THE EFFECT OF EMPLOYEE MOTIVATION ON PRODUCTIVITY (IN CASE OF WOLKITETOWN MUNICIPALITY)

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

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Finally my deepest love and gratitude went my family for their financial and moral support in order to accomplish the research paper.

DECLARATION

I hereby declare that the research entitled on "**The Effect of Employee Motivation on Productivity"** is my own work, that it has not been submitted for any degree or examination at any other institution of higher learning, and that all references have, to the best of my knowledge, been correctly reported. It is being submitted for BA degree in management at Wolkite University.

Student's Full Name:_____

Date:_____

Sign:_____

_____ _____

Advisor Name Signature and Date

APPROVAL

It is certified that this research project titled on **"The Effect of Employee Motivation on Productivity"** is based on original research work carried out by AbdirkerimAlewiunder my supervision and that it has not been submitted for the award of any degree in this or any other University.

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Advisor Signature Date

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Examiner Signature Date

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ABSTRACT

This study was conducted on the effect of employee motivation on productivity in case of Wolkite town Municipality. The main objective of the study was to identify the impact of motivation on productivity of wolkite town MunicipalityIn this study Casual research design was used because the study was discovered the existence of the effect of employee motivation on productivity of the organization. The relevant data for this study collected from primary sources. The Primary data was gathered in the form of questionnaires distributed to the respondent.In this study the researcher used simple random sampling because all of the employees are considered equal important for the study and in order to avoid bias. The entire population of the study was 91as a result the sample size determined is 74 and was distributed to 74 respondents out of which 65 were retrieved and appropriately filled. The method of data analysis was used descriptive (mean, standard deviation, percentage), regression(ANOVA, model summary and coefficient) and correlation analysis by applying statistical package for social scientist. The gathered data from respondents are carefully arranged and categorized in to suitable form and merged to similar ground in the form of percentage with supplementary interpretation and showed by table in detail.Among the major findings, the overall perception of respondents over current motivational practices were not happy, not enough, and not attractive. The result of correlation shows that; there exist positive and significant relation between payment, recognition, and responsibility. And

working condition there exists negative and significant. On other side, the result of regression analysis shows that; payment system and recognition, responsibility arepredictor of productivity. The result showed the mean value for employee's recognition in the municipality was lowest. This study concludes the municipality employee's recognitions in order to increases employee's productivity was not enough. Based on the result revealed, the researcher recommended, The municipality should recognizing and acknowledging these efforts as well as rewarding employees for their fruitful efforts by using some ways used to recognize the effort of your work place such as day-to-day recognition (small words of praise, little words encouragement and others), informal recognition (such as gestures of encouragement and appreciation) and formal recognition (such as rewards for services, contribution, and achievements).

***Key words**: employee motivation, productivity, Statistical package for social sciences*

List of Acronyms

SPSS: *statistical package for social sciences*

ANOVA: *Analysis of variances*

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CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

There are many resources in organization and human resource is one of the most critical resources. They all want appropriate management technique to achieve the objective of the organization. Therefore, organization must manage human resources effectively and efficiently to achieve its objectives. There are many methods to manage human resources such as giving better reward to attract bets employees (Dessler and Gary, 2009).

The development and growth of business organization in competitive business environment is depending on different factors such as motivation, working condition and job security. The most importance concern of manager is to motivate people to make their optimum contribution to the achievement of organizational goals this means getting them to work hard to succeed the organizations goal. This depends on ability and environment as well as motivation. The motivation process begins with a set of needs or drives that leads to the motivation core of values and motives of employees (Griffin R. 1999).

Motivation is an inner state that energies activity and direct behavior towards goals. Thus motivation is a general term that applies to the entire class of energy, drive, tension and other similar forces (Berleson and Steiner Agrawal 2014).

Motivation is the process that starts with a physiological deficiency or a drive that is aimed at a goal of incentive. Thus the key to understand the process of motivation lies in the meaning and relationship among needs, drives and incentives (Fred Luthans, 2005).

Motivation is difficult to understand because you cannot usually see it or know it in another person it must be inferred from ones behavior. The way motivation works actually is complex, However, in a simple model of motivation, people have certain needs that motivate them to perform specific behaviors for which they receive rewards that feedback and satisfy

the original needs (Kinickiand Williams. 2011).

The organizations production capacity is depend on the human capital, in which motivated employees have a greater influence on the organizations performance. So organization is

depend on efforts of the employees and employees just need to be understood and revitalized to remain productive (Levoy, 2009).These researchesattempted to find the effect of employee motivation on productivity in municipalityone of developing town in ETHIOPIA which is WOLKITE.

1.2 Statement of the problem

Motivated employee is happy on the job and appreciated for increasing productivity of a business and also improves their productivity. Poor motivation leads to eradicate the productivity of an organization by means of unpunctual and absenteeism (AKintunde O 2005)

Employee incentive programs gives away towards ensuring employees feel appreciated and satisfied. This can help with employee's motivation across the board. The great thing about this program is they are not only encouraging productivity but also the company cares. The management tools that management generally uses to motivate employees are financial and non-financial motivation. Financial motivation includes bonus and rewards, pays rate wage and tallow differentials. Non-financial motivation also includes promotion, status and responsibility(A. Kinicki 1998).

The manager of the organization should also consider extrinsic and intrinsic type of motivation. Extrinsic motivation is a type of motivation which is tangible and visible to others and is distributed by others in the work place which includes pay benefit, promotion, avoid of punishment such as termination or being transferred.Intrinsic motivation is internally generated motives of the person on his job like feeling of responsibility or achievement (Fred Luthans, 2005).Malik and ghafoor, (2011) conduct research by taking sample size 103 employees of telecommunication companies and different banks of Punjab and discuss about employee motivation, employee performance, and organizational effectiveness. The result shows that motivated employees are more productive as compared to de –motivated employees.

Despite the relevant of the study still we can have different result if we conduct the same

study at different. But my study was take place at wolkite town municipality Ethiopia. Some clear research gap is there in the incorporation of various proposed theories which leads to

the researcher seeking to find a solution to that gap. In most previously conducted researches which are related to this study, the researchers were not tried to address motivational factors affecting productivity rather they were tried to discover the effect of motivation on employees performance, impact of intrinsic and extrinsic motivational factors towards organizational commitment and they also tried to assess factors that affect the motivations of employees. In this study the researcher tried to address the effect of motivation on the productivity of employees that means to find out the types of motivation that needs to satisfy employees in order to increase their productivity.

Therefore, the researcher was attempted to explore different facts regarding with effect of motivation on productivity and address it from the wealth of existing literature in order to reach sound conclusion and provide accurate finding for the purpose of providing a scientific contribution for the organization and the institution in general.

1.3. Research questions

This study was tried to assessed the following questions

1. What methods the organizations use to motivate its employees?
2. What are the problems related to motivation in the organization
3. What are Effect of employee motivation impose on productivity?

1.4. Objective of the study

1.4.1. General Objective

The general objective of this study was to find out the effect of employee motivation on productivity in case of WOLKITE Town Municipality.

1.4.2. Specific Objectives

In addition to the above general objective the study was have the following specific

Objectives that were used to develop the main objective.

- ✓ To identify the methods uses to motivate employee of the organization.
- ✓ To identify the problem related to motivation in the organization.

- ✓ To examine the effect of employee motivation on productivity

1.5. Significant of the study

The study contributes the following significance:-

- For the organization and the employees: - After conducting this research the organization benefit that the managers see the identified problems and recommended solution of the study and managers will take corrective action in the way and function of the decision making.
- For the Researcher: -Beneficiary on getting knowledge about the study and experience on conducting such assessment to get satisfaction that when the study will be the solution for problem to practice the theoretical part with in addition practice in the world.
- For other Researcher: - The researchers can take this study as reference for conducting other similar assessment.

1.6. Scope of the study

For the purpose of effectively managing of the research and efficient use of cost the study delimited only *WOLKITE Town municipality.*

Similarly Due to familiarity, concern and driving force as well as approach to work the study methodologically limited on the motivational factors that affect the productivity of the organization. The study was mainly focused on examining whether there is motivational practice for employees, methods uses to motivate employees of the organization, problem related to motivation in the organization and effect of employee motivation on productivity of the organization.

