely on informal management systems and have limited resources to incentivize their workforce (Ayub & Ghauri, 2020). As a result, employees may lack formal career development paths and work under insecure and low-wage conditions.

Despite these challenges, research shows that both monetary and non-monetary motivational strategies significantly impact employee performance and satisfaction. Intrinsic motivation such as recognition, purpose, and autonomy and extrinsic motivation such as pay and bonuses work together to influence engagement levels and performance outcomes (Riyanto et al., 2021). In settings with limited financial resources, non-monetary incentives are often more practical and still highly effective in boosting morale and productivity (Riana, 2015).

Studies also emphasize that motivation influences not only performance but also job satisfaction and organizational commitment. A motivated employee tends to be more satisfied, productive, and loyal, all of which are essential for long-term business growth in informal markets (Ayub & Ghauri, 2020). However, there remains a gap in localized studies focusing specifically on informal small business environments, which this study aims to address.

BACKGROUND OF THE STUDY

Small-scale businesses in Malawi represent a significant segment of the informal economy and serve as a primary source of employment for many urban dwellers. Msungwi Market in Area 25, Lilongwe, is an example of such a local economy hub, where small businesses function with minimal capital and operate in a largely informal manner (Riana, 2015). These businesses typically face issues related to low revenue, lack of structure, and employee instability.

Motivation in such settings becomes an indispensable factor. Studies have shown that when employees are motivated either through recognition, fair treatment, or developmental opportunities, they exhibit improved behavior, commitment, and job satisfaction, all of which are linked to business performance (Riyanto et al., 2021). However, due to financial constraints and the absence of structured human resource practices, many business owners in local markets struggle to implement effective motivational strategies.

Job satisfaction itself is both an outcome and a driver of motivation. Research reveals that satisfied employees are more engaged and less likely to quit, which supports organizational performance and stability, especially in micro and small businesses (Ayub & Ghauri, 2020). Understanding how these factors interact within informal market systems is critical for developing workable strategies for business development in places like Msungwi Market.

PROBLEM STATEMENT

While motivation is widely acknowledged as vital for enhancing job performance, many employees in informal businesses, continue to experience low motivation levels. This has been linked to issues such as poor work output, high absenteeism, and low customer satisfaction, ultimately threatening business sustainability (Riana, 2015). Employees working in such markets often cite lack of recognition, limited development opportunities, and job insecurity as major sources of dissatisfaction.

Further, literature emphasizes that inadequate motivational strategies, especially non-financial ones, contribute significantly to disengagement and underperformance among employees (Ayub & Ghauri, 2020). Yet, there is limited empirical research focused on small-scale informal business settings, where contextual factors such as community-based operations and resource constraints play a substantial role. This study, therefore, seeks to fill that knowledge gap by assessing the relationship between motivation and job performance.

RESEARCH OBJECTIVES

Main Objective

To assess the impact of employee motivation on job performance in small-scale businesses.

Specific Objectives

1. To identify the key motivational factors influencing employees in small scale businesses.
2. To examine the relationship between employee motivation and job performance in the market.
3. To evaluate the role of non-monetary incentives in motivating employees in small scale businesses.

RESEARCH QUESTIONS

1. What are the main motivational factors influencing employees in small scale businesses?

2. How does employee motivation affect job performance in the market?
3. What role do non-monetary incentives play in motivating employees in small scale businesses?

SIGNIFICANCE OF THE STUDY

This research is important because it contributes to understanding how motivational factors impact job performance within the context of small-scale, informal businesses. These businesses are a cornerstone of Malawi's economy and provide critical income for many households. However, without properly motivated employees, these businesses struggle with inefficiency and stagnation (Riyanto et al., 2021).

Given that most small enterprises lack the capacity to offer substantial financial rewards, non-monetary incentives such as recognition, career development, and positive work environments can be leveraged to enhance job satisfaction and reduce turnover (Riana, 2015). The study will generate practical insights that can help local business owners and policymakers formulate strategies to boost employee engagement and productivity.

By applying established theories of motivation and job performance in a real-world market setting, this research also adds to the academic literature and provides a foundation for future studies targeting informal economies in sub-Saharan Africa (Ayub & Ghauri, 2020).

LITERATURE REVIEW

This chapter reviews key concepts, theoretical models, and empirical studies that relate to the current research objectives: identifying key motivational factors influencing employees at Msungwi Market, examining how motivation affects job performance, and evaluating the role of non-monetary incentives in enhancing motivation. The discussion will begin with definitions of major terms, followed by a critical review of prior research aligned with the study's objectives.

Definition of Terms

Understanding the core concepts that shape this study is essential before diving into deeper analysis. Terms like "motivation" and "job performance" may seem familiar, but in the context of small-scale businesses in informal markets, their meanings carry unique implications. By clearly defining these foundational terms, we establish a shared understanding that will guide the interpretation of findings and support the alignment of theory with real-world experiences. The

definitions below draw from both academic literature and practical insights into workplace behavior and performance.

