

ASSESSING THE ROLE OF EMPLOYEE MOTIVATION ON EMPLOYEES  
PERFORMANCE (IN CASE OF CBE GUBRYE BRANCH)



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## **Abstract**

*This study was conducted to assess the role of motivation on employee's performance in the case of CBE GUBRYE branch. This study covers aspects of motivation and work performance and relationship between motivation and employee performance in CBE. The study was descriptive type in design Data were collected through questionnaire, and is analysed using table and percentage. The study found out that the organization uses many different tools to motivate its employees. This includes provision of fringe benefits, bonus to workers who put in extra effort, giving a sense of responsibility, promotion of consistently hard working employees and treating the workers equally. However, the study also found that CBE does not used salary as a tool to motivate its employees as most of them are not satisfied by the management's salary scheme.*

## Contents

Acknowledgement .....	i
Abstract .....	ii
Contents .....	iii
List of Table .....	v
CHAPETR ONE .....	1
INTRODUCTION .....	1
1.1. BACKGROUND OF THE STUDY .....	1
1.2. STATEMENT OF THE PROBLEM .....	2
1.2 BASIC RESEARCH QUESTION .....	3
1.3 OBJECTIVE OF THE STUDY .....	3
1.3.1 GENERAL OBJECTIVE.....	3
1.3.2 SPECIFIC OBJECTIVE .....	3
1.4 SIGNIFICANCE OF THE STUDY .....	4
1.5 SCOPE OF THE STUDY .....	4
1.6 LIMITATION OF THE STUDY .....	4
CHAPTER TWO .....	5
REVIEW OF RELATED LITERATURE .....	5
2.1 INTRODUCTION .....	5
2.2 MOTIVATION: DEFINED .....	5
2.3. MOTIVATIONAL THEORIES .....	7
2.3.1. CONTENT THEORIES OF MOTIVATION .....	7
2.3.2 PROCESS THEORIES OF MOTIVATION .....	12
2.4 TYPES OF MOTIVATION .....	15
2.4.1 EXTRINSIC AND INTRINSIC MOTIVATION .....	15
2.4.2 ACHIEVEMENT MOTIVATION AND ATTITUDE MOTIVATION .....	17
2.4.3 AFFILIATION MOTIVATION AND COMPETENCE MOTIVATION.....	17
2.5 METHODS OF MOTIVATIONG EMPLOYEEES .....	17
2.5.1 NON-FINANCIAL MEANS OF MOTIVATION.....	18
2.5.2 FINANCIAL MEANS OF MOTIVATION.....	19
CHAPTER THREE .....	21
RESEARCH DESIGN AND METHODOLOGY .....	21
3.1. INTRODUCTION .....	21

3.2 RESEARCH DESIGN .....	21
3.3 SOURCE OF DATA.....	21
3.4 METHODS OF DATA COLLECTION .....	21
3.4 TARGET POPULATION.....	21
3.6 METHODS OF DATA ANALYSIS AND INTERPRETATIONS.....	22
DATA ANALYSIS AND INTERPRETATION .....	23
4.1. BACKGROUND INFORMATION OF RESPONDENTS .....	23
4.2. EMPLOYEES ATTITUDE TOWARDS SALARY .....	25
4.3 ROLES OF TRAINING AND PROMOTION ON MOTIVATION .....	33
CHAPTER FIVE .....	35
SUMMARY, CONCLUSSION AND RECOMMENDATION .....	35
5.1 SUMMARY OF FINDINGS .....	35
5.1.1. ROLES OF INTRINSIC MOTIVATIONAL FACTORS ON EMPLOYEES .....	35
5.1.2 ROLES OF EXTRINSIC MOTIVATIONAL FACTORS ON EMPLOYEE PERFORMANCE .....	35
5.1.3 METHODS OF EMPLOYEES MOTIVATION ON EMPLOYEE PERFORMANCE.....	36
5.2. CONCLUSSION.....	36
5.3 RECOMMENDATIONS .....	37
REFERENCE.....	39
APPENDX .....	40

## List of Table

Table4.1: Background Information of Respondents.....	24
Table4.2: Employees Attitude towards Salary.....	26
Table 4.3 Intrinsic Motivation Factors Related Items.....	27
Table 4.4 Extrinsic Motivation on Factors Related Items.....	30
Table 4.5 Items Related to Methods of employees motivation .....	32
Table 4.6 relation between benefit and performance.....	33
Table 4.7 Sense of Responsibility.....	34
Table 4.8 Roles of Training and Promotion.....	34
Table 4.9 recognition you get for your performance.....	35
Table 4.10 Do you continue this organization.....	35

## **CHAPETR ONE INTRODUCTION**

### **1.1. BACKGROUND OF THE STUDY**

The role of motivation for employees work performance in public organization has been developed throughout the world during the era of human resource management as a tool which proposes to promote the organization's efficiency and performance. Motivation plays a key role in employee's job performance in any organization. The employee's motivation will have been a long concept in human resource management and has been draw more attentions as a central topic for scholars and practitioners. As a result, a lot of theories and approaches have developed in order to explain the nature of employee's motivation in the private and the public sector. However, most of the previous studies on the role of motivation for employee's job performance descend little of practical application or offer it only for the private sector. The problem is that with the effects of the latest financial crisis governments need today, more than ever before, practical ways that can help motivate public employees to be productive (Ivancevic, 1990) human resource management.

Numerous studies have often used as an indicator for the importance, interest, and trends of certain subjects. In that sense, motivation is clearly a hot topic. There is good number of articles and books that incorporated the word "motivation" in their title. That is, managers across-the board strive to achieve organizational goals by increasing efficiency and effectiveness. Although many factors contribute to productivity, employee performance is viewed to be the most influential one Mitchell, (2000). Work motivation does not determine employee's level of performance, but it does influence his/her effort toward performing the task Bruton, (2009).

The Survival of organization is only possible through effective and efficient management of organization resources. Human resource is one of these resources that need to be well managed. As a resource, human resource plays a vital role in achieving both the long run and short run objectives of the organization. Managing people at work is not easy like managing of others resources because of complex nature of human being (Macmillan India Ltd, 2005).

Even, in a single organization employees have different personality, attitudes, beliefs and values. Hence, we need different approaches to motivate them. Taking in to account people's complicated psychological makeup managers must use different strategies and skills motivating

employees for the survival and best performance of the organization. Employees Motivation is directly related to employee's performance which in turn affects a firm's productivity. Motivated employees feel encouraged to work towards achieving the goals of the firm while at the same time; they achieve their goals (WHETTEN and Cameron, (2003). So we can say that motivated employees are in a state of tension. To relieve this tension, they exert effort. The greater the tension yields the higher the effort level. If this effort successfully leads to the satisfaction of the need, tension is reduced. Therefore, inherent in our definition of motivation is the requirement that the individual's needs be compatible and consistent with the organizations goals.

Employee motivation is the base for productivity of one organization so, the research is conduct the study in CBE Gubrye branch, because of any organization which is either large or small, profitable or non- profitable, governmental or nongovernmental firms or company which encompasses vast resource from large machinery to supplies, human resource includes from top managers and executives up to lower level employees such as cleaners, writers, and message carriers, and large buildings. Therefore, the research is interest to conduct the study in this title and area due to, among all organizational resources human resource is the one which is very crucial or the corner stone of organization successes. Generally, the research is initiated by clearly assessing the motivational practice of the organization (Anderfuhren, et al, 2010).