1.7. Limitation of the Study

In conducting this study the researcher was faced different limitations such as lack of experience, unwillingness of respondent to give reliable and valuable data. Financial problem to cover the various costs was also another constraint of the study.

1.8 organization of the study

The study organized in to five chapters. Chapter one deals about the introduction part which includes background of the study, statement of the problem, objective of the study, significance of the study, scope of the study and organization of the study. The second chapter concerned on related literature review from different published documents and conceptual framework. The third chapter contains methodology of the study which includes research design, sampling technique, sample size, source of data and collection method, data analysis and presentation and model specification and study area profile. The fourth chapter deals with data presentation, analysis and interpretation. The fifth chapter summary of finding, conclusion and recommendation of the study.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Definition and Concept of Motivation

Motivation refers to the force within a person that affects his or her direction, intensity and persistence of voluntary behavior. Motivated employees are willing to exert a particular level of effort for a certain amount of time towards particular goal (Stephen, 1998).Motivation is made up of at least three distinct components

- ✓ **Direction: -** refers to what an individual chooses to do when presented with a number of possible alternative courses of action.
- ✓ **Intensity: -**relates to the strength of the individuals response the choice (direction) is made.
- ✓ **Persistency: -** refers to the staying power of behavior or how long a person will continue to devote effort (Ivancevich and Matteson, 2002).

  Motivation represents an unsatisfied need which creates a set of tension or disequilibrium causing the individual to move in goal directed pattern towards resorting state of equilibrium by satisfying the need (Fred Luthans, 2005).

Organizations are focusing on the need of their employees as never before. Offering an array of benefit reorganizing work process to make them more interesting, giving employees more power to control their jobs. With today's reliance on knowledge workers and their unit abilities, it is important for organization to insure that their employees are committed and motivated to perform well (Robbins, 1996).

2.2. Characteristics of motivation

According to Berelson motivation is characterized as follows.

1. **Motivation is always internal to the person**: It is essentially a psychological phenomenon. In this regard, Berelson and sterner (2003) said that a motive is an inner state that energizes, activates or moves towards goals.

2. **Motivation of a person is in totality and not in part**: Human behavior is caused by the various needs. A worker works in a satisfactory because one needs money. Similarly, a thirsty man feels the water to conquer his thirst. The feeling of needs is continues process and the satisfaction of one-need leads to the creation of a new need. All needs are interrelated and motivation should be in totality.

3. **Performance is the result of ability and motivation:** if an employee s highly qualified but is very poor, it can be due to the absence of motivation.

Performance=Ability*motivation

According to Keith and Davies (2003), motivation is essential to the operation of organizations. No matter how much machinery and equipment an organization has, these things cannot be put to use until they are released and guided by people who have been so motivated (ibid). This is the most important characteristics of motivation that this study tried to see the effect of motivation on employees' performance.

4. **Motivation can be positive or negative:** Positive motivation means use of incentives may be financial and non-financial pay revision; confirmation of job and the like are positive motivators. Negative motivation refers to emphasizing penalties; demotion and termination from service are some of the example of negative motivation.

5. **Frustrated person cannot be motivated:** if a person does not have his basic needs satisfied, he might be frustrated, mentally ill to some extent. Such a frustrated person cannot be motivated unless his basic needs are satisfied.

2.2. Theories of Motivation

2.2.1. Maslow Needs Hierarchy Theory

Abraham Maslow, a famous social scientist and psychologist, developed a theory of motivation, which is based on the hierarchy of needs. According to Maslow, there are five kinds of needs: Physiological, safety, social, esteem and self-actualization. Maslow's need hierarchy concepts consists of five levels of human needs arranged in an ascending order (Plunket, 2001, P: 416) as shown in the figure below

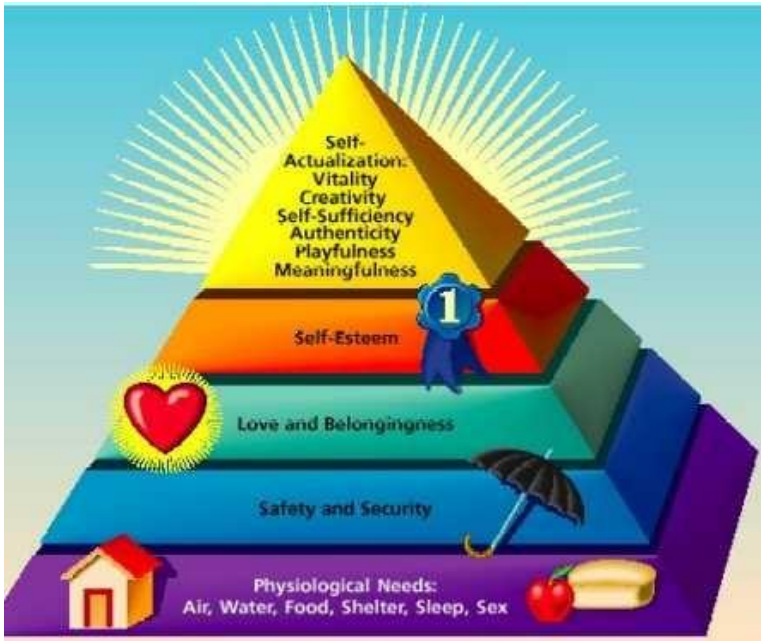

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Figure 1: Maslow's hierarchy of needs for motivation

- ✓ **Physiological needs:** they refer to those needs, which are so essential that the survival of human beings will be in danger if these needs are not satisfied. Examples are food, shelter, clothing, water, sleep etc. These needs are biological in nature and keep the body fit.
- ✓ **Safety needs**: After the physiological needs are satisfied to a reasonable degree, the safety needs take the place. Examples can be security of job, pension for old age, insurance plan, compensation for lay off or retrenchment.
- ✓ **Social needs:** Such needs include needs for love, affection, friendship, and acceptance by group etc. A man is a social being and he has a need to love and to be loved.
- ✓ **Esteem needs**: These needs are concerned with one's self-esteem such as self-respect, self-confidence, status recognition, approval, appreciation etc.
- ✓ **Self-actualization needs**. These are the needs for self-fulfillment: the need to reach one's potential by making maximum use of abilities and skills.

2.2.2. Alderfer's ERG Theory

Alderfer's agree with Maslow that individual needs are arranged in a hierarchy. However, his proposed need hierarchy involves only three set of needs.

- ✓ **Existence needs:** - are needs satisfied by such factors as food, water and working conditions.
- ✓ **Related needs**: - are needs satisfied by meaning full social and interpersonal relationship.
- ✓ **Growth needs:** - are needs satisfied by individual making create or productive contribution. The growth is an intrinsic desire for personal development. It is intrinsic component of esteem needs. These are to develop and growth the five potential that person is capable of reaching (Ivancevich, 2002).

2.2.3. Hertzberg's Two Factor Theory

Frederick Hertzberg suggested that here are equally important group of factors relevant to motivating staff. He concludes that there are two types of needs in development of each other.

- ✓ **Motivational Factors** are set of work conditions which operate primarily to build strong motivation on job satisfaction. The presence of these factors leads to satisfaction but they don't dissatisfy if they are absent.
- ✓ **Hygiene Factors**: - they are some job conditions which operate dissatisfy employees when they are absent but do not satisfy when they are present. Some of these are salary, working condition, personal life, job security etc. (Fred Luthans, 2005).

2.2.4. McClelland's Theory

It provides that an organization offers an opportunity to satisfy at least three needs. They are needs for achievement, affiliation and power.

- ✓ **Need for achievement: -**achievement motivation is some people have to overcome charge and obstacle in the pursuit of goals. An individual with this drive wishes to develop and grow up the ladders of success characteristics of achievement oriented.
- ✓ **Need for affiliation:** - is a drive to react people in social basic affiliation oriented people work for better when they are complemented for their favorable attitudes and corporations.
- ✓ **Need for power: -**is a drive to influence people and change situation to create an impact on their organization and are willing to take risks. Power obtained may use

either constructively or destructively. People make excellent managers if their drives are per instructions power instead of personal power (John, Ivancevich, 2002).