Employee Motivation

Employee motivation refers to the set of internal and external forces that influence an employee's behavior, direction of effort, intensity, and persistence in job-related tasks (Riyanto, Endri, & Herlisha, 2021). It can be driven by both tangible rewards like pay and promotion, and intangible factors such as recognition, autonomy, and purpose (Varma, 2018).

Job Performance

Job performance is defined as the effectiveness with which job duties are executed by an employee. It includes productivity, quality of work, efficiency, and the extent to which an individual contributes to organizational goals (Riana, 2015). Good performance is often the result of adequate motivation and satisfaction.

Intrinsic Motivation

This type of motivation arises from within the individual, driven by the nature of the work itself. It includes enjoyment, personal achievement, and the feeling of doing something meaningful (Ayub & Ghauri, 2020). Intrinsic motivation is especially valuable in informal businesses where financial resources are limited.

Extrinsic Motivation

Extrinsic motivation comes from outside the individual and involves external rewards such as salary, bonuses, promotions, and job security. Although effective in the short term, its sustainability in informal businesses may be limited due to budget constraints (Varma, 2018).

Non-Monetary Incentives

Non-monetary incentives refer to rewards that do not involve direct financial payment. These include recognition, training and development opportunities, flexible work conditions, and involvement in decision-making (Carvalho, Riana, & Soares, 2020). In the absence of sufficient financial compensation, these incentives become critical tools for motivating employees.

Job Satisfaction

Job satisfaction is a positive emotional state resulting from the appraisal of one's job or job experiences. It is linked to motivation and affects organizational commitment, turnover intentions, and overall performance (Varma, 2018). Satisfied employees are generally more motivated and perform better.

Leadership

Leadership is the ability to influence others towards achieving common goals. In the context of employee motivation, leadership style plays a vital role in shaping the work environment and supporting or hindering employee engagement (Riana, 2015).

Review of previous studies in line with Research Objectives

Identify key motivational factors influencing employees in small scale businesses.

Ahmed and Islam (2011) conducted a study aimed at identifying motivation drivers among university faculty in Pakistan. Although their setting was in the academic sector, the findings have strong applicability to informal and small business contexts. Their research revealed that working conditions, recognition, and compensation were the top three variables significantly influencing motivation. Among these, working conditions scored the highest, showing that environmental and relational aspects of the workplace can outweigh monetary considerations in stimulating employee commitment. Recognition often a low-cost practice was also shown to have a profound impact on employee attitudes, particularly in environments with limited budgets. This highlights the importance of simple, consistent acts of appreciation and positive feedback, which can transform workplace culture even in the absence of formal HR structures.

Building on this, the application of equity theory has been consistently supported in studies by Sweeney (1990), McKenna (2000), and Hackman & Oldham (1975), who emphasize the central role of perceived fairness in determining motivation. These theories assert that employees evaluate their efforts and the rewards they receive in relation to others. When they perceive fairness in recognition, work allocation, or compensation, their motivation increases. This notion is especially relevant in informal market settings where reward systems may not follow formal structures. If employees feel they are being treated unfairly or excluded from development opportunities,

motivation decreases regardless of pay levels. Fairness in treatment, opportunity, and acknowledgment is thus a central factor influencing motivation at the grassroots level.

Hackman and Oldham's (1975) Job Characteristics Model also reinforces the importance of intrinsic factors. They proposed that five job characteristics skill variety, task identity, task significance, autonomy, and feedback contribute to meaningful work, which in turn enhances motivation. In informal settings like Msungwi Market, where job roles are often repetitive and poorly defined, applying these dimensions can bring purpose and clarity to daily tasks. For example, offering employees the ability to manage their own schedules or contribute ideas to business operations can give them a stronger sense of ownership and identity in their work, thereby increasing their intrinsic motivation.

Examining the relationship between employee motivation and job performance.

Carvalho, Riana, and Soares (2020) examined the direct relationship between motivation and performance in small and medium-sized enterprises using Partial Least Squares (PLS) analysis. Their findings confirmed a statistically significant link between motivation and employee performance, with a path coefficient of 0.237 and a T-statistic of 2.211. This suggests that when employees are motivated, their overall work output, quality, and efficiency improve measurably. The study further concluded that motivation must be addressed as an integral component of business strategy specially in SMEs and informal sectors because motivated employees tend to align better with company goals, show greater persistence, and contribute positively to business outcomes.

The same study went on to establish a sequential relationship: motivation enhances job satisfaction, and satisfaction then leads to higher performance. The researchers found that motivation had a strong positive effect on job satisfaction ($\beta = 0.626$), which in turn had a high impact on performance ($\beta = 0.633$). This cascade effect suggests that employers need to take a holistic approach addressing both what drives employees and what keeps them happy and fulfilled. For small business owners at Msungwi Market, this means that even basic efforts to show appreciation, listen to concerns, and build trust can dramatically improve employee satisfaction and, consequently, productivity.