## **1.2. STATEMENT OF THE PROBLEM**

Motivation is one of the essential activities of organization in achieving organizational goals and objectives. Employee's motivation is one of the policies of managers of any organization and implemented and monitored by the top management to increase efficiency and effectiveness among employees.

Motivate employees is responsive of the definite goals and objectives he/she must achieve, therefore, he/she directs its efforts in that direction. Employees play an important role in accelerating organizational development. Motivation is an internal strength that drives individuals to pull off personal and organizational goals (Reena, 2009).

Motivation formulates an organization more successful because provoked employees are constantly looking for improved practices to do a work, so it is essential for organization to persuade motivation of their employees (Kalimullah, 2010).

Currently there are different problems in the CBE Gubrye branches such as Insufficient basic salary for new employees, lack of training centre for employees, dissatisfaction of employees because of basic salary, relation with boss, relation with peers, unequal payment of employees compared with other employees in the same education level and service year (GUBRYE, CBE EMPLOYEES)

There are few studies which investigated about this topic; said that, conducive working condition, the work itself, advancement, communication, organizational goals and objectives, other than paying of more financial rewards motivate an employee to perform well. But this creates a knowledge gap among; to fill this knowledge gap the research raised the following questions:

## **1.2 BASIC RESEARCH QUESTION**

1. To What extent do intrinsic motivation factors affect employees' performance in CBE Gubrye branch?
2. To What extent does extrinsic motivation affect employees' performance in CBE Gubrye branch?
3. What are the methods used by the bank to motivate employees in CBE GUBRYE BRANCH?

## **1.3 OBJECTIVE OF THE STUDY**

### **1.3.1 GENERAL OBJECTIVE**

The general objective of this study was to assessing the role of employee's motivation on employee's performance in CBE Gubrye branch.

### **1.3.2 SPECIFIC OBJECTIVE**

The above questions guided this study and the specific objectives are:

- ✓ To examine how intrinsic motivation factors affect employee performance in CBE Gubrye branch.
- ✓ To know the extent to which extrinsic motivation factors affect employees' performance in CBE Gubrye branch.

- ✓ To assess the methods used to motivate employees in CBE Gubrye branch.

#### **1.4 SIGNIFICANCE OF THE STUDY**

This study would be very important to bring out the information on the effectiveness, motivations at industry level as well as organizational level and for competing firms. Criteria used in motivating staff, importance of motivation in relation to the performance are analysed. Furthermore, the study would added body of literature on understanding the topic, not only to employers but also to different stakeholders such as employees would be benefited from this study. Also the study would help the organization to restructure the motivation criteria, and flourish the motivation environments and be able to consider important factors in motivating employees. To future, this study would be intended to spur more within the employee motivation related matter. Finally, this research paper would help the research to acquire more extensive knowledge about the subject matter and in other researches.

#### **1.5 SCOPE OF THE STUDY**

This study was intended to assessing the role of employee's motivation on employee's performance in case of CBE Gubrye branch. Due to time, money, capacity, and other factors that would be concentrated on Gubrye Branches. Methodologically all literature review would not be review, because of lack of sufficient data like reference books in library and the time and budget allowance for data collection are not sufficient to gathered all the relevant data at required level. In general the face different limitations; scope limitation and theoretical limitation are the major constraint. But the research tries to manage them and conduct the research.

#### **1.6 LIMITATION OF THE STUDY**

This study has different limitations; among the limitations, unwillingness of respondents to give clear information about that assesing employee motivation on employee performance and absence of recorded data by CBE. It would be not possible to compare and have detailed investigation on the role of employee motivation on employee performance.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 INTRODUCTION**

What is motivation? What Factor Influence motivation? The starting point of any research in the field of motivation is to define the term motivation. Although many research have attempted to come up with a clear definition of motivation, there seems to be no general agreement between researchers about how the term should be defined. This may due to the fact that these definitions reflect their own perceptions and experiences in a specific research area.

The term “motivation” can be traced to the Latin word “motive” which means “to move.” (Luthans, 1995).

The challenge of an organization leaders and manager to motivate is expectedly complex. They must find out what workers for them in their situation in their perspective organization.

The chapter addresses different traditional theories and some aspects if their application in today’s business environment. It also of motivation and some briefly touches some method of motivating employees at work places.

#### **2.2 MOTIVATION: DEFINED**

It is evident that motivation directs our behaviour towards specific goals. Especially, performance of works in organization is highly influenced by the motivation practices of the organization. The reason for studding motivation of personnel is the desire to secure or maintain optimum performance form employees.

Performance can be seen as a function of the individual’s knowledge and motivation (willingness to perform). The more presence of ability & knowledge can note guarantee that the individual would put forth his best effort. There is another factor operating in the situation, namely motivation which finally determines the effort which can reasonably be expected from such employee.

Motivation can be defined in a verity of ways depending on which goals ask. If you ask someone on the street, you may get a response like. “It what drives us” or “Motivations what

makes us do the things we do.” As far as the formal definition, motivation can be defined as forces within an individual that account for the level, direction and persistence of effort expended at work (Schermerhormeetal 1984).

Motivation is one of the most important factors for any organization. According to Thompson and McHugh (2002), it is one of the five factors that determine the existence of any organization, as they put motivation on an equal footing with human resource, money, machines, and morale. Determining and understanding the factors that motivate employees is an essential need, since the performance of any organization depends on the availability of a satisfied and motivated workforce. Moreover, motivation can influence managers’ effectiveness as, according to Analoui (1999-2007), motivation is one of the parameters of managerial effectiveness. Consistent with the previous opinion, Gage and Berliner (1992) consider motivation as the engine and the steering wheel of a car as they believe that motivation generates the energy and controls the behaviour of any person. Because, if we discover and understand what motivates an employee, we would then be able to know the correct button to press to make him work harder, the correct levers to drag to make him change his behaviour, and the correct rewards that can be used to direct his attitudes (Huczynski, 2001).

However, this is an inadequate explanation of the complex process of motivation. A more detailed definition was presented by Analoui when he illustrated that “motivation is the internal drive necessary to guide people’s actions and behaviour’s toward achievement of some goals.” (2000). this drive or force comes from the desire to satisfy certain needs and expectations (Mullins, 2005). Similarly, Kast and Rosen Zweig (1979) defined motivation as “what perhaps prompts a person to act in a certain way or at least develop a propensity for specific behaviour.”

Lathan’s points out that the key to understanding the process of motivation lies in the meaning of, and relationship between, needs, drives, and incentives. Therefore, motivation according to his point of view is a “process that starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or incentive.” (1995). other research see motivation as an internal state that encourages people to behave in a certain way in order to accomplish specific desired goals (Spector, 1996). Moreover, the term is used to express the readiness to increase one’s efforts on a specific task in order to get specific incentives (Molander, 1996).

## **2.3. MOTIVATIONAL THEORIES**

After presenting the main definition of motivation, the next part would present the main motivation theories. However, it is important to notice that categorizing the different theories of motivation is not an easy task because they often overlap with each other.