2.2.5 Process Theories of Motivation

While needs theories address the different needs that individuals have that could be used for motivational purposes, process theories focus on the boarder picture of how someone can set about motivating another individual. Written the process theories, we cover expectancy theory and equity theory (Stephen et al, 2001) as follows:

2.2.5.1 Expectancy Theories

From a practical perspective, expectancy theory say that an employee will be motivated to exert a high level of effort when he or she believes that effort will lead to a good performance; that a good performance will lead to organizational rewards, such as a bonus, salary increase, or a promotion; and that the rewards will satisfy the employees personal goals. (Ibid). The theory, therefore focus on the relationships these are

A. Effort-performance relationship (expectancy)

The probability perceived by the individual that exerting a given amount of effort will lead to performance. Employees are sometimes asked to do things for which they do not have the appropriate skills or training. When that is the case, they will be less motivated to try hard, because they already believe that they will not be able to accomplish the task that is expected of them (Ibid)

B. Performance reward relationship (instrumentality)

The degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome. So, one possible source of low employee motivation is the belief of the employee, that no matter how hard he or she works, the likelihood of one's performance recognized is low (Stephen etal, 2001)

C. Rewards –Personal goals relationship (Valence)

(Stephen 2001) this rewards personal goals as the degree to which organizational rewards satisfy individual personal goals or needs and the attractiveness of those potential rewards for the individual.

Table 1.Steps to increase motivation, using expectancy theory

Adopted from (Stephen etal, 2001, P: 146)

Expectancy theory relationship	What mangers can do
Effort-performance relationship (expectancy)	• Make sure that employees have the skills required to do the task assigned • Provide training • Assign reasonable tasks and goals
Performance-reward relationship (instrumentality)	• Be sure to actually observe or recognize performance • Be sure to deliver reward as promised
Rewards-Personal goals relation ship	• Determine from employees what kinds of rewards they value • Be sure that the reward given is things that are valued.

2.2.5.2 Equity theory

Equity theory is based on the assumption that a major factor in job motivation is the individual's evaluation of the equity or fairness of the reward received. Equity can be defined as a ratio between the individual's job inputs (such as effort or skill) and job rewards (such as pay or promotion). According to equity theory individuals are motivated when they experience satisfaction with what they receive from an effort in proportion to the effort they apply. People judge the equity of their rewards by comparing either to the rewards others are receiving for similar input or to some other effort/reward ratio that occurs to them. (Stephen, 2001)

He further stated that though equity theory emphasizes that employees are motivated by absolute rewards end the relative rewards n the system. So, the manager should make conscious efforts to establish and maintain equity in the work place.

From the above it is clear that various theorists have attempted to explain the issue of motivation from different points of view. One recurring issue is that everyone is motivatedby one force or the other. This force is intrinsically related to their own desires to achievevarious achieve goals.Motivation is thus the means through which people achieve performance and

are all routed in the cognitive processes of what is expected, valued, and received. For managers to motivate employees therefore there is the need to understand these processes in order to come up withappropriate reward programs for effective motivation.

2.3. Source of Motivation

There are two source of motivation;

Extrinsic motivation: - are tangible and distributed by others in the work place. Extrinsic motivation includes pay benefits and promotions and they also include drive to avoid punishments such as termination or being transferred.

Intrinsic motivation: - are moral or psychological motivators that a person feels in his job itself. Intrinsic motivation includes feeling of responsibility, achievement and accomplishment that something was learned from an experienced feeling of being competitive or that something was engaging task or goals (Fred Luthans, 2005).

2.4. Type of Motivation

2.4.1. Financial Motivation

Financial motivation is a type of motivation that can consists of base pay, differential pay or extra pay (bonus and incentives) for the performance and additional responsibilities. Money is strong motivator. Basic salary is payment for the job without any additional payment. Bonus is reward for success that paid out or some others which includes various form of exclusive bonus schemes and achievement bonus. Social payment includes those made working overtime shifts and out of normal working day like holidays (Kinicki. 1998).

2.4.2. Non-financial Motivation

It is a type of motivation which is not related to money. These include achievement and recognition.

Achievement can be defined as the need for success measured against personal standard or exclusive. Achievement can be rise by organization through process such as design, employment, and performance management skill. Recognition is one of the most effective means of motivating people that can be reward by managers who listen to an act up to the suggestions of their team member importantly acknowledge than rewarding people their

contribution. Influence rewarding people by yet another financial means or exercise power with ambitions (A. Kinicki 1998).

2.5. Importance of Motivation

The importance of motivation is maximum utilization of factors of production. Workers perform the work sincerely through the inspiration of motivation and this creates possibility of maximum utilization of factors of production, labor and capital.

- ✓ Increase willingness to work technically, mentally and physically fit perform the work.
- ✓ Reduce absenteeism; financial incentives make the workers to work more.
- ✓ Reduce turnover; incentives helps the workers not to leave from the organization.
- ✓ Build good employee relationship; motivation helps to solve labors problems of absenteeism and turn over in discipline relevance and ensure the building of good relation to others.
- ✓ Helps to realize organizational goals. Motivated employees involved in the performance of organizational tasks and work while hardly for the realization of organizational goals (Stephen, 1998).

According to (Rao, 2000 P. 517) is the process that influences people to act and determine the organizational efficiency. He stated that all facilities may go wasted if employees are not properly motivated. The same author describes as the importance of motivation can be judged from the following factors:

a. **Need satisfaction**: Motivation helps in satisfying individual as well as group need employees. It results in the voluntary co-operation and co-ordination of employees. In addition the goal of the organization can be easily achieved.
b. **Job satisfaction**: when employees are properly motivated, they use their skill and

c. knowledge up to their maximum ability to show better results to the management
d. **Productivity:** Motivation results in increased productivity since its basic objective is to achieve the goals to the enterprise and the being motivated workers give their best performance that helps in increasing the productivity of the organization

e. **Acceptance of organizational changes:** Technological changes taking place in the world have brought about revolutionary changes on productivity. Generally, employees resist these changes but with proper motivation, they accept these changes, thereby keeping the organization in line with the other competing concerns.
f. **Increasing allround efficiency**: The friction between the workers themselves and between the management and worker is decreased, resulting in an all-round efficiency. It helps in decreasing the wastages, accidents, complaints and grievances.
g. **Reduction in labor turnover and absenteeism:** One of the most important contributions of motivation is that employees prefer to stay in the organization there by bringing the labor turnover to the minimum. Similarly, motivated employees tend to be regular and the problem of absenteeism is minimized.
h. **Basisofco-operation**: Efficiency and output are increased through cooperation. The cooperation could not be obtained without motivation; thus, motivation is a basic of cooperation.

2.6. Factors to Encourage Motivation

- ✓ Believe about your employee strength
- ✓ Teach employees to measure their own success
- ✓ Treating employees with respect
- ✓ Inquire employees what they want
- ✓ Industry average benefits
- ✓ Providing regular employee respect
- ✓ Reduction in labor problems
- ✓ Best utilization of resource

Generally motivation increases the willingness of the workers and organizations are directly effective (Akintunde, 2005).

2.7. Employee Productivity

Employee productivitysometimes referred to as work force productivity is an assessment of the efficiency of a worker or a group of workers. Productivity may be evaluated in terms of output of an employee in a specific period of time. Typically the productivity of a given worker will be assessed relatively to an average of employees doing similar work because

much of the success of any organization relies up on the productivity of its work force. Employee productivity is an important consideration of organization (what is.techtarget.com).

Employee productivity is an element of productivity. Productivity is the relationship between an organization technology investment and its corresponding efficiency gains or return on investment (ibid).

2.8. How can Motivation Increase Productivity

As noted above motivated employee have a greater influence on the organizations performance. When leadership is efficient enough, it will be able to influence the organization performance (Shadar and Hammed, 2000).

A leader is like a father figure in a family and the rest of the members seek to emulate what they see in their father figure. The same applies in organization employees will follow what their leader says and does. If the leader is kind and approachable, then the employees are more likely to feel safe in the presence of their manager (Levoy, 2009).