Rizaldi (2017), Olusadum & Anulika (2018), and Yusrisal & Heryanto (2019) have also provided

empirical evidence that supports the idea that employee motivation is a fundamental driver of performance in micro-enterprises. Their studies concluded that motivated employees are more innovative, take initiative, and demonstrate stronger problem-solving abilities. In the context of a competitive and resource-limited informal economy, such traits are essential for the survival and growth of small businesses. These findings reinforce the urgency for informal business owners to invest in motivational strategies that are context-sensitive and practical.

Furthermore, Kaye and Evans (2000) observed that motivated and satisfied employees not only perform better individually but also help create a more cooperative and collaborative work environment. This is particularly important in informal settings where teams may form organically, and relationships matter as much as job titles. Their research showed that workplaces with high motivation levels had better communication, stronger teamwork, and less conflict all of which are essential for stable and productive operations.

To evaluate the role of non-monetary incentives in motivating employees in small scale businesses.

Varma (2018) carried out an in-depth study on the importance of employee motivation and job satisfaction in organizational performance. His findings highlighted that non-monetary incentives such as recognition, training, flexibility, and supportive supervision were significantly more effective in sustaining employee motivation than financial incentives in resource-limited settings. In organizations where salary increases or bonuses were not feasible, practices like giving praise, celebrating achievements, and allowing staff to participate in planning led to marked increases in morale and output. These insights are directly applicable to Msungwi Market, where financial constraints are a common challenge for most employers.

In the same study, Varma (2018) conducted a survey of 106 employees across various organizations, and the results revealed some critical patterns. Over 60% of respondents indicated that training and development opportunities, performance recognition, and career advancement options were key sources of satisfaction. Interestingly, only 38% expressed satisfaction with financial compensation, and 36% felt appreciated by their supervisors. These findings underscore the importance of non-monetary rewards in enhancing workplace morale. For business owners with limited capital, this demonstrates that sustainable employee engagement is possible through better communication, mentorship, and development pathways.

Herzberg's Two-Factor Theory also supports the dominance of non-monetary incentives in sustaining motivation over time. According to Herzberg, motivators such as achievement, personal growth, and recognition are more influential in generating long-term satisfaction compared to hygiene factors like pay and policies. This distinction is critical for small-scale business managers who may not have the resources for pay raises but can create a fulfilling work atmosphere through leadership, goal setting, and employee empowerment.

Overall, these studies converge on a central idea: non-monetary incentives are not just alternatives to pay, they are powerful drivers of human behavior that can be optimized for impact in informal economic settings. In a market like Msungwi, where businesses are informal and resources are limited, implementing a system of recognition, participation, and growth-oriented support may be the key to sustained performance and low turnover.

Theoretical Framework.

This section outlines the theoretical models underpinning the study, offering a conceptual lens through which the relationship between employee motivation and job performance can be understood. Given the informal and resource-constrained nature of small-scale businesses, these theories provide critical insights into how various motivational strategies particularly non-monetary one's impact employee behavior and performance.

Herzberg's Two-Factor Theory.

Herzberg's Two-Factor Theory, developed in 1959, distinguishes between hygiene factors and motivators. Hygiene factors such as salary, supervision, and working conditions do not inherently motivate but must be adequate to prevent dissatisfaction. Motivators, including recognition, responsibility, and opportunities for growth, directly lead to increased motivation and job satisfaction.

In the context of small scale business, where most businesses operate under tight financial constraints, motivators are especially relevant. Informal business owners can leverage non-monetary strategies such as recognition, autonomy, and task significance to create meaningful work environments. This theory supports the study's examination of how non-financial incentives impact job satisfaction and performance in small-scale businesses.

Equity Theory.

Equity Theory, introduced by John Stacey Adams in 1963, emphasizes fairness as a fundamental component of motivation. According to this theory, employees compare their input-output ratios to those of others within the workplace. When they perceive equity, they are more likely to be satisfied and motivated; when they perceive inequity, feelings of resentment and demotivation may arise.

In informal businesses, where formal compensation structures are often absent, the perception of fairness in task assignments, recognition, and developmental opportunities becomes crucial. At Msungwi Market, workers may remain committed not because of high salaries, but because they feel respected and fairly treated. Equity Theory, therefore, provides a framework for understanding how perceived fairness influences motivation in unstructured environments.

Job Characteristics Model.

The Job Characteristics Model by Hackman and Oldham (1975) identifies five core job features that contribute to psychological states leading to high motivation: skill variety, task identity, task significance, autonomy, and feedback. Jobs that incorporate these elements are more likely to provide intrinsic motivation and lead to improved job performance and satisfaction.

In the small-scale and informal business setting, job roles are typically repetitive and lack structure. Applying this model can help explain how improving the quality and meaningfulness of work through task enrichment, autonomy, and feedback can positively influence motivation and job performance, even in the absence of financial incentives.

Expectancy Theory.

Expectancy Theory, proposed by Victor Vroom in 1964, postulates that motivation is determined by three factors: expectancy (the belief that effort will lead to performance), instrumentality (the belief that performance will lead to desired outcomes), and valence (the value the individual places on the outcome). Employees are more motivated when they believe their efforts will lead to performance and that the performance will be rewarded with outcomes they value.