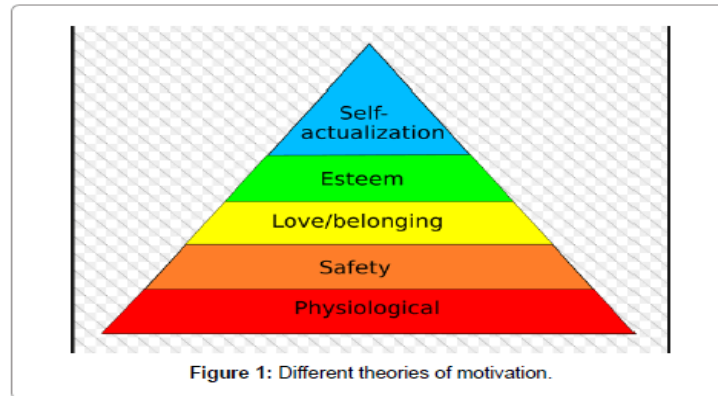
Nevertheless, the most acceptable approach in categorizing these theories is to classify it into content and process theories (Steer, 1996; Analoui, 2000).

### **2.3.1. CONTENT THEORIES OF MOTIVATION**

The main interest of content theories is to find out what controls and organizes the human behaviour. They are mainly concerned with what motivates people, and what kind of rewards can enhance people's satisfaction and performance. According to Analoui (2000), "the content theories have identified needs, incentives and the work itself as important factors that contribute towards job satisfaction and focus on the inner drivers of human behaviour." Accordingly, they can be described as "static" theories because "they incorporate only one or a few points in time and are either past-or present-time oriented." (Lutman's, 1995). Hence, they are not very useful in predicting people's behaviour, but they can be used in understanding the factors that motivate people in their working environment.

Although there are a number of content theories in the field of work motivation, this chapter would mainly concentrate on three of the most prominent and known content theories of work motivation. These theories are Maslow's Need Hierarchy and Alderfer's ERG Theory.

### 2.3.1.1. MASLOW'S HIERARCHY OF NEEDS THEORY



The Hierarchy of Needs Theory is considered one of the most famous theories in the field of human motivation and one of the first theories that attempt to describe the human behaviour toward satisfying the different human needs (Kreitner, 1999).

The theory is based on assumption that a need affects a person's activity motivation and one of the first theories that attempt to describe the human behaviour toward satisfying the different human needs (Reinter, 1999). The theory is based on the assumption that a need affects a person's activities until he/she satisfies it (Steers, 1996), thus the main motivator of people is their desire to satisfy their needs. Maslow thought that personal needs can be arranged in a hierarchical order; in essence, once one of these needs has been satisfied, it would temporally lose its effect as a motivator and the person would focus on satisfying the next higher need which has been activated (Hilgert and Leonard, 1995; Luthans, 1995). Needs. Maslow thought that personal needs can be arranged in a hierarchical order; in essence, once one of these needs has been satisfied, it would temporally lose its effect as a motivator and the person would focus on satisfying the next higher need which has been activated (Hilgert and Leonard, 1995; Luthans, 1995).

Steers et al. (1996) demonstrated that, according to the Hierarchy Theory people move from the bottom to the top of the need hierarchy through an active cycle of deprivation, domination, gratification and activation. As, when a person feels deprivation (unsatisfied need) in one of the hierarchy levels, this would direct his action toward satisfying this particular need. For example,

if the person needs to satisfy his safety and security needs, he would temporarily ignore satisfying his higher-order needs; however, once he has met this need, the higher need would be activated and he would try to satisfy it, thus repeating this cycle of action until he reaches the apex of the need hierarchy. In this regard, Maslow categorizes the basic human needs into five levels in a hierarchy order, namely physiological needs, safety needs, social needs, esteem needs and self-actualization needs.

The details of the five types of needs are as follows:

### **1. Physiological Needs:**

Maslow considered the physiological needs as the basis of the hierarchy. These needs are actually related to the different body and survival needs. For example, it included the need for eating, drinking, sleeping, and shelter.

### **2- Safety or Security Needs:**

These are related to the safety and security of the individual's physical and emotional conditions. Maslow (1970) argued that when the individual feels the need for security, he/she become a safety-seeker and tries to satisfy it. This category of needs includes the desire for security, no threats or physical harm, and stability. In the workplace, this level of needs can be satisfied by providing job security (protection against layoff), safe working conditions (safe tools and environment), union, health insurance, and pension plans (Cherrington, 1989; Steers et al., 1996).

### **3- Belongingness and Love Needs:**

Most people like to be a part of a group. Therefore, when the individual satisfies the two previous needs, the belongingness and love needs would emerge. This category of needs expresses the human needs for receiving love and to belong to a human group and be accepted by others. However, Luthans (1995) argued that Maslow's choice of the word „love“ to address this category may have confuses, such as sex, and it may be more appropriate to use the word „social needs“ instead.

#### **4-Esteem and Ego Needs:**

This represents one of the higher human needs. It includes the needs for high power, high status, and recognition for good work, achievement, self-respect, prestige, and attention from others. In the workplace, this level of needs can be met by sound job title, good feedback, and a high status job (Vecchio, 2000). Maslow argued that, “Satisfaction of the self-esteem need leads to feelings of self-confidence, worth, strength, capability and adequacy of being useful and necessary in the world.” (1970).

#### **5- Self-Actualization Needs:**

According to Maslow, self-actualization is “What a man can be, he must be” (Maslow, 1970), and he considered it as the apex of the needs hierarchy. This kind of needs is actually an inner need for developing one’s unique potential as an individual. In an organization, an employee may try to satisfy self-actualization needs by looking for challenging, innovative tasks or to make significant achievements to his job (Steers, 1996).

#### **2.3.1.2 ERG Theory**

Clayton P. Alderfer (1972) is an American psychologist who extended and reformulated Maslow’s theory. As a matter of fact, his theory can be considered as a variant of Maslow’s theory. However, contradictory to Maslow, his theory was developed specifically for explaining work behaviour in organizational settings (Steers, 1996). Alderfer argued that the five need categories in Maslow’s theory could be merged into three main categories, being “Existence”, “Relatedness”, and “Growth”. Hence, the name of the theory (ERG) is adopted from the combination of the first letter of each need category (Hume, 1998).

The need of “Existence” refers to all forms of basic material and physiological needs required to maintain human existence. For example, the need for eating and drinking and other material needs in the work setting, like the need for pay, fringe benefits, and physical safety (Schneider and Alderfer, 1973). “Relatedness” is the need for meaningful interpersonal relations in the work settings with superiors, peers, and subordinates. However, the basic quality that distinguishes the relatedness needs from existence needs is that one cannot satisfy the relatedness apart from others, thus it cannot be satisfied without mutuality (Schneider and Alderfer, 1973). “Growth” needs are associated with the development of one’s potential (Steers, 1996). Schneider and

Alderfer (1973) argued that, “satisfaction of this category occurs when a person engages problems which call upon him to make the most of his capacities and to build up new capabilities.”

Although the ERG theory may seem to have much in common with the work of Maslow, his work has some substantial differences. Alderfer agreed with Maslow that when people satisfy their lower needs, they tended to move up the hierarchy from “Existence” needs, to “Relatedness” needs, and finally to “Growth” needs. However, unlike Maslow’s hierarchy, Alderfer argued that all different levels of needs may be activated and operated in a given person at the same time (Huczynski and Buchanan, 2001). Therefore, any category of needs can be activated without the condition of fulfilling the other needs. In other words, the individual can be motivated by his desire for money (an Existence need), interpersonal relations (a Relatedness need), and by recognition (a Growth need) simultaneously (Brooks, 2003). Accordingly, the order of the needs may differ from one person to another according to his preferences and own framework.

