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Motivational Factors and Profitability of Food Restaurant Businesses Owned by Females in Tanzania

Dr. Ismail J. Ismail

Lecturer, The University of Dodoma (UDOM), Tanzania

Mohamed Kaluse

Assistant Lecturer, The University of Dodoma (UDOM), Tanzania

Abstract:

As urban population increases in Tanzania due to the current policy of industrialization, food processing activities have grown to be importance to meet new consumer demands. Tanzanian females have a long established role in this subsector, but their potential for advancement in sales and profitability is impeded by many factors. By recognizing the importance of females in the food industry and the challenges they have, this study has focused on assessment of the influence of motivational factors on the profitability of food restaurant businesses managed and owned by females, taking into account achievement, reward and social recognition as the motives behind starting food businesses. The study was conducted in Morogoro, Dodoma and Singida municipalities. The study used exploratory design to conduct a survey of motivator's factors to the study area. A confirmatory factor analysis (CFA) was conducted to show the relationships between motivation latent variables (Achievement, reward and Society) and their relative indicators. This was used to determine whether the hypothesized motivational conceptual structure provided a good fit to the data by assessing the items internal consistence and their reliability, profitability was found to be affected by reward ($\beta = 0.31, p = 0.000$) and society ($\beta = 0.22, p = 0.000$). Therefore, these two motivational factors (reward and society) were found to have a positive and significantly relationship with profitability levels of food restaurants in the study area. It is recommended that, training has to be done to female operating food restaurant businesses in order for them to recognize their inner motivation before starting the businesses. This is important because, it was found that, most of the business started without owner's motivation are not successful and ended up with poor performance.

Keywords: Motivational factors, food restaurant businesses owned by females, profitability, Tanzania

1. Introduction

Worldwide it is recognized that small and medium enterprises have been the major force in job creation, innovation and economic growth (Gordon, 2000 and Yassin, 2013). According to them, many enterprises are women-owned or operated, but their businesses have also influenced in one way or another structure of all economies. However, Das (2005) pointed that, women enter business simply due to different reasons such as; they had time to do the business; they needed something to keep them busy; because their husband is into the same kind of business; or because they see it as an opportunity to start business in that line. Generally, all these reasons are inner motive which can be grouped into three motivational forces of social recognition, rewards or achievement.

In Tanzania, 95% of business are small and Medium Enterprises (SMEs) and they represent about 35% of GDP (TCCIA, 2016). According to the national baseline survey of 2012, Tanzania is estimated to have more than 3 million small business. Most of these small businesses engaged in trade and service of which 54.3% are owned by females. For about 83% of small business owners, the primary motivation for starting a business is to provide support to their families (Society). Experience shows that, most females who actively engage in small business prefer to run food restaurant business. However, the question on what motivate females to engage in food small business and make profit is still paramount. According to Kalimullah, (2010), these motives are the forces which to the business performance, they are the desire to achieve a goal or a certain performance level, leading to goal-directed behavior.

According to Johnson & Geupel (1996), a motivated person always work hard to accomplish a certain task. In this regard, a person's inner motivation is what drives such a person into waking up every single morning and look forward to another brighter day Johnson & Geupel (1996) as cited by (Barbra, 2011). This means, for the business owner to archive goals like making profit, the inner motivations such as desire for achievement, rewards and social recognition are mostly involved.

However, profitability can mostly be attributed by the fact that motivation has played a major role in ensuring that there is increased performance (Shadare and Hamed, 2000). According to Mueller, (2017), for the business persons to understand what forces them to start a business, is enough motivation. The only difference is that, there are different levels of motivation. Some have high motivation to do what they are willing and able to do, while to others, the motivation is to do as much as the minimum requirements. One of the old sayings states that the doors that open out to change are opened from the inside and not from the outside Levoy (2009). This signifies the fact that motivation is an inner driven force that makes someone to strive in achieving ultimately goal.