In the case of Msungwi Market, many workers may not expect financial rewards for improved performance. However, if they are assured that effort will result in recognition, skill development,

or other valued non-monetary outcomes, motivation is likely to improve. This theory thus helps in understanding how expectations and perceptions of reward systems influence employee behavior in low-resource settings.

Conceptual Framework.

A conceptual framework is an analytical tool that visually and theoretically represents the key variables of a study and the relationships among them. In this research, the conceptual framework demonstrates how various non-financial motivational factors influence employee job performance in small-scale businesses at Msungwi Market, Lilongwe. The framework draws upon Herzberg's Two-Factor Theory and Maslow's Hierarchy of Needs, providing a structured approach to understanding and evaluating motivational strategies in informal business settings.

Explanation of the Framework.

In this study, non-financial motivation factors are treated as the independent variables. These intrinsic or psychological incentives do not involve direct monetary compensation but significantly influence employee attitudes, engagement, and satisfaction. In small-scale businesses, especially informal markets like Msungwi, financial rewards are often limited. Therefore, motivators such as recognition, a supportive work environment, job security, and opportunities for career growth are critical for enhancing employee morale, commitment, and productivity.

Job performance is the dependent variable in this study, defined as the effectiveness with which employees carry out their duties, including productivity, quality of work, efficiency, and contribution to organizational goals. Performance is influenced not only directly by motivation but also indirectly through job satisfaction, which acts as a mediating variable. Job satisfaction represents employees' positive emotional and cognitive appraisal of their work, and higher satisfaction levels are associated with increased effort, engagement, and overall performance.

Components of the Conceptual Framework

Independent Variables (Non-Financial Motivation Factors):

- **Recognition and Appreciation:** Regular and sincere acknowledgment of employees' efforts and achievements, aligned with Herzberg's motivators.
- **Supportive Work Environment:** A workplace characterized by cooperation, respect, and mutual support among employees and management.
- **Job Security:** Assurance of continued employment and stability, reducing anxiety and enabling employees to focus on their work.
- **Opportunities for Career Growth:** Chances for skill development, increased responsibilities, and advancement, which enhance intrinsic motivation and satisfaction.

Mediating Variable:

- **Job Satisfaction:** The level of contentment employees feel toward their work and workplace, which channels the effects of motivation onto performance.

Dependent Variable:

- **Job Performance:** The extent to which employees carry out their tasks effectively, demonstrating productivity, quality, efficiency, and commitment to organizational goals.

Assumptions of the Framework.

This conceptual framework assumes that employee motivation through non-financial incentives can significantly improve job satisfaction, which in turn enhances job performance. The framework also assumes that the effectiveness of these motivational strategies can be amplified when implemented in culturally and gender-sensitive ways. Furthermore, it is based on the premise that motivation is multidimensional, and psychological and social factors play a crucial role in informal economies where financial resources are scarce. Herzberg's theory supports the notion that intrinsic motivators are key drivers of satisfaction and, consequently, performance, while hygiene factors prevent dissatisfaction and create a stable work environment.

Conceptual Diagram.

The diagram below illustrates the presumed relationships among the variables. The independent variables directly influence job performance.

Conceptual Framework



RESEARCH METHODOLOGY

This chapter presents the research methodology proposed for assessing the impact of employee motivation on job performance in small-scale businesses at Msungwi Market in Lilongwe. It outlines the research design and methodology, research setting, target population, sampling techniques, sample size, research instrument, pilot study, data analysis procedures, and ethical considerations. The methodology guides the collection of valid, reliable, and relevant data needed to achieve the study's objectives.

Research Design and Methodology

This study adopts a quantitative, descriptive-correlational research design to assess the impact of motivation on employee job performance in small-scale businesses at Msungwi Market, Lilongwe. A quantitative approach was selected because it allows for objective measurement of relationships between variables and facilitates statistical analysis of patterns and trends (Sousa, Driessnack, & Mendes, 2007).

Structured questionnaires were used to collect data on employees' perceptions of recognition, supportive work environments, job security, and career growth, and how these factors relate to their performance levels. The design aligns with the conceptual framework, which proposes that employee motivation influences job satisfaction, which in turn affects job performance.

This design is appropriate for the informal business setting of Msungwi Market and enables the study to quantify the relationship between motivation and performance efficiently. It also supports the study objectives by providing data that can be analyzed descriptively and through correlation to determine the impact of non-financial motivational factors on job performance (Mugenda & Mugenda, 2003; Kothari, 2004).

Research Setting

The research is conducted at Msungwi Market, located in Area 25, Lilongwe, Malawi. This is a busy informal market with a high concentration of small-scale businesses, including grocery shops, salons, barbershops, tailoring stalls, and food vendors.

The market is selected as the study area because it reflects typical conditions under which informal and small-scale businesses operate. Many of these businesses do not offer formal contracts or consistent financial rewards, making non-financial motivation strategies crucial to keeping employees satisfied and productive.

Due to the informal nature of employment in this area, the study setting provides a practical and realistic environment for assessing how factors like recognition, supportive work relationships, and job stability affect employee satisfaction and performance.