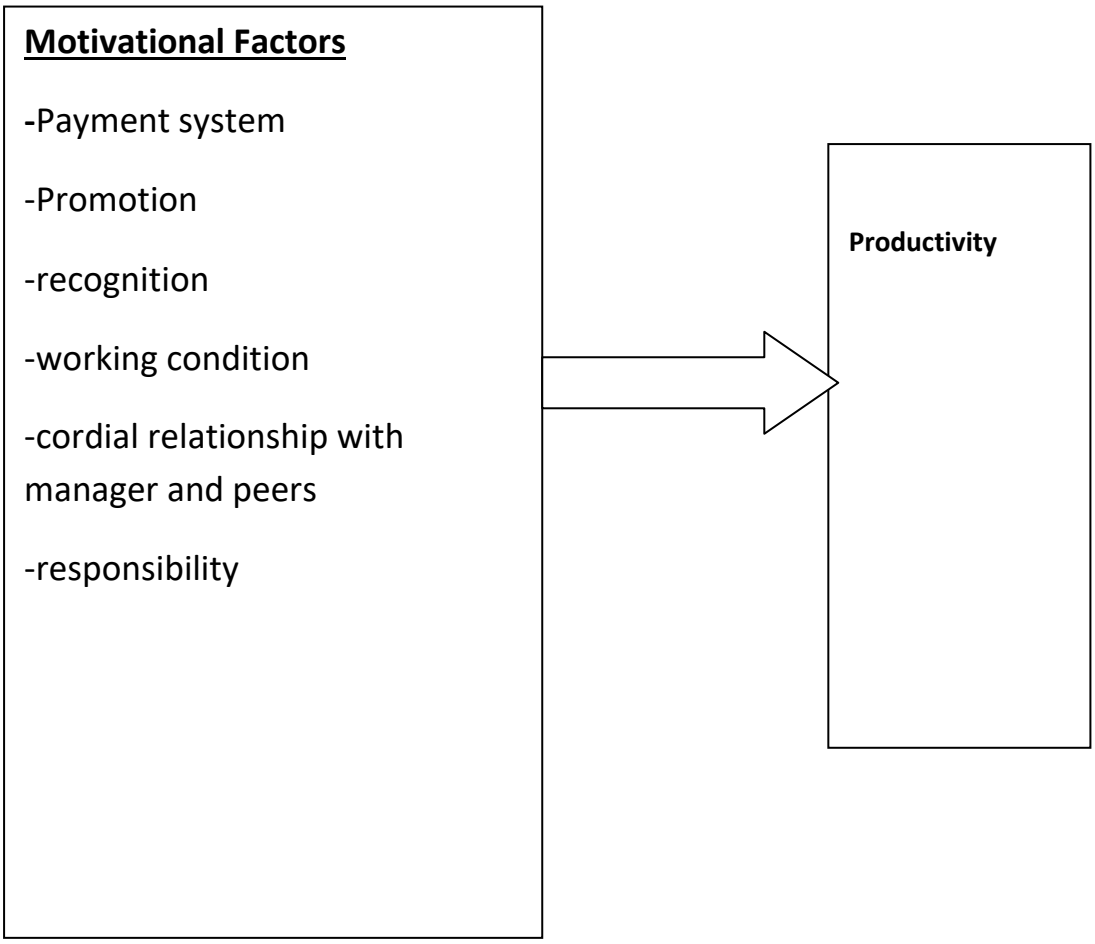
In return the employees will demonstrate their respect and trust in their leader by having an increased output the motivation in a team can be reflected and achieved when there is achievement of goals that are set, having better recognition system in place, a conductive working environment as well as clear self-growth that is evident. Goals that are set in a team together are more likely to be valued as the members are part of setting the goal. Involvement of the members is important in insuring continued production (Levoy and Ordoezet al. 2009).

2.9. Conceptual Frame work

Conceptual framework as illustrate in figure 2 describes the underlying relationship.

Motivation either financial or non financial leads to productivity and is influence by factors

such as payment system, recognition, promotion in the organization nature of work, cordial relationship with manager and peers, responsibility and working condition.



Source: developed by the researcher: Figure 2

The conceptual frame work of motivational factors leads to productivity

2.9.1. Payment

Fachin and Gavosto(2010)argued that understanding the causes of productivity is an important fundamental of manager responsible for production of goods and services. Muogbo (2014) believed that there is a relationship between monetary reward and worker performance. Tang (2012) found that pay and Labor productivity are closely linked. Danish

andUsmand(2010) argued that when workers are with their pay, they will function as a viable benefit for firm because their productivity leads the firm to success. Tang (2012) suggested that firms that pay more to workers will motivate workers to exert more effort and increase their productivity. Fang and Gerhart(2012) argued that the relationship between pay and productivity is insignificant, because pay can drastically diminish intrinsic motivation and may actually cause a decline in performance in jobs that require creativity and innovation. However, their argument does not apply to general workers who do routine jobs. Schaubroecket al. (2008) suggested that a significant pay raise can stimulate productivity of general workers, because their pay is generally low. Schaubroeck et al. (2008) also suggested

that general workersrespond positively to pay raises, as they then become motivated to exert more effort.

2.9.2promotion

Promotion or career advancement is a process though which an employee of a company is given a higher share of duties, a higher pay-scale or both. A promotion is not just beneficial for employees but is also highly crucial for the employer or business owners. It boosts the morale of promoted employees, increases their productivity and hence improves upon the overall profits earned by the organization. Promotion is not only a way to add more responsibilities to an employee but is a major form of boosting employee motivation and morale. This result in high productivity and prevents your company from losing its valuable and important employees. (Anastasia, 2015)

2.9.3. Recognition

Lack of recognition hinders productivity. Advances in technology will likely help, as will increased hiring. But smart manager realize simply recognizing employees for their contributions –helping them understand how meaningful their efforts are and how valuable they are to the organization – is fundamental to maintaining and yes, even increasing, productivity. The economic times recent reported on a poll on employee productivity from TJinsite, the research arm of time jobs.com, revealing: more than 35 percent of the employees consider lack of recognition of work as the biggest hindrance to their productivity. According

to them, rewards and recognition for achievements at workplace act as morale booster, which in turn increase their productivity. You can't just reward top performers, a client of ours tells us their annual employee survey reveals 90 percent + employees report receiving recognition boosts their productivity. Achieving these kinds of results in increased productivity and performance are possible by creating a true culture of recognition in which it becomes habit for all employees, at every level, to pause, notice and appreciate the efforts and achievements of those around them. (DEREK IRVINE, 2012)

2.9.4. working condition

Working condition are created by the interaction of employees with their organizational climate, and it includes psychological as well as physical working condition(Gerber et al., 1998:44). Luthans (1998:144) states that a psychological contract exists between the

employer and employee whereby they have psychological expectations of each other. Employees will perform better when they know what employer expects from them and vice versa. If employees are not aware of what the employer expect from them, they will be unsure and be less productive. According to mc Connell (2003:106) issues of physical working conditions such as heating, lighting, furnishing, space, noise, and equipment can also creates stress for employees.

2.9.5. Employees relationships with manager and peers

Many full – time employees spend more of their working hours with co-workers and manager than they do with their spouses and families. As such, it is important to allow employees the opportunity to build quality relationship with their co-workers and managers. This can be accomplished through the organization of informal get-togethers away from, as well as by encouraging employee interaction. There are many benefits that can be reaped by business owners who allow and foster good relationships in workplace such as increased employee productivity, improved team work and collaboration, improved employee morale and higher employee retention rates (Kate Mcfarlin, 2017)

2.9.6.Responsibility

From the employee perspective, it's about responsibility, ownership, and accountability. It's

also about trust; the employee is given the keys to the castle and trusted to do what's right for the customer and for the business. Empowerment means never having to ask, '' is it ok if I do this for my customer? '' empowerment means not having to ask for permission. When employees are empowered, they walk around with a sense of ownership, thinking and acting like they own the business. When you own a business, you put your heart and soul into it, into making it succeed. And they work together with others who are just as passionate and who share a common goal. These things combined result in efficiencies from a variety of angles. So benefits of employee empowerment include: -

-increase employee productivity

-increase employee loyalty

-improving work output/quality

-unleashing a sense of ownership and pride in their work

-boosting employee satisfaction

-and more, including cost benefits, as well empowered employees become ‘’better’’, more conscientious, employees overall. Soit would seem that empowerment is a pretty important thing –to your employees and to the organization. (Annette franz, 2015)

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Research Design

The research was used causal research design. Because the study was discovered the existence of the effect of employee motivation on productivity of theorganization. And was on the basis of the responses of the respondent.