The flexibility of the ERG theory enables it to explain a wider range of human behaviour. For example, why some people seeks to satisfy their needs for achievement or recognition, or can achieve a high level of self-actualization although they may have a very low salary. Furthermore, Alderfer’s ERG theory suggests that there is also a Frustration-regression sequence, as when a higher level need remains unfulfilled and it appears difficult to be fulfilled; the individual may regress to lower level need which would drive his behaviour. For example, if an individual cannot satisfy his growth needs, frustration regression occurs, causing the individual to focus on fulfilling his relatedness or existence needs (Steers, 1996).

Overall, ERG theory can be considered as a refinement of the hierarchy need theory; it helps the management to understand its employee’s behaviour and to realize that their employees have a set of needs that can be satisfied simultaneously. Accordingly, they can increase employees motivation by understanding the nature of the relationship between these needs; for example, if the management cannot satisfy the growth needs of their employees they should redirect they efforts toward the other two need categories, then steps must be taken to fulfil the growth needs again (Samson and Daft, 2002).

## 2.3.2 PROCESS THEORIES OF MOTIVATION

The major problem with the content theories is that it cannot explain the direction of the motivation process (Thompson and McHugh, 2002). On the other hand, the process theories have the ability to describe how behaviour is started and directed. Thus, it takes the dynamic of the motivation process and the interaction between the variables.

### 2.3.2.1 EQUITY THEORY

The equity concept is a synonym of justice and fairness. This concept is usually used in the work context to express the positive association between one's efforts and performance, and the pay and other benefits one receives (Steers, 1996). The basic principle of equity theory that has been shared by different equity theorists is that rewards must be distributed among an organization's members according to their actual contribution, meaning that someone who contributes more should have more privileges than someone who contributes less (Deutsch, 1985).

Adams (1965: 280) argued that "inequity occurs when a person thinks that the ratio of his outcomes to inputs and the ratio of other's outcomes to other's inputs are unequal. "Accordingly, the equity occurs when a person's outcomes to inputs = another's outcomes to inputs. On the other hand, there are two kinds of inequity. The first kind, "positive inequity", occurs when a person's outcomes to inputs > another's outcomes to inputs. The second kind of inequity, "negative inequity", can happen when a person's outcomes to inputs < another's outcomes to inputs (Adams, 1965). The inputs may include factors that an individual can give to his work such as qualifications, experience, hours, efforts, skills, loyalty, and devotion. On the other hand, outcomes represent what an individual can receive from his work, which may include pay, benefits, respect, security, prestige, pleasant work environment, promotions, and status. Moreover, both the person's inputs and outputs are mainly influenced by one's perceptions and expectations (Luthans, 1995).

Another important point related to the equity theory is the selection of the "referent" used. The referent is the person that an individual compares his own output and outcomes to other. This referent may include other people like colleagues, friends, and counterparts in similar organizations (Goodman, 1974; Hills, 1980; Ronan, 1986; Dornstein, 1988). Another referent may be the self-referents when an individual compares the ratio of his outcomes to inputs with his past ratios (Scholl, 1987; Summers and DeNisi, 1990).

Oldham (1986) added that the employee's tenure may affect the choice of referents, as they found that employees with a long tenure tend to choose the referents from the same organization they work in, whereas individuals with a short tenure tend to use self-referents by using their own history when judging the equity ratio. Kulik and Ambrose (1992) added that people use others as a referent when judging extrinsic rewards (e.g. pay, security, and working conditions), but use themselves when judging intrinsic rewards (e.g. recognition, growth, and advancement).

Another point related to the Equity Theory is the reactions toward inequity. According to Adams, if a person perceived inequity he would try to bring the equity ratio into balance by using one of the following four possible methods (Samson and Daft, 2002).

1. Changing effort: if an individual suffered from negative inequity he may reduce his efforts, take long brakes, or may increase his absence ratio.
2. Changing outcomes: if an individual feels that he is underpaid, he may ask for a raise or salary increase. Additionally, he may ask for a promotion or an improvement in his working conditions.
3. Changing their own perception or people's perception of equity if they are unable to change their own efforts or outcomes.
4. If the individual is unable or does not intend to bring the equity ratio into balance, he may quit his job and look for the equity in another place.

### **2.3.2.2 EXPECTANCY THEORY**

The Expectancy Theory derived its roots from the early work of Tolman and Honzik (1930), who tried to produce a systematic explanatory theory of work motivation (Bork's, 2003). However, Vroom (1964) was the first who presented a systematic formulation of motivation that based on the expectancy assumptions developed for use in work situations (Steers, 1996). Since Vroom (1964) formulated what has been called the "Expectancy Theory" it has been widely used in managerial literature to explain the human behaviour within the workplace. Vroom refused the assumption of the content theories, that people have certain needs that they try to satisfy it, as he took the diversity and the complexity of the human behaviour into consideration. Huczynski and Buchanan (2001) argued that the Expectancy Theory is more comprehensive than the content

theories as it sheds light on the individual differences regarding motivation and behaviour. Moreover, it helps us to measure the strength of an individual's motivation.

According to the theory, the human behaviour is determined by the preference and the possibility of getting the desired outcome. Accordingly, people would be motivated if they expect a positive relationship between efforts and rewards, and if they value these rewards.

The basic elements of Expectancy Theory

The Expectancy Theory comprises three elements. These elements are Expectancy, Instrumentality, and Valence.

### **1- Expectancy**

According to Vroom's terminology, expectancy represents the employee's estimation of the relationship between effort and performance (E-P), and it is defined as an individual's subjective probability that changing in effort would lead to change in performance. In order to raise expectancy, the individual must have the required ability, experience, tools, and the appropriate opportunity to perform (Samson and Daft, 2002).

### **2- Instrumentality**

Instrumentality refers to the relationship between performance and results, and it is defined as an individual's subjective probability that a particular performance (P) would lead to particular outcomes (O). It can range from -1.0 to 1.0. An instrumentality of 1.0 means a complete relationship between performance and outcomes, and that the attainment of a particular outcome completely depends on job performance. An instrumentality of zero indicates no relationship between performance and outcome, and an instrumentality of -1.0 reveals a complete negative relationship between performance and outcomes, as high performance reduces the chance of getting the desired outcome (Kreitne., 1999).

### **3- Valence**

Valence refers to the attractiveness of the anticipated outcomes (Yoder and Heinemann, 1975). It can range from -1.0 to 1.0, whereas a valence of 1.0 means a very desirable outcome, zero valences is not an attractive outcome, and -1.0 means a very undesirable outcome, such as being

fired. Outcomes refer to different anticipated consequences that may result from an individual's performance, such as pay, recognition, fringe benefits, acceptance by others, promotion and fatigue (Pindar, 1998).

### **2.3.2.3 VROOMS EXPECTANCY THEORY:**

Is a comprehensive theory that helps to forecast or explain task-related effort, and it enable us to understand the differences in an individual's motivation and helps in measuring these differences. Ferris (1977) argued that it can be considered as the most promising conceptualization of an employee's motivation.

The Expectancy Theory has been criticized for many reasons. Luthans (1995) has criticized the theory by pointing out that “the expectancy model attempts only to mirror the complex motivational process; it does not attempt to describe how motivational decisions are actually made or to solve actual motivational problems facing a manager”. Moreover, Huczynski and Buchanan have summarized the main criticism of the expectancy theory on the following grounds, “First, the theory covers a range of interrelated variables and is complex and difficult to test. Second, the assumption that we make decisions using such a detailed calculus is questionable. Third, the impacts of coercion and job insecurity on performance are overlooked. Finally, the tests of the theory rely on being able to measure and correlate all those variables, using instruments and statistical methods of dubious validity.”