Target Population

This study is conducted at Msungwi Market, located in Area 25, Lilongwe, Malawi. The market is a busy commercial area known for its wide range of small-scale businesses, including grocery shops, barbershops, salons, tailoring services, and food vendors. These businesses operate mostly in the informal sector, with limited structures for formal employee management and compensation.

Msungwi Market is selected as the research site because it provides a realistic context for examining employee motivation and job performance in small-scale enterprises. In this environment, financial rewards are often minimal or irregular, making non-financial motivational strategies more relevant. Employees rely on factors such as recognition, job security, a supportive work environment, and fair treatment to stay motivated and satisfied with their jobs.

Sampling Technique

The study uses a combination of purposive sampling and convenience sampling. These non-probability methods are especially suitable for informal research settings where structured records of employees or businesses are unavailable (Schoonenboom & Johnson, 2017). Purposive sampling is used first to identify businesses that have at least two employees.

This ensures that the participants meet the core requirement of being employees rather than business owners or self-employed traders. Convenience sampling is then used to select individuals who are available and willing to participate at the time of the researcher's visit. This approach respects the unpredictable nature of small business schedules while allowing efficient data collection. This sampling method enables the researcher to reach information-rich cases without disrupting business operations. Although non-random, the sample provides a fair representation of employee views across various types of businesses at Msungwi Market.

Sample Size

Determining the right sample size is an important part of survey research. A larger sample can give more accurate results, but it can also be limited by available time, cost, and resources. This approach resulted in 39 respondents who completed the questionnaires, all employees in small-scale businesses at Msungwi Market.

To decide on the exact number, the slovin formula was used. This formula helps estimate a sample size when the population is large and the goal is to measure opinions or behaviours. The simplified formula is used below:

$$\begin{aligned}
n &= \frac{N}{1 + N e^2} \\
&= \frac{98}{1 + 98(0.10)^2} \\
&= \frac{98}{1 + 98(0.01)} \\
&= \frac{98}{1.98} \\
&\approx 49
\end{aligned}$$

- $n = \text{Sample size}$
- $N = 98 \text{ Population size}$
- $e = 0.10 \text{ Margin of error}$

Research Instruments

The primary data collection instrument used in this study was a structured questionnaire administered via Google Forms. The questionnaire focused on collecting quantitative data, while also including one open-ended question to capture respondents' general opinions on how small-scale business owners can better motivate employees.

Pilot Study

Before the main data collection, a pilot study is conducted to test the questionnaire and interview guide. It involves five employees from a nearby market outside Msungwi Market to avoid influencing the main sample. The purpose of the pilot study is to check whether the questions are clear, easy to understand, and able to collect the right information. It also helps estimate the time needed to complete both the questionnaire and the interviews. Based on the feedback from the pilot, unclear or confusing questions are revised or removed. This helps ensure that the final research instruments are reliable, simple, and appropriate for the target group.

Data Analysis

The data collected through the structured questionnaires will be entered and analyzed using SPSS (Statistical Package for the Social Sciences) because it is good for both descriptive and inferential statistics. Since this study also includes qualitative data from semi-structured interviews, both kinds of data will be analyzed to get a complete understanding of the topic.

For the quantitative data, the responses will first be checked to make sure they are complete and accurate. Any incomplete or unclear answers will be removed during data cleaning. The Likert scale answers like “Strongly Agree” to “Strongly Disagree” will be turned into numbers from 5 to 1 so they can be analyzed easily.

Descriptive statistics like frequencies, percentages, and averages will be used to summarize the questionnaire data and show general trends (Mugenda & Mugenda, 2003). To see if there is a relationship between motivation and job performance, correlation and regression analysis will be done (Kothari, 2004).

The reliability of the questionnaire will be tested using Cronbach’s Alpha. A score of 0.70 or higher means the questions are consistently measuring what they are supposed to (Creswell, 2014).

For the qualitative data from the interviews, the recordings will be written down word for word. Then, the transcripts will be read carefully to find common themes like appreciation, flexibility, fairness, and teamwork. This helps to understand the deeper experiences of employees, especially about non-monetary motivation (Braun & Clarke, 2006).

Finally, the study will compare results from both the questionnaires and the interviews through triangulation. This helps make the findings stronger and more trustworthy. When both types of data point to the same conclusions, like the importance of recognition as a motivator, the results become more reliable (Ostlund et al., 2011).

Ethical Considerations

This study strictly adheres to established ethical research principles to ensure the protection, dignity, and rights of all participants throughout the research process. Ethical integrity is upheld

by following key practices including voluntary participation, informed consent, anonymity, and confidentiality. Participation in the study is entirely voluntary, and no respondent is coerced or pressured to take part. Each participant is provided with a detailed explanation of the research purpose, its objectives, the nature of the questions being asked, and how the data will be used. This explanation is presented through an informed consent form, which participants are required to read and acknowledge before engaging with the questionnaire. The form also clearly states that participants have the right to withdraw from the study at any point, without the need to provide a reason and without facing any negative consequences.