3.2. Sampling Technique and Sample Size

3.2.1. Target population

The Target population forthis study is employees of Wolkite town municipality. The organization has 91 employees who are working permanently in the organization.

3.2.2. Sample size

The researcher was takes 74 respondents as a sample to select the sample by simple random sampling technique. The researcher was used Taro Yamane's (1967) sample size determination formula.

$n=N/1+N(e)^2$ Where; n=sample size

N =Total population

e=error

Assume the confidence level is 95% then the error be 5% =0.05

$n=91/1+91(0.05)^2$

=91/1+91(0.0025)= 91/1+0.2275=91/1.2275 =74…….Number of employees was talked.

3.2.3. Sampling Technique

Samples are made up of some of the members of the organization. Selecting a sample is a

Fundamental element for the study. In this study the researcher was used simple random sampling, because all of the employees are considered equal important for the study and in order to avoid bias and all employees was have equal chance to selected.

3.3. Source of Data and Method of Data Collection

3.3.1. Source of Data

The possible way of achieving the objective of the study is by gathering the relevant data. To do so the researcher was used primary source of data.

Primary source of data are original materials collect by the researcher for the first time which are created at a time and gives first-hand information to the researcher.

3.3.2. Method of Data Collection

The data for this study was collected through questionnaire such as Open ended and close ended questionnaire was prepared and distributed to respondents for more detail information to collect primary data.

3.4. METHOD OF DATA PRESENTATION AND ANALYSIS

For the analysis of data, the statistical package for social sciences (SPSS) was used.

The analysis of the data began in the study descriptive, correlation and regression method of data analysis to be important for transforming of the raw data in to forms that makes easy to understand and simply way accordingly, for realization and successful accomplishment of the study the data was collected from primary data was recorded, edited, organized, analyzed, interpreted, and presented in relation to research questions. Tables, percentage and frequency was used for presentation of data based on their appropriateness. Then, interpretation was made under each table by explaining the result in detail and theoretical explanation use to make clear evidence. Based on the analysis and interpretations the researcher was made conclusion and recommendations.

3.5. Model specification

Multiple Regression model is developed as follows to see the effect of independent variables

have on the dependent variables:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + b_6x_6 + e$$

Where Y= productivity

a =constant

B x= coefficient of x

e=error

X1= payment system

X2=promotion in the organization nature of work

X3=recognition

X4=working condition

X5=cordial relationship with manager and peers

X6=Responsibility

CHAPTER FOUR

4. DATA ANALYSIS AND PRESENTATION

This chapter provides a detailed analysis of data collected from field survey. It starts with demographic data whereas the other parts are founded on the study's research questions.
Correlation, regression as well as descriptive statistics is utilized in the discussion of the study's finding. A total of 74 questionnaires were distributed to employees of wolkite tow municipality out of which 65, representing about 88% of the respondent were returned properly and adequately completed. The data collected from the respondent via questionnaire were classified, organized and using the statistical package for social sciences(SPSS version 20) as presented below:

4.1. General information

4.1.2 Respondent's Gender distribution

Respondent gender was sought during the study. Results are as per table 4.1 below

Table 2.sex of the respondent

sex of respondent		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	45	69.2	69.2	69.2
	Female	20	30.8	30.8	100.0
	Total	65	100.0	100.0	

Source: own survey, 2019
The tables above indicate that the respondent's gender distribution was 45(68.2%) male and 20(30.8%) female. This implies that the wolkite

municipality is not biased in its employment but rather male dominating over their female counterparts.

4.1.3. Age Distribution

Respondent age was sought during the study. The results are as shown in table 4.2

Table 3.Age of respondents

age of respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29	33	50.8	50.8	50.8
	30-39	24	36.9	36.9	87.7
	40-49	7	10.8	10.8	98.5
	greater than 50	1	1.5	1.5	100.0
	Total	65	100.0	100.0	

Source: own survey, 2019

The respondent age distribution was 33(50.8%) for 20-29, 24(36.9%) for 30-39, 7(10.8%) for 40-49 and greater than 50 was 1(1.5%). The results shows that many of respondent are in the age bracket 50.8% (20-29), 36.9 %(30-39)10.8% (40-49) and greater than 50(1.5%). This can be interpreted majority of the municipality have concentrated young employees.

Table 4.martialstatus of respondent

4.1.4. Marital status

marital status of respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	23	35.4	35.4	35.4
	Married	41	63.1	63.1	98.5
	Divorced	1	1.5	1.5	100.0
	Total	65	100.0	100.0	

Source: own survey, 2019

The Martial status of the sample population, the above table 4.2.3 indicates that 41(63.1%) of respondent was married, 23(35.4%) of respondent was single and 1(1.5%) of respondent was divorced. It can thus be inferred that majority of the respondent are married.

4.1.5. Level of education

The respondent level of education was sought during the study. Shows the results in table4.4

Table 5.level of education for respondents.

level of education for respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below Grade 12	1	1.5	1.5	1.5
	Certificate	1	1.5	1.5	3.1
	Diploma	10	15.4	15.4	18.5
	Degree	47	72.3	72.3	90.8
	master and above	6	9.2	9.2	100.0
	Total	65	100.0	100.0	

Source: own survey,2019

The level of education, the table 4.4 revealed that 72.3% are degree graduates followed by those diploma with 15.4%, 9.2% are master and above graduates 1.5% of certificate and 1.5% of below grade 12. The research shows that greater percentage of workers in municipality is well educated to perform which is good for the organization.

4.1.6 years of service

Table 6.years of service for respondent

year of service for respondent		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 2	3	4.6	4.6	4.6
	2-5	20	30.8	30.8	35.4
	6-10	31	47.7	47.7	83.1
	greater than 10	11	16.9	16.9	100.0
	Total	65	100.0	100.0	

Source: own survey, 2019

The research revealed that 47.7% had work with the service between 6-10 years, 30.8% had worked 2-5, 16.9% had worked greater than 10 years and 4.6% had worked less than 2 years as indicated by above table. Its further indicates that higher proportion municipality workers had spent much time with the service and had acquired enough experience to deliver service.

4.2. Descriptive Analysis

The following criteria were used to determine the level of independent variables high (greater than or equal to 4), Moderate (3.00-3.99), and low (<3.00) (paulalanmosheti, 2013)

4.2.1 Payment system

Salary is plays a distinctive role in how well your employees perform. And incentive pay, based on the quantity of work delivered rather than on the time spent on the job, is particularly beneficial for increasing worker productivity (Linda Ray, 2018)

Table 7.payment system

		my organization pay me well	there is interactive incentive for employees	my salary is fair when compared with that of similar job in other companies	i receive allowances for special duties and overtime on the job
N	Valid	65	65	65	65
	Missing	0	0	0	0
Mean		2.4154	3.6154	2.3538	2.4462
Std. Deviation		.68219	.57804	.67154	.70779

Source: own survey, 2019

From the response; respondent there is interactive incentive for employees moderately agreed with the mean of 3.6154 and standard deviation of 0.89604, I receive allowances for special duties and overtime on the job disagree with the mean of 2.4462 and standard deviation of 0.88443, my organization pay me well disagree with the mean of 2.4154 and standard deviation of 0.84580 and my salary is fair when compared with that of similar job in other companies disagree with the mean of 2.2615and standard deviation of 0.83436. This result shows that most of respondent there is incentive but others payment system are insufficient. From table 4

4.2.2: promotion

Promotion is used as a reward for better work performance and organizationally approved form of behavior. People will work harder if they feel that this will lead to promotion. It provides satisfaction to personnel who enhance their morale, productivity, and loyalty to the organization. Promotion provides avenues for continuous learning and development. This process increases individual effectiveness and consequently, organizational effectiveness (Prasad, 2012).