In summary, each of motivation theories has focused on different dimensions of work motivation. However, it appears that there is no comprehensive theory of work motivation and therefore there is a need for more investigation regarding job satisfaction and motivation phenomenon.

## **2.4 TYPES OF MOTIVATION**

### **2.4.1 EXTRINSIC AND INTRINSIC MOTIVATION**

There are two types of motivation, Intrinsic and Extrinsic motivation. It's important to understand that we are not all the same; thus effectively motivating your employees requires that you gain an understanding of the different types of motivation. Such an understanding will enable you to better categorize your team members and apply the appropriate type of motivation. You will find each member different and each member's motivational needs will be varied as

well. Some people respond best to intrinsic which means "from within" and will meet any obligation of an area of their passion. Quite the reverse, others will respond better to extrinsic motivation which, in their world, provides that difficult tasks can be dealt with provided there is a reward upon completion of that task. Become an expert in determining which type will work best with which team members.

#### 2.4.1.1 INTRINSIC MOTIVATION

Intrinsic motivation means that the individual's motivational stimuli are coming FROM within. The individual has the desire to perform a specific task, because its results are in accordance with his belief system or fulfils a desire and therefore importance is attached to it Mario, (2002). Our deep-rooted desires have the highest motivational power. Below are some examples:

**Acceptance:** We all need to feel that we, as well as our decisions, are accepted by our c - workers.

**Curiosity:** We all have the desire to be in the know.

**Honour:** We all need to respect the rules and to be ethical.

**Independence:** We all need to feel we are unique.

**Order:** We all need to be organized.

**Power:** We all have the desire to be able to have influence.

**Social contact:** We all need to have some social interactions.

**Social Status:** We all have the desire to feel important.

#### 2.4.1.2 EXTRINSIC MOTIVATION

Extrinsic motivation means that the individual's motivational stimuli are coming from outside. In other words, our desires to perform a task are controlled by an outside source. Note that even though the stimuli are coming from outside, the result of performing the task will still be rewarding for the individual performing the task.

Extrinsic motivation is external in nature. The most well-known and the most debated motivation is money. Below are some other examples:

- ❖ Employee of the month award
- ❖ Benefit package
- ❖ Bonuses
- ❖ Organized activities

#### **2.4.2 ACHIEVEMENT MOTIVATION AND ATTITUDE MOTIVATION**

It is the drive to pursue and attain goals. An individual with achievement motivation wishes to achieve objectives and advance up on the ladder of success. Here, accomplishment is important for its own sake and not for the rewards that accompany it. Attitude motivation is how people think and feel. It is their self-confidence, their belief in them, their attitude to life. It is how they feel about the future and how they react to the past. Foxcroft and Roodt, (2002),

#### **2.4.3 AFFILIATION MOTIVATION AND COMPETENCE MOTIVATION**

Foxcroft and Roodt, (2002) proposed that it is a drive to relate to people on a social basis. Persons with affiliation motivation perform work better when they are complimented for their favourable attitudes and co-operation. While competence motivation it is the drive to be good at something, allowing the individual to perform high quality work. Competence motivated people seek job mastery, take pride in developing and using their problem-solving skills and strive to be creative when confronted with obstacles. They learn from their experience for power motivation. It is the drive to influence people and change situations. Power motivated people wish to create an impact on their organization and are willing to take risks to do so.

#### **2.5 METHODS OF MOTIVATING EMPLOYEES**

We have discussed different concepts of motivation theories that can be translated by managers into practices although the theories have their own short comings (IvanceVIC, 1990) we cannot say a particular kind of motivator can motivate all the employees in and organization, because individual needs and wants vary depending on many factors Such as age, Sex, education, status, background. However in this section, we would try to explain some of the common Motivators. There are two broad means or tools of motivation applied by managers (IvanceVIC, 1990) there are: non-financial and financial means of motivation.

## **2.5.1 NON-FINANCIAL MEANS OF MOTIVATION**

These categories of Motivation include:

### **2.5.1.1 TRAINING OPPORTUNITIES**

Hammer, (2000) asserts that an individual would be motivated to do something if they have the mental ability and skills to accomplish it. He writes that when employees are trained, they get the knowledge of how to deconstruct tasks and challenges and thereby feel less intimidated by their jobs/tasks. Herzberg (1998) agrees to Hammers assertion. He adds that training makes the employee earn confidence to do a job thereby improving their attitude hence motivation.

### **2.5.1.2 Job rotation**

Fowler (2001) revealed that when an employee does one kind of job week-in week-out, they would always get de-motivated to carry on with their work more especially when the work is not very challenging. She suggested that employees need to be rotated around the organization to meet new challenging tasks in order to keep their minds busy and feel like they are doing something for the organization. However, Clifton (2002) disagrees with these revelations. He asserts that job rotation does not actually lead to motivation of the employee; it just helps the employees not to get bored with their work. In other words it helps the employers to maintain a certain level of motivation in employees.

### **2.5.1.3 COMMUNICATION STYLE**

Managers need to be clear when talking to their employees and let them know that their opinion or views are important in building a viable company. Strong communications skills are necessary when assigning tasks to the employees so that the tasks are clearly defined and understood. Marie (2000) asserts that the managers ought to communicate to their subordinates in such a way that the subordinates feel like they are not forced to do a particular task. Jean (2002) agrees and asserts that managers should develop an inclusive approach to decision making if at all they are to increase their employee motivation level

### **2.5.1.4 JOB ENRICHMENT**

Job enrichment occurs when employees are given more responsibility for scheduling, coordination and planning their own work. Although some writers suggest that job enrichment is any strategy that increase one or more of the core job characteristics, Hertzberg said that jobs

were enriched only through autonomy and the resulting feeling of responsibility (Steuern L. & Marty Ann, 2000) Viewed in terms of Herzbergs motivational factors, Job environment occurs when the work itself is more challenging, when difficult, repetitive and boring tasks are minimized, when achievement is encouraged, where there is opportunity for growth, and when responsibility advancement and recognition provided (Sousa, 1998).

#### **2.5.1.5 SAFE AND HEALTHY WORK ENVIRONMENT**

The work environment can either make people feel good or demotivate them if it is not satisfactory. Managers are in aspiration to ensure safe working conditions and build up healthy environment (Davies, 1981).

#### **2.5.1.6 EMPLOYEE DEVELOPMENT**

Employee development might be described as a continuity process of improving employees so that they make the fullest possible use of their abilities. This is done by encourage self-development and training (K. Parasuraman 2005)

#### **2.5.1.7 PARTICIPATION**

Participation is mental and emotional involvement of person in group situations that encourage them to contribute to group goals and share responsibility for them (Davis, 1981).

### **2.5.2 FINANCIAL MEANS OF MOTIVATION**

This type of Motivation system can be in the form of incentives, bonuses, fringe benefits, salaries and wages.

Reward systems are clearly related to Vroom's expectancy theory of motivation financial rewards are fundamental part of the employment relationship. Organizations distribute money and other benefits in exchange for the employee's availability, competencies, and behaviour rewards help to individual's contribution (URS-Davar 1999).

#### **2.5.2.1 WAGES AND SALARIES**

Lindner (1995) notes that, though monetary methods of motivation have little value, many firms still use money as a major incentive. She adds that wages are normally paid per hour worked and workers receive money at the end of the week and overtime paid for any additional hours worked whereas salaries are based on a year's work and are paid at the end of each month.