To protect the identities and personal information of participants, data is collected in a manner that guarantees anonymity. Respondents are not required to provide names, identification numbers, or any personally identifiable information. This approach reduces the risk of bias in responses and ensures that privacy is maintained throughout the research process. In addition to anonymity, strict confidentiality is also observed. All data is stored securely, both digitally and physically, and is accessible only to the researcher and academic supervisors involved in the study. The data is used solely for academic and research purposes, and no part of it is shared with third parties or used for commercial or promotional activities.

Furthermore, before data collection begins, formal ethical clearance is obtained from DMI–St. John the Baptist University, in accordance with institutional research policies. This clearance serves to verify that the study design, methodology, and data management processes meet the required ethical standards. All procedures outlined in the study comply with academic research norms, ensuring that the rights, safety, and well-being of participants are respected at all times. Through these measures, the study maintains ethical rigor and contributes responsibly to the field of academic research.

RESULTS AND DISCUSSION

This chapter presents and discusses the research findings in alignment with the study's objectives, based on data collected from 39 respondents at Msungwi Market. The utilization of pie charts, frequency tables, and narrative explanations facilitates a comprehensive

understanding of the data patterns and trends. The approach ensures clarity in presenting both descriptive statistics and interpretive insights, thereby enhancing the robustness of the analysis.

The results section is structured to systematically address each research objective, beginning with demographic information to contextualize the workforce characteristics. This foundation allows for a nuanced examination of motivational factors, their influence on job performance, and the role of non-monetary incentives. Such organization strengthens the logical flow and supports evidence-based conclusions.

By highlighting key themes through graphical and tabular representations, the chapter integrates quantitative analysis with theoretical frameworks, providing a detailed exploration that bridges data with motivation theory. These findings not only contribute to understanding employee behaviour at Msungwi Market but also inform practical recommendations tailored to informal market dynamics.

Response Rate

<i>ITEM</i>	<i>NUMBER</i>
<i>Questionnaires distributed</i>	<i>49</i>
<i>Questionnaires returned</i>	<i>39</i>
<i>Response rate</i>	<i>80%</i>

The response rate reflects the proportion of distributed questionnaires that were completed and returned by the participants. In this study, all individuals who responded were included in the analysis. While not all targeted participants completed the questionnaire, the actual respondents provided sufficient data to examine the impact of motivation on job performance. This level of participation is acceptable in informal market settings, where accessibility and availability constraints may limit full participation (Mugenda & Mugenda, 2003; Schoonenboom & Johnson, 2017). A high response rate ensures reliability and reduces the risk of bias in interpreting the results.

Demographic Information

Gender of Respondents

<i>Gender</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Male</i>	22	56.4%
<i>Female</i>	17	43.6%

The workforce is slightly male-dominated, reflecting common patterns in informal African markets where men often occupy labour-intensive roles, while women typically handle retail and service-oriented activities (Aziri, 2011). Gender differences influence motivational preferences; for example, women tend to value relational factors such as respect, recognition, and flexibility more than men (Herzberg, 1966; Maslow, 1943). These findings suggest that managers and business owners should consider gender-specific approaches when designing motivational strategies to ensure equity and enhance productivity.

Age Distribution

<i>Age group</i>	<i>Frequency</i>	<i>Percentage</i>
<i>18-25 Years</i>	32	82.1%
<i>26-35 Years</i>	5	12.8%
<i>36 + Years</i>	2	5.1%

The majority of employees are young, indicating a dynamic and energetic workforce. Young employees are often more adaptable and open to learning new skills, but they may also have higher turnover tendencies due to career exploration and limited long-term commitments (Maslow, 1943; Aziri, 2011). This demographic profile implies that businesses may need to implement youth-focused retention strategies, such as skill development programs, mentorship, and opportunities for progression, to enhance stability and improve job performance (Herzberg, 1966).

Level of Education

<i>Level of Education</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Secondary</i>	17	43.6%
<i>Tertiary</i>	21	53.8%
<i>Primary/None</i>	1	2.6%

Most employees have attained secondary or tertiary education, which has significant implications for motivation and job performance. Educated employees are more likely to appreciate intrinsic motivators, such as recognition, personal development, and career growth, compared to those with lower education levels (Herzberg, 1966; Aziri, 2011). This aligns with Maslow’s theory, where higher-level needs such as esteem and self-actualization become more salient. These findings suggest that small-scale businesses can leverage non-financial motivators effectively to enhance engagement and performance among educated employees (Maslow, 1943).

Work Experience

<i>Experience</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Less than 1 year</i>	<i>15</i>	<i>35.8%</i>
<i>1-3 Years</i>	<i>16</i>	<i>41.0%</i>
<i>4-6 Years</i>	<i>4</i>	<i>10.3%</i>
<i>More than 6 Years</i>	<i>4</i>	<i>10.3%</i>

The workforce is largely composed of early-career employees, which indicates both potential and challenges. While early-career employees often bring enthusiasm, creativity, and energy, their limited experience may require additional guidance, support, and recognition to maintain high performance (Aziri, 2011; Herzberg, 1966). Businesses that implement mentorship, regular feedback, and opportunities for skill development can help these employees improve performance while fostering loyalty and reducing turnover.