Table 8.promotion

		my organization create better growth opportunity for me	the organization is sufficiently promote their employees	my job allows me for rapid promotion	organization promote employees based on their commitment
N	Valid	65	65	65	64
	Missing	0	0	0	1
Mean		2.2923	2.4462	2.7077	2.4462
Std. Deviation		.72291	.81069	.93078	.84836

Source: own survey, 2019

From the response of the respondent ,organization promote employees based on their commitment are disagree with the mean of 2.4083 and standard deviation of 0.77087, the organization is sufficiently promote their employees are disagree with the mean of 2.43098and standard deviation of 0.68395, my job allows me for rapid promotiondisagree with the mean of 2.7077 and standard deviation of 0.84267 and my organization create better growth opportunity for me are disagree with the mean of 2.2923 and standard deviation of 0.84267. This shows that most of the respondent are unsatisfied the with the promotion practice of the municipality.

4.2.3Relationship

Spector (2008), posited that an Employees relationship with his manager is also a basis for satisfaction employee's value relationship with their mangers as the most important aspect of relationship with management (SHRM, 2014).

When relationship with managers are cordial, with the manger being understanding, communicating effectively and providing frequent feedback when necessary, Giving much attention to staff, wellbeing and personal issues, the employees productivity levels is likely to be higher(Lumley, Coetzee,taldinyane and Ferreira, 2011)

Table 9.4 Relationship

		my relationship with co-workers and manager strictly professional	my manager criticizes me when I fail to meet expectations	I enjoy a friendly relationship with co-workers and manager outside the work	my organization does a lot to improve the relationship amongst all staff
N	Valid	65	65	65	65
	Missing	0	0	0	0
Mean		3.5538	3.7846	3.7538	2.3846
Std. Deviation		.79118	.59928	.66216	.84210

Source: own survey, 2019

From the response of the response of the respondent, I enjoy a friendly relationship with co-workers and managers outside the work are moderately agreed with the mean of 3.7538

And standard deviation of 0.66216, my manager criticizes me when I fail to meet expectations are moderately agreed with the mean of 3.7846and standard deviation of 0.59928,my relationship With co-workers and manager strictly professional are agreed with the mean of 3.5538 and the standard deviation of 0.79118and my organization does a lot to improve the relationship amongst all staff are disagreed with the mean of 2.3846 and standard deviation of 0.84210. This result shows that most of response of the respondent the relationship of employees with co-worker and manager is good but the organization in order improves good relationship with all staff unsatisfied.

4.2.4.working condition

Most business limits the rate at which they enhance the productivity level of their workforce to skill acquisition. The kind of work place or environs where a worker operates also affect the level at which such an organization my flourish (Akinyele, 2010). He suggested that about 80% of productivity concerns are the result of the nature working conduction in most organizations.

Table 10.working condition

		I enjoy a conducive and friendly working condition	i am happy within the organization culture	my organization does a lot to improve the working condition	my office is spacious and comfortable
N	Valid	65	65	65	65
	Missing	0	0	0	0
Mean		2.2154	2.2308	2.2615	2.4769
Std. Deviation		.48387	.63169	.44289	.75224

Source: own survey, 2019

From the response of the respondent my office is spacious and comfortable are disagree with mean of 2.4769 and standard deviation of 0.75224, I enjoy a conducive friendly working conduction are disagree with mean of 2.2154769 and standard deviation of 0.89281, my organization does a lot to improve the working conduction are disagree with mean of 2.2000 and with standard deviation of 0.61745 and I am happy within the organization culture are disagree with mean of 2.3538 and with standard deviation of 0.75892. The result shows

that the most of respondent response working condition of the municipality is unfavorable and the organization effort in order to improve this situation is unsatisfied.

4.2.5: Recognition

Rewarding employees who work the hardest and play nice at the office is a great way to increases productivity in the office. Why does it matter so much to reward employees who don't allow their Egos to get the best of them? Because it preserves a healthy, fruitful company works culture. It will also help increases productivity (Alfred stallion, 2016)

Table 11.Recognition

		my organization appreciates me based on contribution	the municipality is reward their employees by assuming they effort and achievement	is the organization have adequate plan and policy for recognition	the organization recognition policy is not sufficient
N	Valid	65	65	65	65
	Missing	0	0	0	0
Mean		2.3385	2.4154	2.3538	3.6462
Std. Deviation		.85288	.72656	.62327	.67154

Source: own survey, 2019

From the response of the respondents the organization recognition policy is not sufficient are moderately agreed with the mean of 3.6462 and with standard deviation of 0.67154, my organization appreciates me based on contribution is disagree with mean of 2.3385 and standard

deviation of 0.85288, is the organization have adequate plan and policy for recognition are disagree with mean of 2.3538 and standard deviation of 0.62327 and the municipality is reward their employees by assuming they effort and achievement are disagree
with the mean of 2.4154nd standard deviation of 0.72656. This result shows that most of the respondent recognition of employees and the policy or plan is insufficient from table 4.10

4.2.6. Responsibility

Empowerment improves Employees employee commitment, creativity, productivity, satisfaction and motivation. And empowerment can improve job satisfaction and productivity if it increases the feeling of ownership in employees(Alfred Sarkissian, 2017).THE research wanted to establish the effects of responsibility on productivity. Several indicators of responsibility and how the affected productivity where identified cautiously by the researcher.

Table 12.responsibility

		my organization involves me in decision making	my organization is empower their employees to complete assigned tasks	employees of the organization are participate in critical issues of the organization	empowerment of employees to make necessary decision is not sufficient
N	Valid	65	65	65	65
	Missing	0	0	0	0
Mean		2.4615	3.6923	2.4308	3.7385
Std. Deviation		.66325	.61041	.76993	.64413

Source: own survey, 2019

From the responses of the respondent, empowerment of employees to make necessary decision is not sufficient are moderately agreed with the mean 3.7385 and standard deviation of 0.64413, my organization is empower their employees to complete assigned tasks are moderately agreed with the mean of 3.6923 and with standard deviation of 0.61041, my organization involves me in decision making are disagree with the mean of 2.4615 and standard deviation of 0.66325and employees of the organization are participate in critical issues of the organization are disagree with the mean of 2.4308 and standard deviation of 0.76993. The result shows that most of the respondents are employee empowerment is unsatisfied from table 4.11

4.3. Regression analysis and correlation analysis

Regression analysis helps in order to measure the relative strength of independent variable i.e. determine the effect of employee motivation on productivity in municipality.

The researcher carried out analysis to shows association correlation is used between the variables of the study. The results are shown in the following sections.

4.3.1. Correlation analysis.

For this study was used to describe the strength of association among the variables as follows. Table 4.12: Interpretation of r value were r value higher (0.80), r value moderate (0.35-0.60) and r value was low (<0.35)(Bartz, 1999). A Pearson correlation analysis was conducted to establish the relationship between dependent variables (productivity) and independent variables (payment, promotion, relationship, working condition, recognition and responsibility)

Table 13.Pearson correlation between independent variables and productivity.