According to Barbra (2011), people can be internally motivated or externally influenced by society. This can be in form of comments or ideas from the community. The mushrooming of motivation speakers all over the world to try to pursue people to be inspired to do something in a productive way is a clear evidence of the external kind of motivation (Mueller, (2017). Lawrence & Jordan, (2009) also suggested that, motivation affects business in various areas including profitability. Since businesses operates in a very hostile environment that consist of factors which might be favorable or unfavorable as stated by Needle, 2004; Griffin 2014; Qureshi 2014, doing business in that environment which ensures corporate performance and profitability is very challenging (Agus, 2005). To survive in profitable way in the highly challenging and competitive global market economy, requires many things. One of the things is a highly dedicated and motivated individual (Ovidiu, 2013). Therefore this study was carried out to assess the factors that motivate Tanzanian females to start and make profits in food restaurants. This was achieved by studying the relationship between motivational factors and profitability. The study hypothesized that;

- Achievement is positively and significant related to profitability in food restaurants
- Reward is positively and significant related to profitability in food restaurants
- Social recognition is positively and significant related to profitability in food restaurants

2. Theoretical Foundation of the Study

The point of departure is that, motivation drives someone internally to achieve a certain goal. In this respect, business performance in terms of profitability depends on a large number of factors, but this paper focuses only on motivational latent factors as influencers of significant degree of the profitability. This study used two motivation theories; Maslow's hierarchy of needs theory and McClelland's need for achievement theory.

2.1. Maslow's Hierarchy of Needs

This theory was proposed by Abraham Maslow in his 1943 paper "A Theory of Human Motivation" in which Abraham argued that people possess a constantly inner drive that has great potential. Maslow emphasized that, people are motivated to achieve certain needs and that some needs take precedence over others. In business, if translating Maslow's hierarchy of needs into profit making, many business persons become successfully because of the inner driven motives such as social recognition needs, rewards and achievements. A stable business with clear motives is most likely to have high performance. Abraham, (1954, 1989) also noted that, to some individuals, the need for achievement in life is more important than the need for reward or social recognition. For others, the need for social and reward fulfillment may supersede even the most basic needs. Generally, behavior toward goal attainment such as profit is multi-motivated and in such way, any behavior tends to be determined by several or all of the basic needs simultaneously rather than by only one of them. With this regard, theoretically, business persons start business because of several inner motives, however, according to Abraham, a satisfied need is not a motivator of behavior. This means that, individual have inner motives which drive need to be archived before other are taken care. Therefore, social recognition, rewards and achievement can be inner motives to individuals in business to satisfy the lower-order need before the higher-order level of needs.

2.2. McClelland's Need for Achievement Theory

McClelland (1961), proposed that when a need is strong in a person, its effect is to motivate the person to use behavior which leads to satisfaction of the need. In business practices, needs are learned through coping with business person environment, if individuals in business are much driven toward attaining the goals such as improving business performance like profitability, a role model, respect, income generation, wealth creation, having business ideas, looking for power, status in the society or flexibility can be the driven forces toward their goal attainment. Since needs are learned, behavior toward goal which is rewarded tends to recur at a higher frequency. This is similar to motives such as reward or greed to achievement.

Generally, need for achievement involves the desire to independently master objects and to increase one's self-esteem through the exercise of one's desire. In most cases achievers in business like the situations in which they take personal responsibility to find solutions to problems. If the motives are to gain wealth, generate income and security, achievers will find possible ways to make sure they make profit in their business. In addition, achievers in business have a tendency to set moderate achievement goals and take "calculated risks." In this way, they have power, vision and ideas on how things are done so as to achieve what they want to achieve.

3. Research Methodology

3.1. Area Description

The study focused on assessing the influence of motivational factors on profitability of food restaurant businesses owned by females, taking into account achievement, reward and social recognition as the motives behind starting businesses. The study was conducted in Morogoro, Dodoma and Singida municipalities. The selection of these regions was guided by the fact that, these areas have large number of female owned restaurants with poor survival rate.

3.2. Study Population

The target population of this study was all food restaurants owned by female in Morogoro, Dodoma and Singida municipalities. The reasons for selecting only females is that, most of the food restaurants are owned by female and it is without doubt that, females are the one who are marginalized and therefore attention is required to help them come out form the challenges they face in business operations. Generally, the target population included a total of 400 of females owning food restaurants in all three regions.