### **2.5.2.2 PIECE RATE**

According to LunChien-Chung, (2003) piece rate is the paying of a worker per item produced in a certain period of time. He asserts that this increases speed of work and therefore productivity. This is in agreement with the earlier revelations made by Taylor (1993) who notes that though the employees would care less about the quality of their work, their speed improves with the piece rate practice of motivation.

### **2.5.2.3 PERFORMANCE RELATED PAY**

This is paid to those employees who meet certain targets. The targets are often evaluated and reviewed in regular appraisals with managers. According to Higgins (1994) this system is increasingly being used by organizations worldwide because it reduces the amount of time spent on industrial relations and he therefore recommends its use. However, Doellgast (2006) discourages the use of this practice of motivation. He asserts that it can be very difficult to measure employee performance more especially those in the service industry and that the practice does not promote teamwork.

### **2.5.2.4 BONUSES**

Marler, (2000) indicated that when your employees function as a team, you ought to think like a coach; reward the whole group for a job well done. He says this would boost morale both personally and collectively. He adds that employee incentive programs such as small bonuses serve to better the morale of an individual employee and that of a group as a whole by making them more satisfied.

This is in agreement with Likert's (2004) study which concluded that since everybody wants to feel appreciated and special for the work done, they can therefore be motivated by appreciating them and making them feel special. He adds that the more satisfied the employee is, the better he/she would perform. Mwanje, (2000) believes that non-financial incentives are the most important motivators of human behaviour in terms of the needs of human beings. He refers non-financial incentives to non-monetary ways of rewarding employees. They are opportunities that help employees in the accomplishments of the set goals. They include;

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1. INTRODUCTION**

This chapter deals with description of the study area, research design, data type, source and method of collection, population and sample design, method of data analysis.

#### **3.2 RESEARCH DESIGN**

The study has focused on the assessment of role of employee's motivation on employee performance in case of CBE Gubrye branch. This study used a descriptive type of design, because it is a fact finding study with adequate and accurate interpretation of the findings. It uses the present situation of the motivation in the area and identifying the major problem that affects the motivational activities in the company.

#### **3.3 SOURCE OF DATA**

In order to become successful and achieve its objective the research has used both primary and secondary source of data has been collected from responses of employees of CBE Gubrye branches and written document of the company, books, journals, and articles respectively.

#### **3.4 METHODS OF DATA COLLECTION**

The research had been collected all the necessary information through questionnaires, to gather primary data. The secondary data would be collected from books and Newspapers of the company.

#### **3.4 TARGET POPULATION**

The Area of this study would be the employees of CBE in Gubreye branch. The research would selected 22 of the total employees for this study. The research employed census method because the research believed that the relevant information can be obtained from these individuals or respondents. Because the respondents are minimum so the research would used this method in order to get accurate information,

### **3.6 METHODS OF DATA ANALYSIS AND INTERPRETATIONS**

The method of data analysis that the study used percentage compilation and qualitative expressions. Qualitative data analysis provides answer to research questions through direct quotation and careful description to explore new facts or interpret existing data .finally all the data are present through tables and simple percentage.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

This chapter deals with the analysis of data gathered via questionnaire from the response of employees who are included in the sample have been analysed and interpreted with the help of frequency and percentage.

#### 4.1. BACKGROUND INFORMATION OF RESPONDENTS

Respondents were requested to mention their background information i.e. age, gender, education level, and service year.

The following table represents back ground information of employee's respondents

Table4.1: Background Information of Respondents

No	Item	Frequency	percentage
	<b>Age Group</b>		
1	20-29	8	36.3
	30-39	10	45.5
	40-49	4	18.2
	50-59	0	0
	<b>Total</b>	22	100
2	<b>Gender</b>		
	Male	22	100
	Female	0	0
	<b>Total</b>	22	100
3	<b>Educational Level</b>		

	12 Complete	0	0
	Diploma	0	0
	Degree	20	90.9
	Master	2	9.1
	PhD	0	0
	Total	22	100
4	<b>Service year</b>		
	1-3	7	31.83
	3-6	14	63.63
	6-10	1	4.54
	>10	0	0
	<b>Total</b>	22	100

Source (own survey 2012)

From the response of table 4.1 on item 1, 8(36.3%) of the respondents are within the age range of 20-29, 10 (45.5%) are in the age range of 30-39, 4(18.2%) are in the age range of 40-49, none of the respondents are in the age range of 50-59. When we look at item 2 of table 1, gender characteristics of the respondents, 22 (100%) of the total respondents are males, none of the respondents are female. When we come to item 3 of table 1, it indicates the education level of respondents. According to this table none of the respondents are grade 12 complete and diploma holders, 20(90.9%) are degree holders, 2(9.1%) are masters, and none of the respondents hold PhD. From this data we can understand the whole constitutes all types of employees based on education level in the organization.

Item number 4, of table 1 is about employees work experiences. From all the respondents 7(31.83%) have served 1-3 years, 14(63.63%) have served 3-6 years, 1 (4.54%) have served the organization for 6-10 years and no one has stayed in the organization for more than 10 years.

This implies that majority of the workers have not served the organization for more than six years.

#### 4.2. EMPLOYEES ATTITUDE TOWARDS SALARY

The first thing for which people engage in different activities is to satisfy their basic needs, employees use their salary for the purchase of food, clothes, housing, transportation, education of their children and many other things. To fulfil these needs employees should get sufficiently or enough salary. The research asked respondents about their salary, the summary is presented as follows.

Table4.2: Employees Attitude towards Salary

No	Item	frequency	Percentage
5.	In which range your salary Scale?		
	600-1000	0	0
	1001-1500	0	0
	1501-2000	0	0
	2001-3500	0	0
	3501-6000	0	0
	>6000	22	100
	Total	22	100

Source (own survey 2012)

According to this table none of the respondents are your salary less than 6000, all employees salary level more than 6000.this implies that employees to motivated by salary level for employee performance.

**Table 4.3 Intrinsic Motivation Factors Related Items**

<b>Items</b>	<b>Description</b>	<b>Frequency</b>	<b>Percentage</b>
1.average work load	Extremely Motivated	0	0
	Very Motivated	0	0
	Motivated	14	63.64
	Somewhat Motivated	5	22.73
	Not Motivated	3	13.64
	Total	22	100
2.Job Enrichment	Extremely Motivated	0	0
	Very Motivated	2	9.09
	Motivated	9	40.91
	Somewhat Motivated	6	27.27
	Not Motivated	5	22.73
	Total	22	100
3.The chance to do something that makes use of my abilities	Extremely Motivated	0	0
	Very Motivated	1	4.55
	Motivated	11	50
	Somewhat Motivated	7	31.82
	Not Motivated	3	13.64
	Total	22	100
4.The feeling of	Extremely Motivated	0	0

accomplishment you get from the job	Very Motivated	5	22.73
	Motivated	3	13.64
	Somewhat Motivated	6	27.27
	Not Motivated	8	36.36
	Total	22	100
5.Job security	Extremely Motivated	1	4.55
	Very Motivated	5	22.73
	Motivated	4	18.18
	Somewhat Motivated	10	45.45
	Not Motivated	2	9.09
	Total	22	100
Good working environment	Extremely Motivated	0	0
	Very Motivated	2	9.09
	Motivated	9	40.91
	Somewhat Motivated	7	31.82
	Not Motivated	3	13.64
	Total	22	100

Source (own survey 2012)

Table 4.3 respondents confirmed as they are highly motivated by some of the above motioned intrinsic motivational factors i.e. average work load, the feeling of accomplishment, feeling of job security and good working environment. Thus, these implies that respondents could be

motivated and strive achieve better if the management of CBE in Gubrye branch could provide them with the appropriate intrinsic motivational packages.