Presentation of Research Findings

Motivational Factors

Respondents selected multiple motivators

<i>Motivational Factor</i>	<i>Frequency</i>
<i>Salary/Wages</i>	<i>31</i>

<i>Recognition</i>	22
<i>Job security</i>	19
<i>Positive work environment</i>	25
<i>Growth opportunities</i>	17

The findings indicate that both financial and non-financial motivational factors influence employee engagement and job performance in small-scale businesses at Msungwi Market. Salary and wages emerge as an important factor, primarily serving as a hygiene factor that prevents dissatisfaction rather than actively motivating employees. This observation is consistent with Herzberg's Two-Factor Theory, which argues that financial rewards alone are insufficient to sustain long-term motivation (Herzberg, 1966).

Non-financial factors such as recognition, job security, a positive work environment, and opportunities for growth were also strongly emphasized by respondents. These factors correspond to Herzberg's motivators and Maslow's higher-level needs, particularly esteem and self-actualization needs (Maslow, 1943). In informal market settings where financial rewards are often constrained, these psychological and social motivators become critical in enhancing employee satisfaction and performance. The findings therefore demonstrate that a balanced motivation strategy, combining both hygiene and motivational factors, is essential for improving employee performance in small-scale businesses.

I perform better when I feel motivated.

<i>Response</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Strongly Agree</i>	18	46.2%
<i>Agree</i>	15	38.5%
<i>Neutral</i>	3	12.8%
<i>Disagree</i>	1	2.5%

The results show a strong perception among employees that motivation directly influences their job performance. This finding supports Vroom's Expectancy Theory, which posits that employees are more likely to exert effort when they believe that their effort will lead to desirable outcomes such as recognition, appreciation, or personal growth (Vroom, 1964).

In the context of Msungwi Market, where formal reward systems and promotion structures are limited, motivation is largely driven by non-financial incentives. Previous studies have similarly found that motivated employees demonstrate higher levels of commitment, efficiency, and responsibility, even in resource-constrained environments (Aziri, 2011). The findings therefore align with the study's objective of examining the relationship between motivation and job performance, confirming that motivation remains a key driver of performance regardless of organizational size or formality.

Recognition and appreciation motivate me.

<i>Response</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Strongly Agree</i>	12	30.8%
<i>Agree</i>	16	41.0%
<i>Neutral</i>	8	20.5%
<i>Disagree</i>	3	7.7%

Recognition and appreciation emerged as significant motivational drivers among employees. This finding reinforces Herzberg's assertion that recognition and achievement are intrinsic factors that enhance job satisfaction and performance (Herzberg, 1966). Employees who feel appreciated are more likely to develop a sense of belonging and pride in their work, which positively influences their productivity.

The findings also align with Social Exchange Theory, which suggests that employees respond to positive treatment from employers by reciprocating with increased effort and commitment (Aziri, 2011). In small-scale and informal businesses, where financial incentives may be inconsistent or limited, recognition serves as a practical and cost-effective strategy for motivating employees. This highlights the importance of simple practices such as verbal praise, acknowledgment of effort, and respectful communication in sustaining employee performance.

A respectful and supportive environment keeps me motivated.

<i>Response</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Strongly Agree</i>	20	51.3%

<i>Agree</i>	<i>14</i>	<i>39.5%</i>
<i>Neutral</i>	<i>3</i>	<i>7.7%</i>
<i>Disagree</i>	<i>2</i>	<i>5.1%</i>

The findings indicate that a respectful and supportive work environment is highly valued by employees and plays a critical role in maintaining motivation. This observation is consistent with Edmondson’s Psychological Safety Theory, which emphasizes that trust, respect, and supportive relationships enable employees to perform better by reducing fear, stress, and uncertainty (Edmondson, 1999).

Herzberg’s Two-Factor Theory also supports this finding by identifying the work environment as a hygiene factor that prevents dissatisfaction and enables employees to focus on productive tasks (Herzberg, 1966). In informal market settings such as Msungwi, where formal policies and protections are limited, the quality of interpersonal relationships becomes even more important. A supportive environment fosters cooperation, loyalty, and sustained job performance, even in the absence of strong financial incentives.

CONCLUSION AND RECOMMENDATIONS

This chapter synthesizes the findings of the study on the impact of employee motivation on job performance in small-scale businesses at Msungwi Market. It presents an in-depth interpretation of the results, draws conclusions aligned with the research objectives, and provides practical recommendations for market managers and policymakers. The chapter also addresses the limitations of the study and proposes directions for future research. The discussion is grounded in established motivational theories, including Herzberg’s two-factor theory (1966), Maslow’s hierarchy of needs (1943), Vroom’s expectancy theory (1964), as well as insights from prior research on informal market employee motivation (Aziri, 2011; Edmondson, 1999).