3.3. Instrument and Measurement

This is an exploratory study based on primary data. The data has been collected through survey. The survey instrument was devised to assess achievement (Vison, idea and power), reward (security, wealth, income and inheritance) and social recognition (tradition, role model, status, flexibility and respects) motivators towards successfully operation of the food restaurants businesses (profitability) operated by females.

3.4. Sampling Procedures

In this study, chain referral sampling was used to select the female owners of the food restaurants. This non probability sampling was used because, it was hard to locate and identify potential female food restaurants owners in study areas. During the study, the researcher asked for assistance from the key food restaurant owner to help identifying people with a similar trait of interest. Specifically, the research used exponential discriminative chain referral sampling in which only female owners of the same traits were selected, figure 1. The point of saturation was reached at 400 sample size.

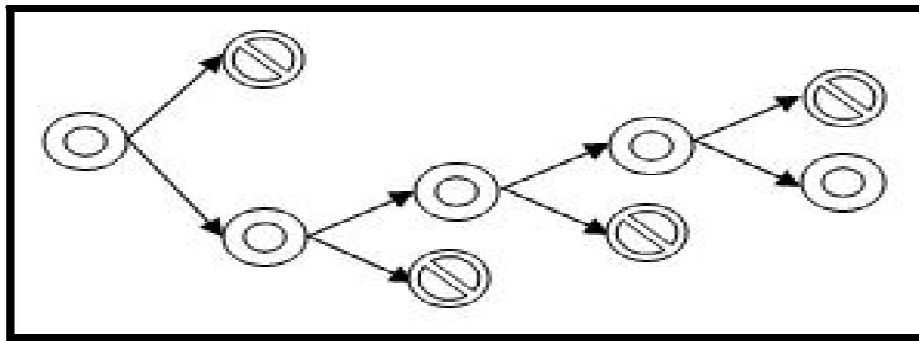


Figure 1: Exponential Discriminative Snowball Sampling

3.5. Data Analysis Techniques

The collected data was transferred into Statistical package for social sciences (SPSS) software (version 16.0). This study hypothesized a four-factor model presented in figure 2. The factors are; achievement with three indicators; vision, idea and power, rewards with four in indicators such as security, income, wealth and inheritance, and society with five indicators such as respect, status, tradition, role model and flexibility. These three factors are exogenous factors equivalent to the independent variables and profitability is endogenous factor of the model, equivalent to the dependent variables. According to Ullman (2007), model specification is an important procedure which distinguishes the confirmatory factor analysis from the exploratory techniques. The study used structural equation modelling (SEM) to analyse relationships in this study. SEM is a multivariate statistical analysis model useful in explaining the existing relationships among multiple variables (Hair *et al.*, 2006 and Hoe, 2008).

According to Hair *et al.* (2006), the technique allows for simultaneous analysis of multiple measurements of a facet. Specifically, in this study, SEM was used to reveal the relationship that exists between achievement, rewards, social recognition and profitability of food restaurant businesses owned by females. The model has among others, a plausible way of revealing the relationship between observable (manifest) and unobservable (latent) variables. Thus, it was able to estimate multiple and interrelated dependence relationships and define a model that explains the entire set of the relationships among others (Hair *et al.*, 2006).

4. Results and Discussion

4.1. Assessment of Measurement Model (CFA)

According to Holtzman and Vezzu, (2011), whether the factor structure of an instrument is determined using theories or empirical researches, it is important to perform confirmatory factor analysis (CFA). Therefore, before performing structural modeling, CFA was conducted to show the relationships between motivation latent variables (Achievement, reward and Society) and their indicators, this was used to determine whether the hypothesized motivational conceptual structure provides a good fit to the data by assessing the items internal consistence and their reliability (Hair et al., 2006). As it was pointed by (Hair et al. (1998), the item factor loading above 0.30 in the CFA for a sample size of 350 or greater is considered satisfactory for running the structural model.

From figure 2, the factors loadings for vision, idea and power indicators are above 0.3 which indicates that, the items are good measures of achievement construct for samples size of 350 and above, Hair et al. (1998). The factor loadings for security, income, wealth and inheritance are also above 0.6 showing that they are good measure of reward variable. This is also true for factors loading of tradition, status, role model, respect and flexibility which were tested to be above 0.5 meaning that, they are good measure of social recognition (society) construct.