**Item 1;** none of the respondents are Extremely Motivated and Very Motivated, 14(63.64%) are Motivated, 5(22.73) are Somewhat Motivated, 3(13.64%) are Not Motivated,

**Item 2;** none of the respondents are Extremely Motivated, 2(9.09%) are Very Motivated, 9(40.91%) are Motivated, 6(27.27%) are Somewhat Motivated, 9(22.73%) are Not Motivated.

**Item 3;** none of the respondents are Extremely Motivated, 1(4.55%) Very Motivated, 11(50%) Motivated, 7(31.82%) Somewhat Motivated, 3(13.64%) Not Motivated.

**Item 4;** none of the respondents are Extremely Motivated, 5(22.73%) Very Motivated, 3(13.64) Motivated, 6(27.27%) Somewhat Motivated, 8(36.36%) Not Motivated,

**Item 5;** 1(4.55%) of the respondents are Extremely Motivated, 5(22.73%) are very motivated 4(18.18%) Motivated, 10(45.45%) Somewhat Motivated, 2(9.09%) Not Motivated.

**Item 6;** none of the respondents are Extremely Motivated, 2(9.09%) Very Motivated, 9(40.91%) Motivated, 7(31.82%) Somewhat Motivated, 3(13.64) Not Motivated. Thus, these implies that respondents could be motivated and strive achieve better if the management of CBE in Gubrye branch could provide them with the appropriate intrinsic motivational packages.

Also, the above findings shows that many respondents performs well while they are aware that there is no threat against their job so that they can have free mind to concentrate on assigned tasks. In relation to this (Herzberg 1968) state that when job security is absent could cause dissatisfaction at work.

In addition, respondents were moderately motivated by job good working environment and the chance of using their own abilities on their jobs. This specifies that respondents agreed instead of doing same kind of work, getting the chance to do a variety of job and chance of using their own ability could motivate them to achieve enhanced output.

**Table 4.4 Extrinsic Motivation on Factors Related Items**

Items	Description	frequency	percentage
1.Salary level	Extremely Motivated	0	0
	Very Motivated	0	0
	Motivated	12	54.54
	Somewhat Motivated	7	31.82
	Not Motivated	3	13.64
	Total	22	100
2.Bonus for better performance	Extremely Motivated	0	0
	Very Motivated	2	9.09
	Motivated	7	31.82
	Somewhat Motivated	10	45.45
	Not Motivated	3	13.64
	Total	22	100
3.The incentives provided by the organization	Extremely Motivated	0	0
	Very Motivated	2	9.09

	Motivated	3	13.64
	Somewhat Motivated	7	31.82
	Not Motivated	10	45.45
	Total	22	100
4.opportunity for promotion	Extremely Motivated	0	0
	Very Motivated	3	13.64
	Motivated	10	45.45
	Somewhat Motivated	6	27.27
	Not Motivated	3	13.64
	Total	22	100
5.Opportunity for self- advancement	Extremely Motivated	0	0
	Very Motivated	3	13.64
	Motivated	13	59.09
	Somewhat Motivated	2	9.09
	Not Motivated	4	18.18
	Total	22	100

Source (own survey 2012)

Table 4.4 above demonstrates extrinsic motivational factors such as, higher salary, bonus, incentives; opportunity for promotion and self-advancement could highly motivate respondents.

**Items 1**, none of the respondents are Extremely Motivated and Very Motivated, 12(54.54%) Motivated, 7(31.82%) Somewhat Motivated, 3(13.64%) Not Motivated.

**Items 2**; none of the respondents are Extremely Motivated, 2(9.09%) Very Motivated, 7(31.82%) Motivated, 10(45.45%) Somewhat Motivated, 3(13.64%) Not Motivated. ,

**Items 3**; none of the respondents are Extremely Motivated, 2(9.09%) Very Motivated, 3(13.64%) Motivated, 7(31.82%) Somewhat Motivated, 10(45.45%) Not Motivated. ;

**Items 4**; none of the respondents are Extremely Motivated, 3(13.64%) Very Motivated, 10(45.45%) Motivated, 6(27.27%) Somewhat Motivated, 3(13.64%) Not Motivated. And

**Items 5**; none of the respondents are Extremely Motivated, 3(13.64%) Very Motivated, 13(59.09%) Motivated, 2(9.09%) Somewhat Motivated, 4(18.18%) Not Motivated.

Thus, in relation to these, it seems to suggest that CBE workers' performances are enhanced by the amount of extrinsic motivational packages they are acquiring and if it is inadequate might contribute to frequent strike and reduction in their performance.

Moreover, a greater number of respondents appreciate opportunity for promotion and self-advancement which means that they want to fulfil their higher-level needs. This is also in line with (Maslow's 1946) hierarchy of needs theory and (Locke 1968) goal setting theory which believes that the intentions to work towards a goal are major sources of worker motivation.

**Table 4.5 Items Related to Methods of employees motivation**

Items	Description	frequency	percentage
1. Have you ever felt happy because of your salary	Yes	7	31.82
	No	12	54.54
	I don't know	3	13.64
	<b>Total</b>	22	<b>100</b>

Source (own survey 2012)

In the above Table forwarded for employees salary which assess whether they have ever felt to be motivated because of their salary or not. Most of them 12(54.54%) said no, 7(31.82) said yes and the remaining 3(13.64%) said we don't know their feeling.

Table 4.6 Relation between benefit and performance

Items	Description	Frequency	percentage
2.Relation between benefit &performance	Yes	14	63.64
	No	6	27.27
	I don't know	2	9.09
	Total	22	100

Source (own survey 2012)

In the above table, 14(63.64%) of the total respondents suggested the benefits that they get from the organization does motivates them for better performance. 6(27.27) of the respondents suggested that the benefits they get from the organization does not motivate and increase their performance. The last 2(9.09%) respondents were agreed to some extent that the benefits they get motivate and increase their performance. Accordingly from the above table the research are concluded that the benefits that are gotten from the organization are not the sole motivational factor increase employee performance. Because only 63.64 percent of respondents are motivated by this factor.

Table 4.7 Sense of Responsibility

Items	Description	frequency	percentage
3. Are you willing to take additional responsibility out salary increment?	Yes	6	27.27
	No	11	50
	I do not know	5	22.73
	Total	22	100

Source (own survey 2012)

Responsibility is the one main factor that motivate employees of an organization .As we have understand from the employees response half of respondents 11(50%) are not willing to take any additional responsibility without any salary increment. As we mentioned earlier, salary is the main thing which leads employee more responsible and being motivated. Finally, the reaming respondents 6(27.27%) are willing to take any responsibility without any salary increment. From this we can understand that, providing additional salary increment when assigning a responsibility leads an employee more responsible.

#### 4.3 ROLES OF TRAINING AND PROMOTION ON MOTIVATION

Training Helps the employee to increase their skills and also refreshes the already learnt skills at the same time, it is also creates an opportunity for employees to know each other as well as to share experiences. On the other hand, promotion develops on employees the sense of importance and accomplishing tasks that require greater knowledge and responsibility. These elements can therefore motivate employees.

Table 4.8 Roles of Training and Promotion

Items	Description	frequency	percentage
4.Have you ever taken training	Yes	17	77.27
	No	5	22.73
	I do not know	0	0
	Total	22	100

Source (own survey 2012)

In the above table indicated that 17(77.27%) of respondents take training ever and suggested that it helps them to accomplish their task easily. The remains other suggested they have not ever take training 5 of each accounts (22.73%).