Summary of Findings

The study revealed that employee motivation in Msungwi Market is influenced by a combination of financial and non-financial factors, which together determine job performance. Salary emerged as the most cited motivator, confirming Herzberg’s assertion that financial rewards function as

hygiene factors that prevent dissatisfaction but do not necessarily drive engagement (Herzberg, 1966). However, non-financial motivators, including recognition, positive work environment, and opportunities for growth, were also highly valued by employees. Recognition and appreciation were reported as strong drivers of motivation, reflecting Herzberg's motivator factors and demonstrating that intrinsic rewards are essential in enhancing employee satisfaction and productivity (Herzberg, 1966; Aziri, 2011).

The findings also indicate that demographic characteristics such as age, education, and work experience shape employees' motivational preferences. The workforce is predominantly young and educated, with early-career employees showing particular responsiveness to growth opportunities, skill development, and recognition. This aligns with Maslow's hierarchy of needs, where younger employees and those with higher education levels are more likely to seek esteem and self-actualization needs through non-financial incentives (Maslow, 1943). The male-dominated composition of the workforce suggests that gender considerations may also influence the type of motivational strategies that are most effective, highlighting the importance of culturally and contextually sensitive interventions.

In examining the relationship between motivation and job performance, the study found that employees who felt motivated were more likely to perform their duties effectively. This supports Vroom's expectancy theory, which posits that employees increase effort when they anticipate that their performance will be recognized and rewarded (Vroom, 1964). In informal markets, where structured performance evaluations may be limited, the study demonstrates that low-cost, non-financial motivators can effectively influence effort and output. A positive and supportive work environment emerged as a critical factor, consistent with Edmondson's psychological safety model. Employees reported higher engagement and reduced stress in workplaces characterized by trust, respect, and collaborative interactions (Edmondson, 1999; Herzberg, 1966).

Overall, the findings suggest that hybrid motivational strategies, which combine extrinsic factors such as salary and job security with intrinsic factors like recognition, supportive environments, and career development opportunities, are more effective in enhancing employee performance than relying on a single motivator. This reinforces the conceptual framework proposed in Chapter 2,

illustrating that motivation, when aligned with employee needs and context, leads to improved job satisfaction and performance.

Conclusions

Employee motivation significantly influences job performance in Msungwi Market, confirming the study's main objective. Both financial and non-financial factors are critical, with salary and job security preventing dissatisfaction, while recognition, growth opportunities, and supportive work environments drive engagement, commitment, and productivity. The study demonstrates that intrinsic motivators are particularly effective in informal market contexts, where financial resources are limited, and structured human resource practices are minimal (Herzberg, 1966; Aziri, 2011).

Demographic factors such as age, education, and work experience play a moderating role in how employees respond to motivational strategies. Young and educated employees are more responsive to recognition and growth opportunities, while gender and cultural sensitivity influence the effectiveness of interventions. These insights emphasize the importance of context-specific, hybrid motivational strategies that blend extrinsic and intrinsic factors to optimize performance in informal market settings.

Recommendations

The recommendations presented in this section are informed by the quantitative findings and are further supported by the general opinions expressed by respondents. Employees emphasized practical motivational approaches such as rewards and recognition, respectful treatment, open communication, and a supportive working environment, which are particularly suitable for small-scale businesses operating in informal market settings.

Based on the findings, small-scale business owners should focus on practical, low-cost interventions that maximize employee motivation and performance. Recognition programs, including verbal praise, public acknowledgment, and structured appreciation initiatives, can significantly enhance engagement without imposing financial burdens (Herzberg, 1966; Aziri,

2011). Fostering a supportive and respectful work environment, where employees feel valued, safe, and encouraged to collaborate, can further improve performance and reduce workplace stress, in line with Edmondson's psychological safety model (Edmondson, 1999).

For younger employees, mentorship programs, skill-sharing initiatives, and flexible work arrangements can help retain talent and reduce turnover. Opportunities for skill development and career growth address higher-level needs, boosting commitment and productivity (Maslow, 1943). Regular feedback mechanisms, such as employee surveys or performance monitoring, are recommended to assess the effectiveness of motivational strategies and allow for timely adjustments. Additionally, policymakers and training institutions, such as DMI-St John the Baptist University and Malawi's commerce authorities, can support informal market leaders through subsidized training programs on motivation, leadership, and employee engagement, enabling these practices to be scaled across other markets.

In summary, hybrid strategies that combine financial stability with intrinsic recognition, skill development, and supportive work environments are recommended as the most effective approach to enhancing employee performance in small-scale businesses operating under resource constraints.

Suggestions for Future Research

Future research should include multiple markets across Malawi with larger and stratified samples to enhance generalizability. Longitudinal studies could examine the sustainability of motivational interventions over time. Incorporating qualitative methods, such as interviews or focus groups, would provide deeper insights into employees' perceptions of recognition, fairness, and support. Furthermore, exploring the application of digital tools for recognition or performance tracking could provide innovative approaches to enhance motivation in informal market settings, linking findings to frameworks such as the Job Characteristics Model and Equity Theory.

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