On the other hand, the findings in table 1, show that, probability level of CFA test was 0.131 with the chi-square of 123.777 and degrees of freedom of 51. This level of significance is above the threshold ($p > 0.05$) which is required for a model fit. Also, model fit indices in the same table exposed that, the chi-square/df ratio was 2.427, which was lower than the recommended value (3.0) for the best measurement model fit. The indices such as Goodness Fit Index, GFI (0.893). Adjusted Goodness Fit Index, AGFI (0.759), and Comparative Fit Index, CFI (0.923) were all close to one hence the model met the requirement estimates. In addition, the Root Mean Square Error of Approximation, RMSEA value was 0.047 slightly below the recommended limit of 0.05 (Hair et al., 2006). Generally, all model fit indices were suitable for SEM and therefore the CFA model fit was accepted.

Model	GFA	AGFI	CFI	RMSEA	χ^2 / df
Default model	0.893	0.859	0.923	0.047	2.427
Saturated model	1.000		1.000		
Independent model	0.340	0.220	0.000	0.303	

Table 1: Goodness of Fit of Model

Source: Analysis of Field Data

Recommended Values: GFI, AGFI, CFI Should Be Close To 1, $0 \leq RMSEA \leq 0.05$, $CMIN/DF < 0.3$ and Sig. Level > 0.05 (Hooper Et Al., 2008; Kline, 2005)

4.2. Confirmatory Factor Analysis for Motivational Theories

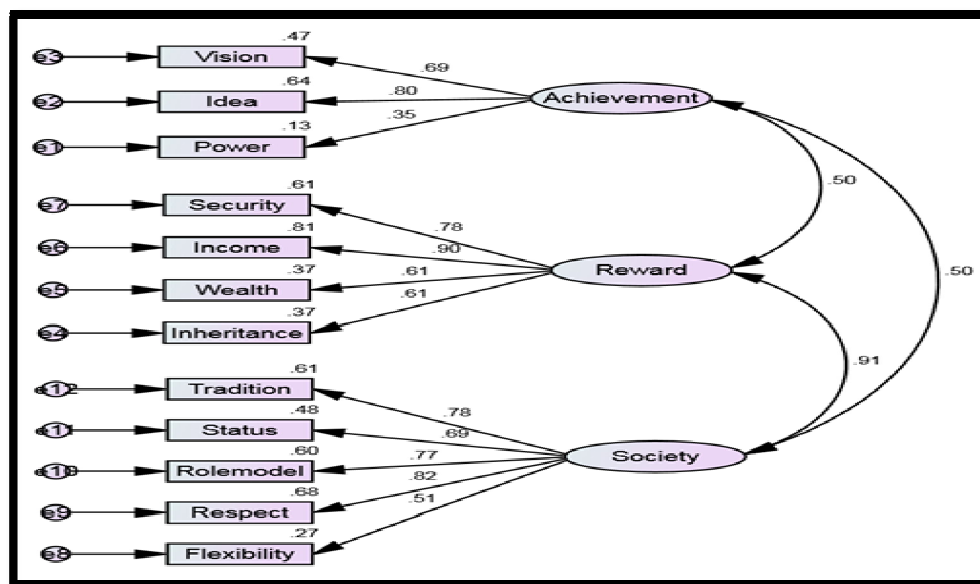


Figure 2: The Confirmatory Factor Analysis for Motivational Theories
Source: Motivational Theories and Empirical Literatures

4.3. Regression Analysis

After accepting CFA model fit, a further analysis was done to determine the direction of effect, regression weights and the significance levels of the relationship between motivation factors and profitability level of food restaurants. The results are revealed by figure 3 and table 2.