Table 4.9 recognition you get for your performance

Items	Description	Frequency	percentage
5. Are you happy with the recognition you get for your performance?	Yes	15	68.18
	No	7	31.82
	I do not know	0	0
	Total	22	100

Source (own survey 2012)

In the above Table indicated that 15(68.18%) of respondents happy with the recognition you get for your performance and suggested that it helps them to accomplish their task easily. The remains 7(31.82%) suggested they have not happy with the recognition. This implies that majority of the employees happy with the recognition you get for your performance.

Table 4.10 Do you continue this organization?

Items	Description	Frequency	percentage
6. Do you continue this organization?	Yes	7	31.82
	No	3	13.64
	I do not know	12	54.54
	Total	22	100

Source (own survey 2012)

In the above table indicated, 7(31.82%) of the total respondents suggested that continue this organization does motivates them for better performance. 3(13.64%) of the respondents suggested that continue this organization does not motivate and increase their performance. The last 12(54.54%) respondents were agreed to I do not know continue this organization. This implies that majority of the employees I do not know continue this organization.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

The chapter is based on the findings of the preceding chapter, objectives of the study and the research questions that were to be answered by the study. This chapter is divided into three sections. The first section presents a summary of the research findings, the second part presents conclusion, and the third contains recommendations.

#### **5.1 SUMMARY OF FINDINGS**

The summary of findings is organized around the questionnaire which was based on the research objectives of the study. The descriptive design were employed in conducting the study and first hand data using was collected using questionnaire.

##### **5.1.1. ROLES OF INTRINSIC MOTIVATIONAL FACTORS ON EMPLOYEES**

Intrinsic factors entail so many things in this context. It had to do with average work load, feeling of accomplishment, job security, feeling of accomplishment, job enrichment, good working environment are some among others. On the intrinsic factors that motivate employees, majority of the respondents agreed that average work load are highly motivates them and at the same time the job enrichment and doing something that makes use of their abilities are moderate sources of motivation for them.

##### **5.1.2 ROLES OF EXTRINSIC MOTIVATIONAL FACTORS ON EMPLOYEE PERFORMANCE**

From the study a majority of the respondents felt that extrinsic motivational factors are truly a motivator and has significant role in their output level. In relation to these, the study reveals most of the respondents were in agreement that higher salary, bonus for highest performance and incentives offered by the organization were another major source of motivation for them. A further finding was that employees would be motivated if the organization provides advancement and promotion opportunity to aspire to wherever they want to reach their personal aspirations.

### 5.1.3 METHODS OF EMPLOYEES MOTIVATION ON EMPLOYEE PERFORMANCE

- ✓ From the study 14(63.64%) of the total respondents suggested the benefits that they get from the organization does motivates them for better performance.
- ✓ As we have understand from the employee's response half of respondents 11(50%) are not willing to take any additional responsibility without any salary increment.
- ✓ From the study 17(77.27%) of respondents take training ever and suggested that it helps them to accomplish their task easily
- ✓ From the study 15(68.18%) of respondents happy with the recognition you get for your performance and suggested that it helps them to accomplish their task easily.
- ✓ From the study 12(54.54%) respondents were agreed to I do not know continue this organization.

### 5.2. CONCLUSSION

- ✓ From the study findings and based on the objectives of the study, it can be concluded that both intrinsic and extrinsic motivational factors have significant effect on respondents performance. Therefore, there is relationship between motivation and performance and motivation does have significant roles on employees' performance.
- ✓ Salary is among the best satisfying elements; no other element can satisfy the employees like that of salary as it is the main component of employee income. According to the response from the respondents, the substantial number of employees indicated that the current salary scale does not motivate them. As per the response of many numbers of employees, the workers are not equally compensated even though they have the same experience and qualification.
- ✓ Accordingly, employees as key as they are to the organizations' needs to know what is potentially ahead of them, the opportunities there are for growth and development. Thus, fair promotion is given due importance because it is an effective management tool and the execution of which is essential to increase the employee confidence and interest in job and improve the overall productivity of the organization. It could therefore be concluded that CBE employee could enjoy both the intrinsic and extrinsic motivational packages in order to enhance their performance.

- ✓ Moreover, from the study, it may be concluded that the low motivation among the employees can be attributed to the low performance in the eyes of respondents and that an increase in staff motivation through adequate motivational packages and strategies can have a tremendous positive and major impact on staff performance.

### 5.3 RECOMMENDATIONS

The following recommendations are made based on the research findings:

- ✓ The study has revealed that higher salary, promotion and opportunity for advancement are the major motivational factors for the respondents. It is therefore recommended that CBE come out with revised and improved guidelines on how promotion and self-development opportunity could be avail to employees. Besides, good performance should be acknowledged, evaluated and rewarded in an unbiased manner in order to motivate the employees to the maximum extent.
- ✓ Also, job security should be of top priority to management to ensure the retention of their hardworking and experience employees since high staff turnover is the overwhelming problem in the organization.
- ✓ Management should standardize the employees' motivation policies to reflect the desire of employees. The research therefore recommend that the organization should carry out a study before using a particular tool.
- ✓ The organization should consider further informing and training of its staff and employees to equip them with more skills in order to improve their performance. Also informing the employees about the procedures that must be gone through if they want for example, a salary increment is recommended.
- ✓ Again, it is suggested for management to conduct more study for further clarification of the findings and the studies is restricted for generalization due to limited time and scope of the study; hence it was carried out on one organization.
- ✓ CBE should improve the salaries and wages of its employee since it is one means of motivating employees.
- ✓ Working environment also needs attention as it can greatly affect employee's productivity.

- ✓ Also the company should be advised to formulate well strengthen research and development department to improve its service.
- ✓ In conclusion the findings, conclusions and recommendations of this study could potentially have enormous benefits for the organization where this study was conducted and the recommendations should be considered against the impact it could have on enhancing both individual and organizational performance but also improving the relationship between the employee and his supervisor and the work performance.

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**APPENDX**  
**WOLKITE UNIVERSITY**

**COLLAGE OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF MANAGEMENT**

*Dear Respondents,*

The purpose of this questionnaire is to conduct a research on motivation and its effect on employee's performance in CBE in Gubrye branches. Owen responses are very much important for the success of the study and you are expected to be confidential. You are kindly requested to fill the questionnaires.

*Notice: Please you do not write your name & address.*

Instruction: Answer the following questions by putting (x) on the space provide.

**Part one; Items Related to Background of the Respondents**

1. Age

a. 20-29

c. 40-49

b. 30-39

d. 50-59

2. Gender

1. Male

2. Female

3. Educational Level

❖ 12 complete

❖ Degree  PhD

❖ Diploma

❖ Master

4. Salary Scale

600-1000 birr  1001-1500  1501-2000  above6000

2001-3500  3501-6000

5. Service Year

Below 1-year

3-6 year

1-3 year

6-10

Above 10 year

**Part two: Items Related to the Study**

**Please your level of motivation to the following provisions of your organization as**



6.Specify other factors

.....  
.....

**SECTION C: Items Related to Methods of employees motivation**

No.	Item	Yes	No	I do not know
1	Have you ever felt a happy because of your salary?			
2	Do the benefits you get from the organization motivate you for better performance?			
3	Have you ever taken training?			
4	Are you willing to take additional responsibility out salary increment?			
5	Are you happy with the recognition you get for your performance?			
6	Do you continue this organization			

7. Please specify other methods

.....  
.....