Correlations		Payment	Promotion	Relationship	Working condition	Recognition	responsibility	Productivity
Payment	Pearson Correlation	1	-.079	-.051	-.302*	.192	.096	.383**
	Sig. (2-tailed)		.529	.689	.014	.125	.445	.002
	N	65	65	65	65	65	65	65
Promotion	Pearson Correlation	-.079	1	-.045	.050	.217	.033	-.017
	Sig. (2-tailed)	.529		.722	.691	.082	.792	.891
	N	65	65	65	65	65	65	65
Relationship	Pearson Correlation	-.051	-.045	1	.104	.063	.342**	-.089
	Sig. (2-tailed)	.689	.722		.411	.617	.005	.482
	N	65	65	65	65	65	65	65
Workingcondition	Pearson Correlation	-.302*	.050	.104	1	-.231	-.100	-.383**
	Sig. (2-tailed)	.014	.691	.411		.064	.427	.002
	N	65	65	65	65	65	65	65
Recognition	Pearson Correlation	.192	.217	.063	-.231	1	.357**	.456**
	Sig. (2-tailed)	.125	.082	.617	.064		.003	.000
	N	65	65	65	65	65	65	65
Responsibility	Pearson Correlation	.096	.033	.342**	-.100	.357**	1	.408**
	Sig. (2-tailed)	.445	.792	.005	.427	.003		.001
	N	65	65	65	65	65	65	65
Productivity	Pearson Correlation	.383**	-.017	-.089	-.383**	.456**	.408**	1

	Sig. (2-tailed)	.002	.891	.482	.002	.000	.001	
	N	65	65	65	65	65	65	65

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

As can be seen in the table above, payment relatedness to employees productivity i.e. (r=0.383, p<0.01) there exist a positive low and statistically significant relationship in between. It can be also observed that, there exist a positive moderate and statistically significant relationship between recognition and productivity (r=0.456, p<0.01), similarly there exist a positive moderate and statistically significant relationship between responsibility and productivity (r=0.408, p<0.01).

As shown in the table above, (r=-0.017, p>0.01) there exist very low and statistically UN significant relationship between promotion and employee productivity and there also exist very low and statistically UN significant relationship between relationship and employee productivity (r=-0.089p>0.01). There is relationship observed between working condition and employee productivity (r=-0.385, p<0.01) are statistically there exist a negative low and significant.

4.3.2. Regression analysis

Table 14.Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.665[a]	.442	.384	.39170

Predictors: (Constant), responsibility, promotion, working condition, payment, relationship, recognition

(Source: own survey, 2019)

The model summary above indicates a coefficient of the correlation R of 0.665 signifying presence of strong positive relationship between the study's variables. The coefficient of determination R squares' .442 showing that 44.2% change in employees productivity in the municipality is explained by independent variable motivation (payment, recognition and responsibility).

Table 15.ANOVA[a]

Model		Sum of Squares	D f	Mean Square	F	Sig.
1	Regression	7.040	6	1.173	7.647	.000[b]
	Residual	8.899	58	.153		
	Total	15.938	64			

a. Dependent Variable: productivity

b. Predictors: (Constant), responsibility, promotion, working condition, payment, relationship, recognition

Source: own survey, 2019

From the analysis, it is noted that the probability value of 0.000($p<0.05$) indicates that the regression relationship was highly significant in predicating how payment, promotion, relationship, working condition, recognition and responsibility influenced productivity.

Further, the findings show that the model was significant.

The F-ratio describes whether the results of the regression model could have occurred by chance. Large F value and a small significance level (sig.) (typically smaller than 0.05 or 0.01)

indicate that the results probably are not due to random chance. Accordingly, as can be seen from the table below the F value is 7.647 and is significant at 0.000. Hence, the researcher can suggest that, the

regression model adopted in this study has not occurred by chance and is considered significant

Table 16.Coefficients [a]

Model		Un standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.755	.872		2.012	.049
	Payment	.367	.171	.224	2.140	.037
	Promotion	-.068	.099	-.069	-.681	.498
	Relationship	-.234	.129	-.193	-1.821	.074
	Working condition	-.289	.157	-.195	-1.842	.071
	Recognition	.443	.180	.275	2.464	.017
	Responsibility	.385	.128	.337	3.002	.004

a. Dependent Variable: productivity

Source: own survey, (2019)

The researchers was believes that the independents variables (promotion, relationship, working condition) were affects significantly employees productivity of the municipality employees. But the Beta co-efficient shows that negative and UN significant effect on employees productivity of the municipality.

From the findings, the established equation becomes

$Y= 1.755 + 0.367x_1 + 0.443x_2 x + 0.385x_3$

Y-productivity

X1- Payment

X2- recognition

X3- responsibility

From the analysis the co-efficient value for payment system of the organization was

0.367.this means that all thing being equal, when the other independent variables (recognition and responsibility) are held constant, productivity would increases by 36.7% if there is 100%|

improvement in payment. This was statistically significant (0.037<0.05) i.e. the variable payment is making a significant unique contribution to the predication of the dependent variable (productivity)

From the analysis the co-efficient value for recognition of the organization was 0.443.this means that all thing being equal, when the other independent variables (payment system and responsibility) are held constant, productivity would increases by 44.3% if there is 100%| improvement in payment. This was statistically significant (0.017<0.05) i.e. the variable recognition is making a significant unique contribution to the predication of the dependent variable (productivity)

From the analysis the co-efficient value for responsibility of the organization was 0.385.This means that all thing being equal, when the other independent variables (payment system and recognition) are held constant, productivity would increases by 38.5% if there is 100%| improvement in payment. This was statistically significant (0.004<0.05) i.e. the variable responsibility is making a significant unique contribution to the predication of the dependent variable (productivity).

4.5. The benefit of motivation

Within the open -end questions were asked to the benefit of motivation for the employees of the municipality.

The following were the responses givens as the benefits of motivation them. to enhance hard working, to increases loyalty and to increases punctuality, enhance my interest to do my work ,enhancing employees productivity, enhancing employees efficiency, enhancing employees job satisfaction ,help to love my organization ,minimizes absenteeism ,help to me reaching personal goals, increases dynamism, accomplish work on time, to create good relationship with each other, enhance cooperativeness and increases my commitment. From this the importance of motivationis maximum utilization of factors of production. Workers perform the work sincerely through the inspiration of motivation and this creates possibility of maximum

utilization of factors of production, labor and capital (filed survey, 2019)

4.6. The factors that motivates employees

Within open –end questions were asked to mention some of the factors that motivate them as employees in the municipality

the following were the responses given as factors that motivate them payment system, salary and bonus, better promotion, overtime pay, rewards, training and development, smooth relationship between others employees and managers, job security, respect each other's, impartiality, recognitions, good working condition, responsibility, leadership style, team work fringe benefits, interactive incentive, and office facilities (field survey, 2019)

CHAPTER FIVE

SUMMARY,CONCLUSIONSAND RECOMMENDATIONS

5. Introduction

This chapter presents the summary of the finding of the study, draws conclusions from the study and also makes recommendations for the study, and areas of further research suggested.

From the study, it can be noted that the male employees form the majority by 69.2% while female are represented by 30.8%. This implies that wolkite municipality Service is not biased in its employment but only that the gap between males and females are huge that is more than 100%. The study also reveals that 50.% of the respondents are within the age group of 20-29 years followed by those in the age group of 30-39 years at 36.9% followed by 40-49 years 10.8% and those of greater than 50 years at only 1.5%. This means that the wolkite town municipality Service is having young and energetic people in the service with less people nearing the retiring age. On the highest professional qualification, the study revealed that 72.3% are BA Degree graduates, followed by those of diploma, master and above, certificate and below grade 12. This shows that greater percentage of workers in education sector is well educated which is good for the organization.

The overall perception of respondents towards the payment system of the organization in terms of the relatedness with payment dimension, like well payment, fairness with compared with other, the municipality salary classification, allowances for special duties and overtime on the job shows that the majority of the respondents were not satisfied.

The overall perception of respondents towards the promotion practices of the municipality in terms of creates better growth opportunity, job allows for rapid promotion, promotes employees based on their commitment and sufficiently promote employees by the municipality,

most of respondents were not happy. So that current promotion practices wasn't enough.

The overall perception of respondents towards the employees relationship with co-workers and managers of the municipality in terms of they have strictly professional relationship with co-workers and manager, the manager criticizes their employees when fail to meet

Expectations enjoy a friendly relationship with co-workers and manager outside the work, most of respondents were happy. But the municipality a lot to improve the relationship amongst all staff municipality, most of respondent were not happy.

The overall perception of respondents towards the employees responsibility of the municipality in terms of employees involves to make decision, employees the organizations participate in critical issues of the organization, and empowerment of employees to make necessary decision most of respondents were not sufficient. But the municipality empower their employees to complete assigned tasks were happy.

The rest of dimensions (working condition and recognition) majority of respondents were not satisfied.