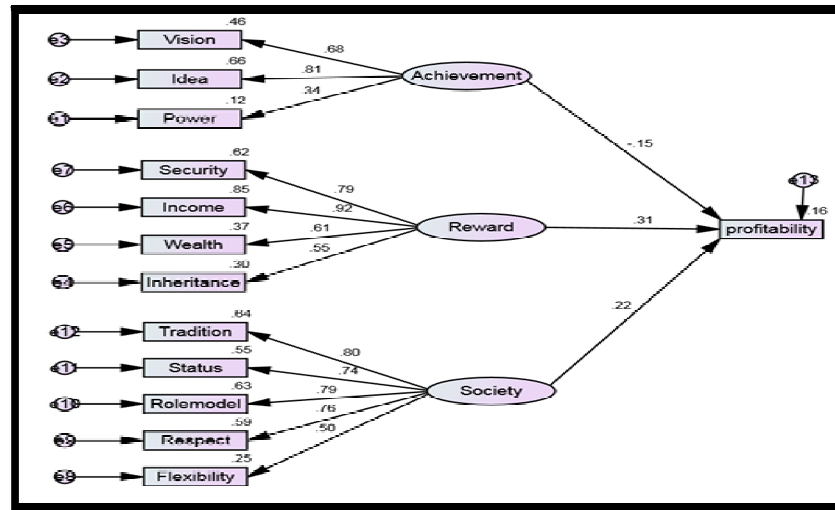


Figure 3: The Relationship between Motivational Factors and Profitability
Source: Analysis of Field Data, 2016

4.4. The Structural Model Goodness of Fit for Motivational Factors and Profitability

The goodness of fit for structural model that presents the relationship between motivational factors and profitability was assessed using several indices. The results of goodness of fit are presented in table 2

Model	GFI	AGFI	CFI	TLI	RMSEA	χ^2 / df
Default model	0.858	0.789	0.911	0.798	0.035	2.135
Saturated model	1.000		1.000			
Independent model	0.341	0.231	0.000	0.000	0.287	

Table 2: the Results of Goodness of Fit
Source: Analysis of Field Data

Recommended Values: GFI, AGFI, CFI and TLI Should Be Close To 1, $0 \leq RMSEA \leq 0.05$, $CMIN/DF < 0.3$ and Sig. Level > 0.05 (Hooper Et Al., 2008; Kline, 2005)

The index fit of the model is shown in the table 2. With chi-square (134.505), degrees of freedom (63) into consideration, most index values were found to satisfy the general standard values for index fit. In this study, the general accepted standards for model fit tested were; chi-square value (significant level = 0.213), goodness of fit index (GFI = 0.858), adjusted GFI (AGFI = 0.789), comparative fit index (CFI = 0.911), Tucker Lewis index (TLI = 0.798, root means square error of approximation (RMSEA = 0.035) and CMIN/DF = 2.135. these model fit index values were analyzed to meet all standards, hence the overall model fit was accepted.

4.5. Regression Weights

Table 3 shows the standardized regression weights of the variables used to measure relationship in the structural equation modelling

Regressed construct	Standardized regression weight (β)	S.E	C.R	P value
Profitability <--- Achievement	-.15	.197	-2.342	.069
Profitability <--- Reward	.31	.108	5.257	.000
Profitability <--- Society	.22	.118	3.893	.000

Table 3: Regression Weights
Source: Analysis of Field Data

From the results presented in Table 3, the standardized regression weights were tested to be negative and insignificant ($p > 0.05$) for achievement ($\beta = -0.15$, $p = 0.069$) and positive with high significant level ($p < 0.05$) for reward (β

= 0.31, $p = 0.000$) and society ($\beta = 0.22$, $p = 0.000$). Therefore, these two motivational factors (reward and society) were found to have a positive and significantly relationship with profitability levels of food restaurants in the study area. Based on this, hypotheses one, achievement is positively and significant related to profitability level in food restaurants was not accepted while both rewards and society motivations hypothesis were accepted.

5. Conclusion and Recommendation

This study seeks to find out the relationship between motivational factors and profitability of the food restaurants owned by females. Using the results of the relationships analysed through structural equation modelling, the findings of the study revealed that, rewards and social recognitions are the major motivational factors significantly influence the profitability of the food restaurants owned by female. It is from this conclusion that, females must be given education through training and entrepreneurial skills development about the important of inner motives on establishment of the businesses, this is because, the study discovered that, most of the food business started without owner's motivation are not successful and ended up with poor performance.

6. References

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