Outcomes from correlation analysis pointed out to know the relationship between employee's motivation and productivity, the respondents, a correlation coefficient was done by Pearson's Product Movement Correlation. Hence, almost all the independent variables

Payment, ($r=0.383$, $p<0.01$), recognition ($r=0.456$, $p<0.01$), responsibility, ($r=0.408$, $p<0.01$) are positively and significantly related to employee productivity and working condition ($r-0.383$, $p<0.01$) is negatively and significantly related to employees productivity. But promotion ($r_-0.017$, $p>0.01$) and relationship ($r_-0.089$, $p>0.01$) are negatively and UN significantly related to productivity of employees.

Results from regression analysis indicates that .442 of variance that explained productivity of municipality employees are in terms of the independent variables i.e. payment system, recognition, and responsibility.

The independent variables (Payment system, recognition and responsibility) are positively and significantly related to employee productivity as this variable changes indirectly affect employee productivity. But independent variable (promotion, relationship and, working condition) are negatively and UN significant related to employees productivity

5.2 Conclusion.

As the main objective of the study is to assess the effect of employee motivation on productivity on wolkite Town Municipality. Depending on the information that was obtained from the Municipality the researcher put the following conclusions.

- It can be concluded smooth relationship with employees and manager, appreciation for work done, salary and bonus, promotions, empowerment of employees, training and development and other factors were the main source of motivation for them.
- The finding showed the mean values for payment system of the municipality were the lowest. This mean the municipality payment system in order to motivate the employees of the organization was poor and they haven't attractive payment practices.
- The mean values for promotion practices of the municipality were lowest. so that to conclude this the municipality promotion employees was un satisfied and not adequately promoted their employee.

- The finding showed that the mean value for working condition of the organization very low. Therefore this study concludes the working condition of the municipality was UN favorable to perform their deals activity.
- The finding showed the mean value for employee's recognition in the municipality was lowest. This study concludes the municipality employee's recognitions in order to increases employee's productivity was less motivating.
- The finding showed the mean value for employee responsibility was very less, In this study concluded the municipality empowerment employees in order to increases effectiveness employees in this organization was not attractive.
- The overall analysis about perception of employees towards the motivational practice of the municipality as being not enough to increases productivity of employees.
- This study concludes that employee motivation has a significant effect and is a predictor of productivity.

5.3. Recommendation

The findings have revealed numerous potential weaknesses that are preventing employee productivity. The organization needs to improve motivational system of the organization. If it is to be successful in caring out. Its objectives and to increases employees productivity. Based on the results of the study, the following recommendations have been drawn for the

organization to improve the motivation system of the organization in order to increases employees productivity.

- ✓ First the management of the Municipality is advised to understand about employees' motivation and use of employees' motivation for employee productivity because employee's motivation affects employee's productivity. And

Employees are the back bone of the organization. That means any organization is nothing and empty without its employees.

Since most of the employees of the organization are males the researcher recommends that the organization shall give chance to females to sustain equal beneficiary with males.

- ✓ The municipality should pay competitive, reasonable and attractive payment in order to increases employees productivity and retain competent and motivated employee. Since from result payment is found to be best predictors and most contribution factors of employee productivity. Effective, fair and equitable payment system (salary, allowance, overtime pay and others) should be put in place to help encourages, support sustained improvement in work motivation that in turn contributes to the overall success of employees and organizations. Therefore, other things remain as it is, organization that operates in a competitive market to make profits, it should place the right payment tools that can boost the motivational level of its employees in order to increases employees productivity.
- ✓ The municipality should recognizing and acknowledging these efforts as well as rewarding employees for their fruitful efforts by using some ways used to recognize the effort of your work place such as day-to-day recognition(small words of praise, little words encouragement and others), informal recognition(such as gestures of encouragement and appreciation) and formal recognition(such as rewards for services, contribution, and achievements).Since from result recognition is found to be best predictors and most contribution factors of employee productivity. If rewards offered are not competitive, it will be difficult to increases staff productivity, since potential employees can obtain better rewards from competitors. Existing staff may also be tempted to leave the organization if they are aware that their reward system is uncompetitive.

- ✓ The municipality should empowers their employees by using some way (give employees time, believe in your employees, let employees make decisions and encourage a sense of ownership) to increases their employee productivity. When employees feel empowerment in the workplace, they tend to be more productive. From result responsibility is found to be best predictors and most contribution factors of employee productivity.The municipality should be adjust and review current motivational practice that are factor that affect employee productivity.
- ✓ In general, the effectiveness of reasonable payment system, recognition, and responsibility are affects employee productivity. Therefore, the proper implementation of all these aspects leads to high employee productivity because of without employee motivation; organization cannot achieve its objectives.
- ✓ The study also recommends that future research may explore to find out other unaddressed variable.

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From My Case Area (wolkite Town Municipality Office)

APPENDIX

WOLKITE UNIVERSITY

COLLEGE OF BUSSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

Questionnaire to be Filled by Respondents:-

Dear respondents I would like to say thank you for giving your valuable time and for your cooperation in filling questionnaire. The following questions are to be ask during collection of data for the research entitled the effect of employee motivation on productivity. The questionnaires are designed and used only for academic purpose and the information you will offer will be kept confidentially. Your genuine response to the questions will have great immeasurable contribution to the outcome of the final research.

Instruction

- No need to write your name
- Please put "X" in the box or circle the alternative for close ended questions
- Give short and brief answer on the space provided for open ended questions

Part1. Demographic Information

1. Sex: - A. Male ☐ B. Female ☐

2. Age: - A. < 20 ☐ B. 20-29 ☐ C.30-39 ☐

D. 40-49 ☐ E. >50 ☐

3. Marital Status: - A. Single ☐ B. Married ☐

C. Divorced ☐ D. Widowed ☐

4. Level of Education: -A. Below grade 12 ☐ B. Certificate ☐

C. Diploma ☐ D. Degree ☐ E. Master and Above ☐

5. Year of Service: - A. <2 ☐ B.2-5 ☐ C. 6-10 ☐ D. >10 ☐

Part2. Main Questions

Choose from the suggested list below your level of agreement or disagreement to the motivational factors and indicate how motivates employees in the municipality. And how affect productivity. Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and strongly Disagree=1.

Section A

S. no	payment	5	4	3	2	1
1	My organization pay me well					
2	there is interactive incentives for employees					
3	My salary is fair when compared with that of similar job in other companies					
4	I receive allowances for special duties and overtime on the job					
5	Payment system is affect productivity					

Section B

S. no	Promotion	5	4	3	2	1
1	my organization create better growth opportunity for me					
2	The organization is sufficiently promote their employees					
3	My job allows me for rapid promotion					
4	organization promote employees based on their commitment					
5	Opportunity for growth is affect productivity					

Section C

S. no	Relationship with co-worker and manager	5	4	3	2	1
1	My relationship with co-workers and manager strictly professional					
2	My manager criticizes me when I fail to meet expectations					
3	I enjoy a friendly relationship with co-workers and manager outside the work					
4	My organization does a lot to improve the relationship amongst all staff					
5	Cordial relationship with co-workers and manager is affect productivity					

Section D

S no	Working condition	5	4	3	2	1
1	I enjoy a conducive and friendly working condition					
2	I am happy within the organization culture					

3	My organization does a lot to improve the working condition					
4	My office is spacious and comfortable					
5	Working condition affect productivity					

Section E

S no	Recognition	5	4	3	2	1
1	My organization appreciates me based on contribution					
2	The municipality is reward their employees by assuming they effort and achievement					
3	Is the organization have adequate plan and policy for recognition					
4	The organization recognition policy is not sufficient					

5	Appreciation of employees is affect productivity					

Section F

S no	Responsibility	5	4	3	2	1
1	My organization involves me in decision making					
2	My organization is empower their employees to complete assigned tasks					
3	employees of the organization are participate in critical issues of the organization					
4	Empowerment of employees to make necessary decision is not sufficient					
5	Delegation of authority is affect productivity					

Part 3

1. What is the benefit of motivation for you?

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2 mention some of the factors that motivate you in your work

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3 what you recommended your company to improve it's motivation system.
